



DepoMed, Inc. Announces Initial Public Offering

November 5, 1997

FOSTER CITY, CA - November 5, 1997 -- DepoMed, Inc. today announced its initial public offering of 1,200,000 Units (each Unit consisting of one share of common stock and one common stock purchase warrant), at a price of \$6.10 per Unit. The Units are quoted on the Nasdaq Small Cap Market under the symbol "DPMDU". The Units will separate in three months or at such earlier time as agreed to between the Company and National Securities Corporation, the manager for the offering. After such time, the common stock and warrants will be quoted on the Nasdaq Small Cap Market under the symbols "DPMD" and "DPMDW", respectively. DepoMed has granted the underwriters a 45-day over-allotment option to purchase up to an additional 180,000 Units at the initial public offering price.

The Company intends to use the net proceeds of the offering for research and development, laboratory and facilities capital expenditures, repayment of certain indebtedness and working capital and general corporate purposes.

DepoMed, Inc., a development stage company, is engaged in the development of new and proprietary oral drug delivery technologies. The Company has developed two types of oral drug delivery systems, the Gastric Retention System (the "GR System") and the Reduced Irritation System (the "RI System"). The GR System is designed to be retained in the stomach for an extended period of time while it delivers the incorporated drug or drugs. The RI System is designed to reduce gastrointestinal irritation, a side effect of many orally administered drugs. The Company currently has collaborative agreements with Bristol-Myers Squibb Company and GalaGen, Inc.

Copies of the prospectus may be obtained from National Securities Corporation, 520 Madison Avenue, 10th Floor, New York, NY 10022. Telephone: 212-832-6700.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to their registration or qualification under the securities laws of such state.

The statements in this press release that are not historical facts are forward-looking statements that involve risk and uncertainties, including risks associated with the development of products, technological changes, FDA and other regulatory approvals, dependence on and need for collaborative partners, competition, uncertainty relating to patent and proprietary rights and other risks identified in the Company's registration statement on Form SB-2 (File No. 333-25445), filed with the Securities and Exchange Commission. Actual results, events, and performance may differ materially. Readers are cautioned not to place undue relevance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to release publicly the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated events.