As filed with the Securities and Exchange Commission on
March 11, 1997
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

CYPROS PHARMACEUTICAL CORPORATION
(Exact name of Registrant as specified in its charter)

California (State or other jurisdiction of Identification incorporation organization	2714 West Loker Avenue Carlsbad, California 92008 (619) 929-9500	33-0476164 (I.R.S.Employer Identification Number)

(Address, including zip code, and
telephone number, including area code,
of Registrant's principal executive
offices)

David W. Nassif, Esq.
Vice President and Chief Financial Officer

CYPROS PHARMACEUTICAL CORPORATION
2714 Loker Avenue West
Carlsbad, California 92008
(619) 929-9500
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

Copy to:
M. Wainwright Fishburn, Esq.
COOLEY GODWARD LLP
4365 Executive Drive, Suite 1100
San Diego, CA 92121
(619) 550-6000

Approximate date of commencement of proposed sale to the
public: As soon as practicable after the effective date of
this Registration Statement.

If the only securities being registered on this Form are being
offered pursuant to dividend or interest reinvestment plans,
please check the following box. [ ]

If any of the securities being registered on this Form are to
be offered on a delayed or continuous basis pursuant to Rule
415 under the Securities Act of 1933, other than securities
offered only in connection with dividend or interest reinvestment
plans, check the following box. [X]

If this Form is filed to register additional securities for
an offering pursuant to Rule 462 (b) under the Securities
Act, please check the following box and list the
Securities Act registration statement number of the
earlier effective registration statement for the same
offering. [ ]

If this Form is a post-effective amendment filed pursuant to
Rule 462 (c) under the Securities Act, check the following
box and list the Securities Act registration statement
number of the earlier effective registration statement for
the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered (1)	Proposed maximum offering price per share (1)	Proposed maximum aggregate offering price (1)	Amount of registration fee
Common Stock, no par value	1,328,969 shares	$5.41	$7,189,722	$2,179.00

(1) Estimated in accordance with Rule 457(c) solely for the purpose of computing the amount of the registration fee based on the average of the high and low prices of the Registrant's Common Stock as reported on the NASDAQ National Market System on March 6, 1997.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED March 11, 1997

P R O S P E C T U S

1,328,969 Shares

Cypros Pharmaceutical Corporation
Common Stock

This Prospectus relates to 1,328,969 shares (the "Shares") of Common Stock, no par value per share (the "Common Stock"), of Cypros Pharmaceutical Corporation (the "Company"). The Shares may be offered by shareholders of the Company (the "Selling Shareholders") from time to time, as market conditions permit on the NASDAQ National Market System, or otherwise, through ordinary brokerage transactions, in negotiated transactions, at fixed prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Selling Shareholders may effect such transactions by selling the Shares to or through brokerdealers, and all such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the Selling Shareholders and/or the purchasers of the Shares for whom such broker-dealers may act as agent or to whom they sell as principal, or both (which compensation as to a particular brokerdealer might be in excess of customary commissions). See "Selling Shareholders" and "Plan of Distribution."

None of the proceeds from the sale of the Shares by the Selling Shareholders will be received by the Company. The Company has agreed to bear certain expenses (other than fees and expenses, if any, of counsel or other advisors to the Selling Shareholders) in connection with the registration and sale of the Shares being offered by the Selling Shareholders. The Company has agreed to indemnify the Selling Shareholders against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended.

The Common Stock of the Company is traded on the NASDAQ National Market System under the symbol "CYPR." On March 6, 1997, the last sale price for the Common Stock as reported by NASDAQ was $5.50

per share.

The Common Stock offered hereby involves a high degree of risk. See "Risk Factors" beginning on page 3.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SE CURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is March , 1997

The information contained herein is subject to completion or ame ndment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

THE COMPANY

Cypros Pharmaceutical Corporation (the "Company") was founded in California in 1990 and is engaged in the development and marketing of drug products for the hospital market. It is currently marketing three injectable products and is developing two small molecule therapeutic drugs, CPC-111 and CPC-211, for the treatment of disorders, such as stroke, traumatic head injury, congestive heart failure, cardiac surgery, sickle cell crisis, and the acute complications of angioplasty, all of which are characterized by ischemia (impaired blood flow), which interrupts the delivery of both glucose and oxygen to tissue. The Company's executive offices are located at 2714 Loker Avenue West, Carlsbad, California 92008, and its telephone number is (619) 929-9500.

RISK FACTORS

Except for the historical information contained herein, the discussion in this Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed here. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the following risk factors as well as those discussed elsewhere in this Prospectus and any documents incorporated herein by reference.

The following factors, in addition to those discussed elsewhere in this Prospectus, or incorporated herein by reference, should be carefully considered in evaluating the Company and its business.

Continuing Operating Losses

The Company reported a net loss of $1,493,515 or $0.13 per share for the quarter ended January 31, 1997, compared to a loss of $740,460 or $0.06 per share for the prior-year period. The Company expects that it will continue to incur operating losses as it increases expenditures for clinical testing, Investigational New Drug Application and New Drug Application filings and other regulatory activities, U.S. patent prosecution, and product acquisition and sales and marketing activities. To achieve profitable operations, the Company, alone or with others, must successfully develop, obtain regulatory approval for, introduce, acquire, market and sell additional products. There can be no assurance that the Company's product acquisition and development efforts will result in additional products, that required regulatory approvals will be obtained with respect to all or any of its products now under development or that any of these products will be commercially successful.

Significant Capital Requirements; Need for Additional Financing

The development and commercialization of drugs requires the commitment of significant capital expenditures. The Company

believes that existing capital resources and the cash flow from its recently-acquired products will allow it to maintain its current and planned operations for at least two years. In addition to funds provided from exercises of its currently outstanding Redeemable Class B Warrants (the "Class B Warrants"), the Company is seeking to obtain additional funds through public or private equity financings, collaborative or other arrangements with corporate partners or from other sources. There can be no assurance that such additional financing can be obtained on desirable terms or at all. If additional funds are not available, the Company may be required to curtail significantly or eliminate one or more of its research, discovery or development programs or obtain funds through arrangements which may require the Company to relinquish rights to certain of its products.

Uncertainties Associated with Regulatory Approval

A marketed drug, its manufacturer and its manufacturing facilities are subject to continual review and periodic inspections, and later discovery of previously unknown problems with a product, manufacturer or facility may result in restrictions on such product or manufacturers, including a withdrawal of the product from the market. Failure to comply with the applicable regulatory requirements can, among other things, result in fines, suspensions of regulatory approvals, product recalls, operating restrictions and criminal prosecution. Further, additional government regulation may be established which could suspend or revoke regulatory approval of the Company's products.

Unproven Products

In addition to its three approved drugs, the Company has other products in various stages of development which are subject to the risks inherent in drug development, including unforeseen problems, delays, expenses and complications frequently encountered with the early phases of research, development and commercialization of products, the dependence on and attempts to apply new and rapidly changing technology and the competitive environment of the pharmaceutical industry. Many of these factors may be beyond the Company's control, such as unanticipated development requirements, testing, regulatory compliance and manufacturing, production, and marketing problems and expenses. The Company does not anticipate being able to complete the development of its proposed products for a number of years, if at all. All of the Company's drugs are subject to extensive regulation and those in development will require approval from the U.S. Food and Drug Administration (the "FDA") and other regulatory agencies prior to commercial sales. The Company may not complete the testing and regulatory approval process for any of its products in development in the foreseeable future and, accordingly, is unable to predict whether they will be commercially successful. Further, there can be no assurance that the Company's drugs under development will attain acceptance by providers, payors or patients.

Patents, Proprietary Technology and Licenses

The Company's success is dependent in large measure upon its ability to obtain patent protection for its drugs, maintain confidentiality of its trade secrets and know-how and operate without infringing upon the proprietary rights of third parties. The Company has licensed rights to five U.S. patents from the holders of the patents on CPC-111 and CPC-211, but each of these licenses may be terminated in the event that the Company fails to achieve certain milestones or accomplish certain other contractual obligations. Upon any such termination, all of the Company's rights would revert to the licensor. The termination of the license covering CPC-111 or CPC-211 would have a material adverse effect on the Company and would cause the Company to focus its efforts on its remaining drug development programs which are not as far advanced. There can be no assurance that the Company will maintain the licenses in effect through the successful development and commercialization of these drugs.

The U.S. patent position of pharmaceutical companies involves many complex legal and technical issues and has recently been the subject of much litigation. There is no clear policy establishing the breadth of claims or the degree of protection afforded under such patents. As a result, there can be no assurance that any of the U.S. patent applications will be approved, except where claims under an application have already been examined and allowed, nor that the Company will develop additional proprietary products that

are patentable. There can be no assurance that any U.S. patents issued to the Company or its licensors will provide the Company with any competitive advantages or will not be challenged by any third parties or that patents issued to others will not have an adverse effect on the
ability of the Company to conduct its business.

Furthermore, because patent applications in the United States are maintained in secrecy until issue, and because publication of discoveries in the scientific and patent literature often lag behind actual discoveries, the Company cannot be certain that it was the first chronologically to make the inventions covered by each of its pending patent applications or that it was the first to file patent applications for such inventions. In the event that a third party has also filed a patent application for any of its inventions, the Company may have to participate in interference proceedings declared by the United States Patent and Trademark Office to determine priority of the invention, which could result in substantial cost to the Company, even if the eventual outcome is favorable to the Company. In addition, there can be no assurance that the Company's patents, including those of the licensors above, would be held valid by a court of law of competent jurisdiction. If patents are issued to other companies that contain competitive or conflicting claims which ultimately may be determined to be valid, there can be no assurance that the Company would be able to obtain a license to any of these U.S. patents.

Under Title 35 of the United States Code, as amended by the General Agreement on Tariffs and Trade implementing the Uruguay Round Agreement Act of 1994 ("GATT"), patents that issue from patent applications filed prior to June 8, 1995, will have a 17 year period of enforceability as measured from the date of patent issue while those that issue from applications filed on or after June 8, 1995 will have a 20-year period of enforceability as measured from the date the patent application was filed or the first claimed priority date, whichever is earlier. Patents that issue from applications filed on or after June 8, 1995, may be extended under the term extension provisions of GATT for a period up to five years to compensate for any period of enforceability lost due to interference proceedings, government secrecy orders or appeals to the Board of Patent Appeals or the Federal Circuit.

Under the Drug Price Competition and Patent Term Restoration Act of 1984, including amendments implemented under GATT (the "Patent Term Restoration Act"), the period of enforceability of a first or basic product patent or use patent covering a drug may be extended for up to five years to compensate the patent holder for the time required for FDA regulatory review of the product. This law also establishes a period of time following FDA approval of certain drug applications during which the FDA may not accept or approve applications for similar or identical drugs from other sponsors. Any extension under the Patent Term Restoration Act and any extension under GATT are cumulative. There can be no assurance that the Company will be able to take advantage of such patent term extensions or marketing exclusivity provisions of these laws. While the Company cannot predict the effect that such changes will have on its business, the adoption of such changes could have a material adverse effect on the Company's ability to protect its proprietary information and sustain the commercial viability of its products. Furthermore, the possibility of shorter terms of patent protection, combined with the lengthy FDA review process and possibility of extensive delays in such process, could effectively further reduce the term during which a marketed product could be protected by patents.

The Company also relies on trade secrets and proprietary know-how. The Company has been and will continue to be required to disclose its trade secrets and proprietary know-how not only to employees and consultants, but also to potential corporate partners, collaborators and contract manufacturers. Although the Company seeks to protect its trade secrets and proprietary know-how, in part by entering into confidentiality agreements with such persons or organizations, there can be no assurance that these agreements will not be breached, that the Company would have adequate remedies for any breach or that the Company's trade secrets will not otherwise become known or be independently discovered by competitors.

Dependence on Others for Manufacture

The Company currently does not have any capability to manufacture products under current good manufacturing practices ("cGMP") as required by the FDA. It relies on third parties to manufacture and formulate Ethamolin, Glofil and Inulin, its three injectable drug products currently being marketed, and to manufacture and formulate CPC-111 and CPC-211, its two drug candidates currently in clinical trials. Although the Company believes that it will be able to contract with alternative suppliers for its products if its current suppliers are unable to supply the Company with its needs for bulk and formulated drugs, there can be no assurance that this will be the case or that the need to contract with additional suppliers will not delay the Company's ability to have its products manufactured. There can be no assurance that these manufacturers will meet either the Company's requirements for quality, quantity and timeliness or the FDA's cGMP requirements or that the Company would be able to find a substitute manufacturer for any of its products in the future. In the event that the Company is unable to obtain or retain contract manufacturers that can manufacture its products under cGMP requirements, or to obtain manufacturing on commercially acceptable terms, it may not be able to commercialize its products as planned.

Potential Claims

Certain members of the Company's Scientific Advisory Board ("SAB") and certain Scientific Advisors who have developed technology used for the Company's products are employees of universities, research hospitals or other institutions. The Company believes that such institutions have no claim to any of the Company's inventions, technology or products. While no claim has been asserted by any such institution, there can be no assurance that such institutions will not assert claims to any or all of such inventions, technology or products or that, if any such institution does assert such rights, the Company, if it so desires, will be able to acquire the rights thereto from such institution at a commercially practical cost or at all.

Government Regulation

The Company's development, manufacture and sale of drug products are subject to extensive and rigorous regulation by federal, state, local and foreign governmental authorities. In particular, products for human health are subject to substantial preclinical and clinical testing and other approval requirements by the FDA and comparable foreign regulatory authorities. The process for obtaining the required regulatory approvals from the FDA and other regulatory authorities takes many years and is very expensive. There can be no assurance that any drug developed by the Company will prove to meet all of the applicable standards to receive marketing approval. There can be no assurance that any such approvals will be granted on a timely basis, if at all. Delays in and costs of obtaining these approvals could adversely affect the Company's ability to commercialize its drugs and to generate significant sales revenues. If regulatory approval of a drug is obtained, such approval may involve restrictions and limitations on the use of the drug.

Other conditions for an approval are based on the drug's manufacture and the quality control procedures in place, such as cGMP. Failure to insure compliance with cGMP requirements could result in delay or termination of clinical trials or withdrawal of an approval. Following market approval, the drug will continue to be subject to compliance with applicable federal, state, local and foreign laws and regulations. There can be no assurance that the FDA will grant approval of any of the Company's drugs in a timely manner or at all.

Governmental Reforms

Health care reform is an area of increasing national and international attention and a priority of many elected officials in the United States. Several proposals to modify the current health care system in the United States to improve access and control costs are currently being considered by federal and state governments. It is uncertain what legislation, if any, will be adopted or what actions governmental or private payors for health care goods and services may take in response to proposed or actual legislation in the United States. The Company cannot predict the outcome of health care reform proposals or the effect such reforms may have on its business.

Clinical Trial and Product Liability Claims and Uninsured Risks

The Company may be exposed to liability resulting from the conduct of its clinical trials or the commercial use of its drugs. Such liability might result from claims made directly by patients, hospitals, clinics or other consumers or by pharmaceutical companies or others manufacturing such drugs on behalf of the Company. The Company currently has clinical trial and product liability insurance, but there can be no assurance that it will be adequate to protect the Company against liability.

Competition and Technological Change

The products that the Company is marketing and the drugs that the Company is developing may compete for market share with alternate therapies. A number of companies are pursuing the development of novel pharmaceuticals which target the same diseases as the Company is targeting. Many of these competitors have substantially greater capital resources, research and development staffs and facilities than the Company. They may develop and introduce products and processes competitive with those of the Company. They represent significant long-term competition for the Company. For certain of the Company's drugs, an important factor in competition may be the timing of market introduction of these competitive products. This timing will be based on the effectiveness with which the Company or the competition can complete clinical trials and approval processes and supply quantities of these products to market. Competition among products approved for sale will be based on, among other things, efficacy, safety, reliability, price, marketing capability and patent position.

The pharmaceutical industry has undergone rapid and significant technological changes. The Company expects that the technologies associated with its research and development will continue to develop rapidly. There can be no assurance that the Company will be able to establish itself in such fields or, if established, that it will be able to maintain a competitive position. Further, there can be no assurance that the development by others of new or improved processes or products will not make the Company's products and processes, if any, less competitive or obsolete.

Dependence on Key Personnel

The Company's success also depends in large part on its ability to attract and retain other qualified scientific and management personnel. The Company faces competition for such persons from other companies, academic institutions, government entities and other organizations. There can be no assurance that the Company will be successful in recruiting or retaining personnel of the requisite caliber or in adequate numbers to enable it to conduct its business as proposed. Furthermore, the Company's expected expansion into activities requiring additional expertise in manufacturing, sales and marketing will place increased demands on the Company's resources and management skills.

Limited Sales and Marketing Capability

The commercialization of products such as the Company's drugs is an expensive and time-consuming enterprise. The Company now has a nine-person sales and marketing department, including six sales representatives for Ethamolin, Glofil and Inulin, and intends to hire additional sales representatives as sales of those products increase and/or other products are acquired by the Company. The Company believes that it will be able to serve the hospital market in North America with a 50 to 100 person sales and marketing staff. There can be no assurance that the Company will be able to establish successfully sales and distribution capabilities or be successful in gaining market acceptance for its drugs or to obtain the assistance of any other pharmaceutical company in these efforts if it should seek assistance.

Reimbursement

In both domestic and foreign markets, sales of the Company's products will be dependent in part on the availability of reimbursement from third party payors, such as government and private insurance plans. Third party payors are increasingly challenging the prices charged for medical products and services. There can be no assurance that the Company's products will be

considered cost-effective, that reimbursement will be available or, if available, that the payor's reimbursement policies will not adversely affect the Company's ability to sell its products profitably.

Outstanding Warrants and Options

There are currently outstanding 4,673,512 Class B Warrants. Additional shares of Common Stock are issuable as follows: (i) 1,176,937 shares of Common Stock are reserved for issuance pursuant to outstanding options under the Company's 1992 Stock Option Plan and (ii) 181,500 shares are reserved for issuance pursuant to outstanding options under the Company's 1993 Non Employee Directors' Stock Option Plan. Holders of warrants and options are likely to exercise them when, in all likelihood, the Company could obtain additional capital on terms more favorable than those provided by the warrants and options. Further, while the warrants and options are outstanding, they may adversely affect the terms on which the Company could obtain additional capital.

Potential Volatility of Stock Price

There has been significant volatility in the market price of securities of biomedical companies in general. Announcements of technological innovations or new commercial products by the Company or its competitors, developments concerning proprietary rights, clinical trial results, government policy or regulation, relations with licensors or other corporate partners, general market conditions or public concern as to the safety of biomedical products and period to period fluctuations in revenues and financial results may have a significant impact on the Company's business and on the market price of the Company's securities.

Dividends Not Likely

The Company has not paid any cash dividends on its Common Stock. For the foreseeable future it is anticipated that earnings, if any, which may be generated from the Company's operations will be used to finance the growth of the Company and that cash dividends will not be paid to holders of Common Stock.

SELLING SHAREHOLDERS

The following table sets forth certain information regarding the beneficial ownership of Common Stock of the Selling Shareholders as of March 5, 1997 and as adjusted to give effect to the sale of the Shares offered hereby. The Shares are being registered to permit public secondary trading of the Shares, and the Selling Shareholders may offer the Shares for resale from time to time. See "Plan of Distribution."

Name and Address of Selling Shareholders	Number of Shares Beneficially Owned Prior to Offering	Number of Shares Being Offered	BeneficialOwnership After Offering Number ofShares	Percent
President and Fellows of Harvard College c/o Harvard Management Company, Inc. 600 Atlantic Avenue Boston, MA 02210	1,250,000(1)	1,000,000	250,000	*
Fernhill Partners c/o Wood Island Associates 80 E.Sir Francis Drake Blvd Larkspur, CA 94939	75,000(1)	75,000	0	*
Paresco, Inc. 101 Hudson Street Jersey City, NJ 07302	215,874(2)	215,874	0	*

Liberty View Plus Fund 101 Hudson Street Jersey City, NJ 07302	25,397(2)	25,397	0	*
Liberty View Fund, LLC 101 Hudson Street Jersey City, NJ 07302	12,698(2)	12,698	0	*

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* Less than one percent.

(1) On March 5, 1997, the Company entered into Common Stock Purchase Agreements (the "Agreements") with the President and Fellows of Harvard College ("Harvard") and Fernhill Partners ("Fernhill"), whereby Harvard and Fernhill agreed to purchase 1,000,000 and 75,000 shares, respectively, of the Company's Common Stock (the "Stock") at $4.645 per share. The Agreements require that the Company register the Stock with the SEC prior to closing the transaction.

(2) On April 10, 1996, Paresco, Inc., Liberty View Plus Fund and Liberty View Fund LLC (the "Purchasers") each purchased a mandatorily convertible note from the Company in the principal amounts of $850,000, $100,000 and $50,000, respectively with a maturity of April 9, 1999 (the "Notes"). The principal amount of the Notes (or portions thereof is convertible beginning April 10, 1997), and the remaining principal amount of the Notes will be automatically converted (if not converted in full before then) on April 9, 1999. When converted at the noteholders election, the principal amount being converted will convert at a 25% discount from the 10-day average of the closing prices for the Company's Common Stock preceding the conversion date, subject to a minimum conversion price of $1.00.

In anticipation of the first date that the Purchasers can convert the Notes, the Company is registering herein a certain amount of shares issuable upon conversion of the Notes, which amount may be increased or decreased over time by means of an amendment to this registration statement. For SEC purposes, the number of shares listed above as beneficially owned by the Purchasers assumes conversion based on a 25% discount from a 10 day average closing price of $5.25 per share. However, the filing of this registration statement is not intended to reflect any obligation of the Purchasers to convert all or any portion of the Notes on April 10, 1997.

PLAN OF DISTRIBUTION

The Company has been advised that the Selling Shareholders may sell Shares from time to time, as market conditions permit, on the NASDAQ National Market System, or otherwise, through ordinary brokerage transactions, in negotiated transactions, at fixed prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Selling Shareholders may effect such transactions by selling the Shares to or through brokerdealers, and all such broker-dealers may receive compensation in
the form of discounts, concessions or commissions from the Selling Shareholders and/or the purchasers of the Shares for whom such broker-dealers may act as agent or to whom they sell as principal, or both (which compensation as to a particular broke-rdealer might be in excess of customary commissions). The aforementioned methods of sale may not be all-inclusive.

Any broker-dealer acquiring the Shares in the over-the-counter market from the holder may sell the Shares either directly, in its normal market-making activities, through or to other brokers on a principal or agency basis or to its customers. Any such sales may be at prices then prevailing in the over-ther-counter market, at prices related to such prevailing market prices or at negotiated prices to its customers or a combination of such methods. The Selling Shareholders and any broker-dealers that act in connection with the sale of Shares hereunder may be deemed to be "underwriters" within the meaning of Section 2(11) of the Securities Act; any commissions

received by them and profits on any resale of the Shares as principal might be deemed to be underwriting discounts and commissions under the Securities Act. Any such commissions, as well as other expenses of the Selling Shareholders and applicable transfer taxes, are payable by such parties, as the case may be.

The Company has agreed to indemnify the Selling Shareholders against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended.

LEGAL MATTERS

The validity of the shares of Common Stock offered hereby have been passed upon for the Company by Cooley Godward LLP, 4365 Executive Drive, San Diego, California 92121. As of the date of this Prospectus, a partner of Cooley Godward LLP, holds 45,625 shares of Common Stock and options to purchase 37,500 shares of Common Stock.

EXPERTS

The financial statements of Cypros Pharmaceutical Corporation included in Cypros Pharmaceutical Corporation's Annual Report (Form 10-K) for the year ended July 31, 1996, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by the Company may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549, and at the Commission's following Regional Offices: Chicago Regional Office, Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and New York Regional Office, 7 World Trade Center, New York, New York 10048. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549.

The Company has filed with the Commission a Registration Statement on Form S-3 under the Securities Act, with respect to the Common Stock offered hereby. This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the Common Stock offered hereby, reference is made to the Registration Statement and the exhibits and schedules thereto, which may be inspected without charge at, and copies thereof may be obtained at prescribed rates from, the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996, the Company's Form 8-K dated November 4, 1996, the Company's Form 10-Q for the quarter ended October 31, 1996 filed with the Securities and Exchange Commission (the "Commission") are hereby incorporated by reference in this Prospectus except as superseded or modified herein. The description of the Common Stock which is contained in the Registration Statement on Form S-1 (No. 33-51682), effective November 3, 1992, as filed with the Commission under the Act, including any amendment or reports filed for the purpose of updating such description, is hereby incorporated by reference into this Prospectus and shall be deemed to be a part hereof. All documents filed with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") after the date of this Prospectus and prior to the termination of the offering

shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents.

Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Prospectus. The Company will provide without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon written or oral request of such person, a copy of any and all of the documents that have been or may be incorporated by reference herein (other than exhibits to such documents which are not specifically incorporated by reference into such documents). Such requests should be directed to the Vice President and Chief Financial Officer of the Company at the Company's principal executive offices at 2714 Loker Avenue West, Carlsbad, California 92008.

No person is authorized in connection with any offering made hereby to give any information or to make any representation not contained or incorporated by reference in this Prospectus, and any information or representation not contained or incorporated herein must not be relied upon as having been authorized by the Company or the Selling Shareholders. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, by any person in any jurisdiction in which it is unlawful for such person to make such offer or solicitation. Neither the delivery of this Prospectus at any time nor any sale made hereunder shall, under any circumstances, imply that the information herein is correct as of any date subsequent to the date hereof.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses payable by the Registrant in connection with the sale of the Common Stock being registered. All the amounts shown are estimates except for the SEC registration fee and the Nasdaq NMS listing application fee.

SEC Registration fee	$ 2,179.00
NASDAQ NMS listing application fee	17,500.00
Legal fees and expenses	6,000.00
Accounting fees and expenses	3,000.00
Total	$ 30,679.00

Item 15. Indemnification of Officers and Directors.

Under Section 317 of the California Corporations Code, the Registrant is authorized to indemnify its directors, officers, employees and other agents against liabilities they may incur in such capacities, including liabilities under the Securities Act of 1933, as amended. The Registrant's Bylaws provide that the Registrant will indemnify its directors and executive officers and may indemnify its other officers, employees and other agents to the full extent permitted by law. The Bylaws further provide that rights, conferred under such Bylaws shall not be deemed to be exclusive of any other rights such persons may have or acquire under any statute, any provisions of the Registrant's Restated Articles of Incorporation or Bylaws, or any agreement, vote of the shareholders or disinterested directors or otherwise.

In addition, the Registrant's Restated Articles of Incorporation provide that to the fullest extent permitted by California law, the Company's directors will not be personally liable for monetary damages for breach of the directors' fiduciary duty of care to the Company and its shareholders. This provision in the Restated Articles of Incorporation does

not eliminate the duty of care, and in appropriate circumstances equitable remedies such as an injunction or other forms of non-monetary relief would remain available under California law. Each director will continue to be subject to liability for breach of the director's duty of loyalty to the Registrant, for acts or omissions not in good faith or involving intentional misconduct for knowing violations of law, for actions leading to improper personal benefit, for acts or omissions that constitute an unexcused pattern of inattention that amounts to an abdication of the director's duty to the Registrant or its shareholders and for payment of dividends, approvals of stock repurchases or redemptions or loans or guarantees that are unlawful under California law. These provisions do not affect a director's responsibilities under any other laws, such as the federal securities laws or the state or federal environmental laws.

There is no pending material litigation or proceeding involving a director, officer, employee or other agent of the Registrant as to which indemnification is being sought, nor is the Registrant aware of any pending or threatened material litigation that may result in claims for indemnification by any director, officer, employee or other agent.

Item 16.
Exhibits.

Exhibit Number	Description of Document
5.1	Opinion of Cooley Godward LLP.
10.1	Common Stock Purchase Agreement.
23.1	Consent of Ernst & Young LLP, Independent Auditors.
23.2	Consent of Cooley Godward LLP. Reference is made to Exhibit 5.1.
24.1	Power of Attorney. Reference is made to page 18.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the provisions described in Item 15 or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes: (1) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume
of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum

offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided however, that clauses (i) and (ii) do not apply if the information required to be included in a post-effective amendment by these clauses is contained in periodic reports filed by the Registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement; (2) that, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes: (1) for purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of the registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of the registration statement as of the time it was declared effective; (2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and (3) for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, County of San Diego, State of California, on the 7th day of March, 1997.

CYPROS PHARMACEUTICAL CORPORATION

By: ----------
Paul J. Marangos
Chairman of the Board,
President and Chief Executive Officer
(Principal executive officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Paul J. Marangos, Ph.D., and David W. Nassif, and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the undersigned and in his name, place and stead, in any and all capacities, to sign any or all amendments (including post-effective amendments) to the Registration Statement and to file the same, with all exhibits thereto, and all documents in connection therewith,

with the Securities and Exchange Commission, granting unto said attorneysin-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, each acting alone, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
- ---------- Paul J. Marangos	Chairman of the Board, President and Chief Executive Officer (Principal executive officer)	March 7,1997
- ---------- David W. Nassif	Vice President, Chief Financial Officer and Secretary (Principal financial and accounting officer)	March 7,1997
- ---------- Digby W. Barrios	Director	March 7,1997
- ---------- Robert F. Allnutt	Director	March 7,1997
- ---------- Virgil D.Thompson	Director	March 7,1997
- ---------- Robert A. Vukovich	Director	March 7,1997

INDEX TO EXHIBITS

Exhibit Number	Description	Sequentially Numbered Page
5.1	Opinion of Cooley Godward LLP	21
10.1	Common Stock Purchase Agreement	24
23.1	Consent of Ernst & Young LLP, Independent AuditorsIndependent Auditors	43

Exhibit 5.1

March 7, 1997

Cypros Pharmaceutical Corporation
2714 Loker Avenue West
Carlsbad, California 92008

Ladies and Gentlemen:
You have requested our opinion with respect to certain matters in connection with the filing by Cypros Pharmaceutical Corporation (the "Company") of a Registration Statement on Form S-3 (the "Registration Statement") with the Securities and Exchange Commission covering the offer and sale of up to an aggregate of one million three hundred twenty eight thousand nine hundred sixty nine (1,328,969) shares of the Company's Common Stock, no par value, by certain shareholders, in connection with the resale of an aggregate of 253,969 shares of the Company's Common Stock (the "Converted Shares") issuable upon conversion of three Convertible Notes, each due and payable as of April 9, 1999 (the "Notes") and 1,075,000 shares of the Company's Common Stock (the "Shares") issuable upon the closing of sales pursuant to two Common Stock Purchase Agreements, each dated as of March 5, 1997 (the "Stock Purchase Agreements").

In connection with this opinion, we have examined the Registration Statement and related Prospectus, your Restated Articles of Incorporation, as amended, your Bylaws, as amended, the Notes, the Stock Purchase Agreements, and such other documents, records, certificates, memoranda and other instruments as we deem necessary as a basis for this opinion. We have assumed the genuineness and authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies thereof, and the due execution and delivery of all documents where due execution and delivery are a prerequisite to the effectiveness thereof.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Converted Shares, when sold and issued in accordance with the Notes, and that the Shares, when sold and issued in accordance with the Stock Purchase Agreements, will be validly issued, fully paid, and nonassessable.
We consent to the reference to our firm under the caption "Legal Matters" in the Prospectus included in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

Cooley Godward, LLP

By:/s/ M. Wainwright Fishburn, Jr.
Wainwright Fishburn, Jr.

EXHIBIT 10.1

COMMON STOCK PURCHASE AGREEMENT

THIS AGREEMENT is made this 5th day of March, 1997, between CYPROS PHARMACEUTICAL CORPORATION, NASDAQ Symbol ("CYPR") (the "Company"), a California corporation, with its principal office at 2714 Loker Avenue West, Carlsbad, CA 92008, and the PRESIDENT AND FELLOWS OF HARVARD COLLEGE (the "Purchaser"), c/o Harvard Management Company, Inc. with its principal office at 600 Atlantic Avenue, Boston, MA 02210.

IN CONSIDERATION of the mutual covenants contained in this Agreement, the Company and the Purchaser agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement:

"Closing" means the execution and delivery of the Share Certificate, the delivery of a final prospectus for the Common Stock (as that term is defined below) and the receipt of the wire transfer on the Closing Date.

"Closing Date" means the date agreed to by the parties for the Closing.

"Common Stock" means the Common Stock of the Company, no par value.

"Share Certificate" means the duly executed certificate representing the number of shares of Common Stock being purchased by the Purchaser hereunder.

Section 2. Authorization and Execution of Agreement.

2.1 Authorization. Subject to the terms and conditions of this Agreement, the Company has authorized (i) the execution and delivery to the Purchaser's counsel, Ropes & Gray, One International Place, Boston, Massachusetts 02110, of this Agreement and the delivery of the opinion of Cooley Godward LLP, counsel to the Company, in the form attached hereto as Exhibit A, covering the matters set forth in Sections 3.1, 3.2, 3.3, and 3.8, and (ii) the execution and delivery on the Closing Date of one or more Share Certificates representing 1,000,000 shares of Common Stock, along with a copy of the final prospectus relating to resale of the Common Stock.

2.2 Agreement to Purchase the Common Stock. On the Closing Date, subject to the terms and conditions of this Agreement, the Company will issue and sell to the Purchaser, and, in reliance upon the representations and warranties of the Company contained in this Agreement, the Purchaser will purchase from the Company 1,000,000 shares of Common Stock in exchange for $4,645,000.

2.3 Closing. The Closing shall be held as soon as possible following the date that the Securities and Exchange Commission has declared effective the registration statement required to be filed by the Company pursuant to Section 7 of this Agreement.

2.4 Payment and Delivery. The Closing shall take place at the offices of the Purchaser's counsel. At the Closing, the following shall occur:

(a) Purchaser shall remit by wire transfer $4,645,000 to the Company pursuant to wire transfer instructions to be delivered by the Company to the Purchaser at least one day prior to the Closing.

(b) The Company shall deliver the Share Certificate(s) and the final prospectus relating to the Registrable Shares (as that term is defined in Section 7 below).

2.5 Termination of Agreement. If the closing has not occurred within 60 days of the date hereof, then the Purchaser may terminate this Agreement immediately by a written notice to that effect to the Company. In the alternative, the Purchaser may proceed with the closing, in which case the Company will

continue to use its best efforts to have the SEC declare the registration statement effective. In the event of termination, neither party shall have any further responsibility or liability to the other party.

Section 3. General Representations and Warranties of the Company. The Company hereby represents and warrants to, and covenants with, the Purchaser that the following are true and correct as of the date hereof and as of the Closing Date.

3.1 Organization; Qualification. The Company is a corporation duly organized and validly existing under the laws of the State of California and is in good standing under such laws. The Company has all requisite corporate power and authority to own, lease and operate its properties and assets, and to carry on its business as presently conducted. The Company is qualified to do business as a foreign corporation in each jurisdiction in which the ownership of its property or the nature of its business requires such qualification, except where failure to so qualify would not have a material adverse effect on the Company.

3.2 Capitalization. The authorized capital stock of the Company consists of 30,000,000 shares of Common Stock, no par value, of which 11,857,171 shares are issued and outstanding, and 1,000,000 shares of Convertible Preferred Stock, none of which are issued and outstanding. All issued and outstanding shares of Common Stock have been duly authorized and validly issued and are fully paid and nonassessable. The Company has reserved sufficient shares of Common Stock for issuance under this Agreement.

3.3 Authorization. The Company has all corporate right, power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. All corporate action on the part of the Company, its directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement by the Company, the authorization, sale, issuance and delivery of the Common Stock and the performance of the Company's obligations hereunder has been taken. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy as they may apply to the indemnification provisions set forth in Section 7.3 of this Agreement. Upon issuance and delivery of the Share Certificate, the Common Stock so issued will be validly issued, fully paid and nonassessable and will be free of any liens or encumbrances. The execution and delivery of this Agreement, and the issuance of the Share Certificate will not give rise to any preemptive right or right of first refusal or right of participation on behalf of any person.

3.4 No Conflict. The execution and delivery of this Agreement does not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit, under, any provision of the Restated Articles of Incorporation, as amended, or Bylaws of the Company or any material mortgage, indenture, lease or other agreement or
instrument, permit, concession, franchise, license, judgment, order, decree statute, law, ordinance, rule or regulation applicable to the Company, its properties or assets.

3.5 Accuracy of Reports and Information. The Company's Common Stock is registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All reports required to be filed by the Company with the Securities and Exchange Commission ("SEC") during the period from August 1, 1996 to the date of this Agreement pursuant to Section 13 (a) or 15 (d) of the Exchange Act, including the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1996 (the "Form 10-K"), have been duly and timely filed, were in compliance with the requirements of their respective forms, were complete and correct in all material

respects as of the dates at which the information was furnished and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Copies of the Form 10-K and the Form 10-Qs required to be filed by the Company with the SEC during the period from August 1, 1996 to the date of this Agreement pursuant to Section 13(a) or 15(d) of the Exchange Act (the "SEC Reports") have been furnished to the Purchaser. The Company is an issuer eligible to use Form S-3 under the Securities Act of 1933 (the "Securities Act") for the registration of the resale of the Registrable Shares (as that term is defined below in Section 7.1 (c)).

3.6 Financial Statements and Changes. The audited financial statements of the Company contained in the Form 10-K, and the unaudited financial statements contained in the Company's Form 10-Q for the period ended October 31, 1996, including the notes relating thereto (the "Financial Statements") have been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods covered by such statements (except for normal year end audit adjustments in the case of the unaudited financials) and present fairly the Company's financial condition and results of operations and cash flows as of the respective dates and for the periods indicated. Since October 31, 1996, there has not been any change in the assets, liabilities, financial condition or operations of the Company from that reflected in the Financial Statements except changes in the ordinary course of business which have not been, either in any individual case or in the aggregate, materially adverse, except for the acquisition of the Ethamolin product line, which has been disclosed by the Company on Form 8-K.

3.7 Absence of Undisclosed Liabilities. The Company has no material liabilities or obligations, absolute or contingent (individually or in the aggregate), except as set forth in the Financial Statements or as incurred in the ordinary course of business after the date of the Financial Statements.

3.8 Governmental Consent, etc. No consent, approval or authorization of or designation, declaration or filing with any governmental authority on the part of the Company is required in connection with the valid execution and delivery of this Agreement, or the consummation of any other transaction contemplated hereby, except the filing with the SEC of a registration statement on Form S-3 for the purpose of registering the Common Stock and the filing of a Form D with the SEC.

3.9 Intellectual Property Rights. Except as disclosed in the Form 10-K, the Company has sufficient trademarks, trade names, patent rights, copyrights and licenses to conduct its business as contemplated in the Form 10-K. To the Company's knowledge, neither the Company nor its products is infringing or will infringe any trademark, trade name, patent right, copyright, license, trade secret or other similar right of others currently in existence; and there is no claim being made against the Company regarding any trademark, trade name, patent, copyright, license, trade secret or other intellectual property right which could have a material adverse effect on the condition (financial or otherwise), business, results of operations or prospects of the Company.

3.10 Material Contracts. Except as set forth in the Form 10K, the agreements to which the Company is a party described in the Form 10-K are valid agreements, in full force and effect, the Company is not in material breach or material default (with or without notice or lapse of time, or both) under any of such agreements, and, to the Company's knowledge, the other contracting party or parties thereto are not in material breach or material default (with or without notice or lapse of time, or both) under any of such agreements.

3.11 Litigation. There is no action, proceeding or investigation pending, or to the Company's knowledge threatened, against the Company which might result, either individually or in the aggregate, in any material adverse change in the business, prospects, conditions, affairs or operations of the Company. The Company is not a party to or subject to the provisions of any order, writ, injunction, judgment or decree of

any court or government agency or instrumentality. There is no action, suit, proceeding or investigation by the Company currently pending or which the Company currently intends to initiate.

3.12 Title to Assets. Except as set forth in Form 10-K, the Company has good and marketable title to all properties and material assets described in the Form 10-K as owned by it, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than such as are not material to the business of the Company.

3.13 Subsidiaries. The Company does not presently own or control, directly or indirectly, any interest in any other corporation, partnership, association or other business entity.

3.14 Required Governmental Permits. The Company is in possession of and operating in compliance with all authorizations, licenses, certificates, consents, orders and permits from state, federal and other regulatory authorities which are material to the conduct of its business, all of which are valid and in full force and effect.

3.15 Securities Act Exemption. Assuming and relying in part on the truth and accuracy of Purchaser's representations and warranties in Section 4 of this Agreement, the offer, sale and issuance of the Common Stock is exempt from registration under the Securities Act of 1933, as amended.

Section 4. Representations, Warranties and Covenants of the Purchaser. The Purchaser represents and warrants to, and covenants with, the Company that the following are true and correct as of the date hereof and as of the Closing Date.

4.1 Authority. Purchaser has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies, and to limitations of public policy as they may apply to the indemnification provisions set forth in Section 7.3 of this Agreement.

4.2 Investment Experience. Purchaser is an "accredited investor" as defined in Rule 501(a) under the Securities Act. Purchaser is aware of the Company's business affairs and financial condition and has had access to and has acquired sufficient information about the Company, including the SEC Reports, to reach an informed and knowledgeable decision to purchase the Common Stock. Purchaser has substantial experience in evaluating and investing in private placement transactions of securities in companies similar to the Company so Purchaser is capable of evaluating the merits and risks of an investment in the Company and has the capacity to protect its own interests in connection with the purchase of the Common Stock.

4.3 Investment Intent. Without limiting its ability to resell the Common Stock pursuant to an effective registration statement, Purchaser represents that it is purchasing the Common Stock for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. Purchaser understands that its acquisition of the Common Stock has not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of Purchaser's investment intent and the accuracy of Purchaser's representations as expressed herein. Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchaser or otherwise acquire or take a pledge of) the Common Stock or any part thereof of except in compliance with the Securities Act and any applicable state securities laws, and the rules and regulations promulgated thereunder.

4.4 Registration or Exemption Requirements. Purchaser further acknowledges and understands that the Common Stock may not be resold or otherwise transferred except in a transaction registered under the Securities Act and any applicable state securities laws or unless an exemption from such registration is available. Purchaser understands that the Share Certificate will be imprinted with a legend that prohibits the assignment of the Share Certificate unless (i) it is registered or such registration is not required, and (ii) if the transfer is pursuant to an exemption from registration other than Rule 144 under the Securities Act and, if the Company shall so request in writing, an opinion of Ropes & Gray or other counsel reasonably satisfactory to the Company is obtained to the effect that the transaction is so exempt.

4.5 No Legal, Tax or Investment Advice. Purchaser understands that nothing in this Agreement or any other materials presented to Purchaser in connection with the purchase of the Common Stock constitutes legal, tax or investment advice. Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Common Stock.

4.6 Purchaser Review. Purchaser hereby represents and warrants that it has carefully examined the SEC Reports, including the Form 10-K and the financial statements contained therein and acknowledges that the Company has made available to it all documents and information that it has requested relating to the Company and has provided answers to all of its questions concerning the Company and the Common Stock. Nothing stated in the previous two sentences, however, shall be deemed to affect the representations and warranties of the Company contained in this Agreement.

Section 5. Conditions to Obligations of Purchaser at Closing Date. The obligation of the Purchaser to purchase the Common Stock is subject to the fulfillment on or prior to the Closing Date of the following conditions, any or all of which may be waived in writing at the option of the Purchaser:

5.1 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Company on or prior to such Closing Date, including the filing of the registration statement and the acceleration request, shall have been performed or complied with in all material respects.

5.2 No Order Pending. There shall not then be in effect any order enjoining or restraining the transactions contemplated by this Agreement.

5.3 No Law Prohibiting or Restricting Such Sale. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale, or requiring any consent or approval of any person which shall not have been obtained to issue the Share Certificate (except as otherwise provided in this Agreement).

5.4 Effectiveness of Registration Statement. The registration statement filed by the Company pursuant to Section 7.2 shall have become effective, and no stop order suspending the effectiveness thereof shall have been issued and no proceedings therefor shall be pending or threatened by the SEC.

Section 6. Conditions to Obligations of Company. The Company's obligation to execute and deliver the Share Certificate at the Closing is subject to the fulfillment on or prior to the Closing Date of the following conditions, any or all of which may be waived in writing at the option of the Company:

6.1 Representations and Warranties Correct. The representations and warranties made by the Purchaser in Section 4 hereof shall be true and correct when made, and shall be true and correct in all material respects on the Closing Date with the same force and effect as if they had been made on and as of said date.

6.2 Effectiveness of Registration Statement. The registration statement filed by the Company pursuant to Section 7.2 shall have become effective, and no stop order suspending the effectiveness thereof shall have been issued and no proceedings therefor shall be pending or threatened by the SEC.

Section 7. Registration of the Shares; Compliance with the Securities Act.

7.1 Definitions. For the purpose of this Section 7:

(a) the term "Registration Statement" shall mean any registration statement required to be filed by Section 7.2 below, and shall include any preliminary prospectus, final prospectus, exhibit or amendment included in or relating to such registration statement; and

(b) the term "untrue statement" shall include any untrue statement or alleged untrue statement, or any omission or alleged omission to state in the Registration Statement a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
(c) the term "Registrable Shares" shall mean the shares of Common Stock issued pursuant to this Agreement.

7.2 Registration Procedures and Expenses. The Company shall as soon as possible after the date hereof:

(a) file with the SEC an S-3 registration statement under the Securities Act (providing for shelf registration of the Common Stock under SEC Rule 415) on a form which is appropriate to register all of the Registrable Shares;

(b) use its best efforts, subject to receipt of necessary information from the Purchaser, to cause such Registration Statement to become effective as promptly after filing as practicable;

(c) prepare and file with the SEC such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective until termination of such obligation as provided in Section 7.9 below;

(d) furnish to the Purchaser (and to each underwriter, if any, of such Common Stock) such number of copies of prospectuses in conformity with the requirements of the Securities Act and such other documents as the Purchaser may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Registrable Shares by the Purchaser;

(e) file such documents as may be required of the Company for normal securities law clearance for the resale of the Registrable Shares in which states of the United States as may be reasonably requested by the Purchaser provided, however, that the Company shall not be required in connection with this paragraph (e) to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction;

(f) advise the Purchaser promptly:

(i) of any request by the SEC for amendments to the Registration Statement or amendments to the prospectus or for additional information relating thereto:

(ii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Registrable Shares for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes; and

(iii) of the existence of any fact and the happening of any event that makes any statement of a material fact made in the Registration Statement, the prospectus, any amendment or supplement thereto, or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement or the prospectus in order to make the statements therein not misleading;

(g) in connection with the filing of any document that is to be incorported by reference into the Registration Statement or the prospectus (after the initial filing) of the Registration Statement):

(i) use its best efforts to provide copies of such document to the Purchaser prior to such filing and in any event no later than concurrently with such filing; and

(ii) make the Company's representative available for discussion of such document;

(h) use its best efforts to cause all Registrable Shares to be listed on each securities exchange, if any, on which equity securities by the Company are then listed; and

(i) bear all expenses in connection with the procedures in paragraphs (a) through (h) of this Section 7.2 and the registration of the Registrable Shares on such Registration Statement and the satisfaction of the blue sky laws of such states, including NASD fees, listing fees, printing expenses, accountant's fees, and the reasonable fees and expenses of legal counsel to the Purchaser in connection with the procedures in paragraph (a) through (h) of this Section 7.2 and other than underwriting discounts and selling commissions.

7.3 Indemnification.

(a) The Company agrees to indemnify and hold harmless Purchaser (and each of its officers, directors, partners or persons, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) from and against any losses, claims, damages or liabilities to which such Purchaser (and each of officers, directors, partners or persons, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case on the effective date thereof, or arise out of any failure by the Company to fulfill any undertaking included in the Registration Statement, and the Company will, as incurred, reimburse such Purchaser (and each of its officers, directors, partners or persons, if any, who controls such Purchaser within the meaning of Section 15 of the Securities Act) for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim; provided, however, that the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of, or is based upon, an untrue statement or omission or alleged untrue statement or omission made in such Registration Statement in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Purchaser specifically for use in preparation of the Registration Statement.

(b) The Purchaser agrees to indemnify and hold harmless the Company (and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, each officer of the Company who signs the Registration Statement and each director of the Company), from and against any losses, claims, damages or liabilities to which the Company (or any such officer, director or controlling person) may become subject (under the Securities Act or otherwise),insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement of a material fact contained in the Registration Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in each case, on the effective date thereof, if, and to the extent,such untrue statement was made in reliance upon and inconformity with written information furnished by or on behalf of such Purchaser specifically for use in preparation of the Registration Statement, and such Purchaser will, as incurred, reimburse the Company (and each of its officers, directors or controlling persons) for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim.

(c) Promptly after receipt by any indemnified person of a

notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 7.3, such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action, and, subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person and such indemnifying person shall have been notified thereof, such indemnifying person shall be entitled to participate therein, and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified person. After notice from the indemnifying person to such indemnified person of its election to assume the defense thereof, such indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof; provided, however, that if there exists or shall exist a conflict of interest that would make it inappropriate in the reasonable judgment of the indemnified person for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall he entitled to retain its own counsel at the expense of such indemnifying person. The indemnifying party shall not settle an action without the consent of the indemnified party, which shall not be unreasonably withheld.

(d) If after proper notice of a claim or the commencement of an action against the indemnified party, the indemnifying party does not choose to participate, then the indemnified party shall defend itself at its own cost and expense until there is an adjudication at which point the indemnifying party shall then reimburse the indemnified party for its costs and expenses unless the indemnified party was found to have made an untrue statement which gives rise to or is the basis of losses, claims, damages or liabilities awarded in the adjudication.

(e) If the indemnification provided for in this Section 7.3 is required by its terms but is for any reason held to be unavailable to or otherwise insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities referred to above, then each applicable indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities.

7.4 Information Available. So long as any registration statement is effective covering the resale of the Registrable Shares, the Company will furnish to Purchaser:

(a) as soon as possible after available (but in the case of the Company's Annual Report to Stockholders, within 150 days after the end of each fiscal year of the Company), one copy of its Annual Report to Stockholders (which Annual Report shall contain financial statements audited in accordance with generally accepted accounting principles in the United States of America by a national firm of certified public accountants); (ii) if not included in substance in the Annual Report to Stockholders, its Annual Report on Form 10-K within 100 days after the end of each fiscal year of the Company, (iii) its quarterly report on Form 10Q, and (iv) a full copy of the registration statement covering the Common Stock (the foregoing, in each case, excluding exhibits); and

(b) upon the reasonable request of Purchaser, such other information that is generally available to the public.

7.5 Rule 144 Reporting. With a view to making available the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Common Stock to the public without registration, the Company agrees to use its best efforts to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times;

(b) use its best efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act;

(c) to furnish to Purchaser forthwith upon request a written

statement by the Company as to its compliance with the reporting requirements of said Rule 144, and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents of the Company and other information in the possession of or reasonably obtainable by the Company as Purchaser may reasonably request in availing itself of any rule or regulation of the SEC allowing Purchaser to sell any such Common Stock without registration.

7.6 Temporary Cessation of Offers and Sales by Purchaser. The Purchaser acknowledges that there may occasionally be times when the Company may be required to suspend the use of the prospectus forming part of the Registration Statement until such time as an amendment to the Registration Statement has been filed by the Company and declared effective by the Commission, until the prospectus is supplemented or amended to comply with the Securities Act, or until such time as the Company has filed an appropriate report with the Commission pursuant to the Exchange Act. The Company agrees to file any necessary amendments, supplements and reports as soon as practicable under the circumstances. Purchaser hereby covenants that it will not sell any Common Stock pursuant to said prospectus during a period of not more than 30 days commencing at the time at which the Company gives the Purchaser notice of the suspension of the use of said prospectus and ending at the time the Company gives the Purchaser notice that the Purchaser may thereafter effect sales pursuant to said prospectus, as the same may have been supplemented or amended. The Company agrees to use all reasonable efforts to minimize the duration and frequency of such periods.

7.7 Prospectus Delivery. Purchaser hereby covenants with the Company to comply with the prospectus delivery requirements in connection with the resale of the Registrable Shares.

7.8 Termination of Obligations. The obligations of the Company pursuant to Sections 7.2, 7.4 and 7.5 hereof shall cease and terminate upon the earlier to occur of (i) such time as all of the Registrable Shares have been re-sold, or (ii) such time as all of the Registrable Shares may be re-sold pursuant to Rule 144(k).

Section 8. Legal Fees and Expenses. Except as provided in Section 7.2 (i), each of the parties shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby.

Section 9. Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be telecopied or mailed by first class registered or certified airmail (return receipt requested), postage prepaid, and shall be deemed given when so telecopied or, if mailed, when received:

(a) if to the Company, to

Cypros Pharmaceutical Corporation
2714 Loker Avenue West
Carlsbad, CA 92008
Attn: Chief Financial Officer
Telecopier No.: 619/929-8038

or to such other person at such other place as the Company shall designate to the Purchaser in writing;

(b) if to the Purchaser, to

President and Fellows of Harvard College
c/o Harvard Management Company, Inc.
600 Atlantic Avenue
Boston, Massachusetts 02210
Attn: Mr. Phillip T. Gross
Telecopier No.: 617/523-1283

or at such other address or addresses as may have been furnished to the Company in writing; or

(c) if to any transferee or transferees of the Purchaser, at such address or addresses as shall have been furnished to the

Company at the time of the transfer or transfers, or at such other address or addresses as may have been furnished by such transferee or transferees to the Company in writing.

Section 10. Miscellaneous.

10.1 Entire Agreement. This Agreement embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement or any kind not expressly set forth in this Agreement shall affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

10.2 Amendments. This Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and by Purchaser.

10.3 Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

10.4 Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts.

10.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other party.

10.7 Publicity. Neither party shall issue any press releases or otherwise make any public statement with respect to the transactions contemplated by this Agreement without the prior written consent of the other party, except as may be required by applicable law or regulation.

10.8 Survival. The representations and warranties in this Agreement shall survive Closing.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives the day and year first above written.

CYPROS PHARMACEUTICAL
CORPORATION
(Signature)
By David W. Nassif
Its Chief Financial Officer

PRESIDENT AND FELLOWS OF HARVARD COLLEGE
By HARVARD MANAGEMENT COMPANY, INC.
(Signature)
By Jack R. Meyer
Its President

Exhibit 23.1

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Cypros Pharmaceutical Corporation for the registration of shares of its common stock and to the incorporation by reference therein of our report dated August 26, 1996, with respect to the financial statements of Cypros Pharmaceutical Corporation included in its Annual Report (Form 10-K) for the year ended July 31, 1996, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

San Diego, California
March 6, 1997