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DARA BIOSCIENCES ANNOUNCES COMPLETION OF TOXICOLOGY STUDIES FOR ITS PPAR-DELTA/GAMMA AGONIST, DB959

Company also provides pipeline update

RALEIGH, N.C., October 2, 2008 – DARA BioSciences, Inc. (NASDAQ: DARA), a development-stage pharmaceutical company, announced the completion of all toxicology studies necessary for entering Phase 1 clinical trials for its PPAR-delta/gamma agonist, DB959. DB959 is a novel insulin sensitizer designed to correct the insulin resistance of Type 2 diabetes. In pre-clinical studies, the drug has demonstrated potent PPAR -delta activity, which the Company believes will be beneficial in treating cholesterol and lipoprotein abnormalities in diabetics. DB959 has also demonstrated two additional benefits in pre-clinical studies: (i) a significant reduction in weight gain of approximately 70% compared to Avandia®, and (ii) synergistic effects on insulin sensitivity arising from both PPAR delta and PPAR gamma activity.

The Company expects to file an Investigational New Drug (“IND”) application with the FDA for DB959 this quarter in order to launch Phase 1 clinical trials early in the first quarter of 2009.

John Didsbury, Ph.D., President, Chief Operating Officer and Chief Scientific Officer of DARA BioSciences said, “PPAR-delta and drugs that activate this protein, like DB959, have recently generated attention based on the findings of Lasker Award winner Dr. Ronald Evans. Dr. Evans’ work has demonstrated how a powerful gene-controlling protein, PPAR-delta, instructs fat cells to burn off fat and generates high levels of Type 1 muscle fibers needed for endurance. He also described two compounds that directly and indirectly activate PPAR delta, which successfully stimulate the muscle-remodeling system in mice, generating more high-endurance Type 1 fiber [Cell (2008)134:1-11]. While our compound, DB959, is a potent PPAR -delta activator, it also utilizes PPAR -gamma activity to help control high blood sugar. DB959 has demonstrated the ability to increase good HDL cholesterol, improve the HDL: LDL ratio and lower triglyceride levels in pre-clinical studies using dyslipidemic animals. With this profile of activities DB959 has the potential to provide a cardiovascular benefit to diabetic patients and be positioned as a leading successor in the branded PPAR-gamma agonist market segment, currently dominated by Avandia® and Actos®.”

Pipeline Update

In addition to DB959, DARA has the following drugs in its active development pipeline:

- KRN5500 has been shown [Neuroscience Lett.(2002) 330:37-40] to inhibit nerve cell pain signals and inhibit excitatory post-synaptic potentials in a manner similar to a μ -opioid agonist and Neurontin®. The Company is currently conducting a Phase 2a study to assess the drug's safety as well as its efficacy in alleviating neuropathic pain in terminally-ill cancer patients. The study is expected to be completed in the fourth quarter of 2008.
- DB160 is a DPP-IV inhibitor that inactivates a key hormone involved in promoting control of blood sugar levels thus causing an increase in the body's levels of this hormone, giving diabetics better control of their blood sugar levels. Early IND-enabling studies have been completed with successful synthesis of multi-kilogram amounts of cGMP drug. The Company is assessing the compound's utility for non-diabetes indications.
- DB900 is a PPAR triple agonist (gamma/alpha/delta) that activates genes involved in the metabolism of sugars and fats. In pre-clinical studies, DB900 has shown potential cardiovascular benefits in patients with Type 2 diabetes by raising good HDL cholesterol, lowering bad LDL cholesterol and lowering triglycerides. A clinical candidate is being selected from a small number of attractive compounds.
- DB200 is a topical agent program for the treatment of psoriasis. DB200 -class compounds have the potential to inhibit both the hyper-proliferation of skin cells and the heightened inflammatory response seen in the disease. A clinical candidate is being selected from a small number of attractive compounds.

About DARA BioSciences, Inc.

DARA BioSciences™, Inc. ("DARA") is a Raleigh, North Carolina-based development-stage pharmaceutical company that acquires and develops promising drug candidates. DARA focuses its therapeutic development efforts on small molecules from late preclinical development through Phase 2 clinical trials. DARA has a portfolio of drug candidates for neuropathic pain, Type 2 diabetes, and psoriasis. For more information please contact the Company at 919-872-5578 or visit our web site at www.darabiosciences.com.

Forward-Looking Statements

All statements in this news release that are not historical are forward-looking statements within the meaning of the Securities Exchange Act of 1934 as amended. Such forward-looking statements are subject to factors that could cause actual results to differ materially for DARA from those projected. Those factors include risks and uncertainties relating to DARA's current cash position and its need to raise additional capital in the

near term in order to be able to continue to fund its operations, DARA's ability to develop and bring new products to market as anticipated, the current regulatory environment in which the company develops and sells its products, the market acceptance of those products, dependence on partners, successful performance under collaborative and other commercial agreements, competition, the strength of DARA's intellectual property, the intellectual property of others, and other risk factors identified in the documents DARA has filed, or will file, with the Securities and Exchange Commission. Copies of DARA's filings with the SEC may be obtained from the SEC Internet site at <http://www.sec.gov>. DARA expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in DARA's expectations with regard the reto or any change in events, conditions, or circumstances on which any such statements are based.

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