

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**FORM 10-K/A
Amendment No. 1**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2002

or,

TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission File Number: 0-23556

NEKTAR THERAPEUTICS

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

94-3134940

(IRS Employer Identification No.)

150 Industrial Road

San Carlos, California 94070

(Address of principal executive offices)

650-631-3100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, \$0.0001 par value**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12B-2 of Act). Yes No

The approximate aggregate market value of voting stock held by non-affiliates of the Registrant, based upon the last sale price of the Company's Common Stock on June 28, 2002, as reported on the NASDAQ National Market was approximately \$515,227,170. This calculation excludes approximately 971,633 shares held by directors and executive officers of the Company. Exclusion of these shares should not be construed to indicate that such person controls, is controlled by or is under common control with the Registrant. This calculation does not exclude shares held by organizations whose ownership exceeds 5% of the Registrant's outstanding Common Stock as of June 28, 2002 that have represented to the Company that they are registered investment advisers or investment companies registered under section 8 of the Investment Company Act of 1940. Determination of affiliate status for the purposes of this calculation is not necessarily a conclusive determination for any other purpose.

55,690,924

(Number of shares of common stock outstanding as of April 30, 2003)

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in Part III of the Annual Report on Form 10-K, which is amended by this Form 10-K/A Amendment No. 1, is incorporated by reference to the Registrant's definitive Proxy Statement for its 2003 Annual Meeting of Stockholders, filed on April 28, 2003 (the "Proxy Statement"), except as set forth herein.

EXPLANATORY NOTE

We are filing this amendment to our Annual Report on Form 10-K, originally filed with the Securities and Exchange Commission on March 28, 2003, solely for the purpose of (1) providing additional disclosure under the subheading "Employment, Severance and Change of Control Agreements,"

which is under the heading “Stock Option Grants and Exercises” under Item 11 and (2) adding exhibit 10.47. Except as specifically indicated herein, no other information included in the Annual Report on Form 10-K is amended by this Form 10-K/A Amendment No. 1.

PART III

Item 11. Executive Compensation

Except as set forth herein, information required by this item is as set forth in the Proxy Statement under the headings “Executive Compensation,” “Stock Option Grants and Exercises,” “Report of the Organization and Compensation Committee of the Board of Directors on Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Performance Measurement Comparison,” which information is incorporated herein by reference.

Employment, Severance and Change of Control Agreements

On June 29, 2001, Nektar AL entered into an agreement with Dr. J. Milton Harris, pursuant to which Dr. Harris will receive additional compensation if he is terminated under certain circumstances. If Dr. Harris is terminated without cause (as cause is defined in the agreement) before June 29, 2005, he is entitled to (1) continuation of his base salary in effect at the time of termination for a 12 month period following the termination date and (2) accelerated vesting of an option to purchase 100,000 shares of our Common Stock (the “Option”) such that, in addition to the number of shares vested as of the termination date, the number of shares that would have vested over the 12 month period following the termination date shall be vested as of the termination date. If Dr. Harris is terminated without cause (as cause is defined in the agreement) after June 29, 2005 and before June 29, 2006, he is entitled to (1) continuation of his base salary in effect at the time of termination until June 29, 2006 and (2) accelerated vesting of the Option such that, in addition to the number of shares vested as of the termination date, the number of shares that would have vested following the termination date until June 29, 2006 shall be vested as of the termination date.

PART IV

Item 15. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as part of this report:

(1) Consolidated Financial Statements:

The following financial statements are filed as part of this report under Item 8 “Financial Statements and Supplementary Data.”

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(2) Consolidated Financial Statement Schedules

(3) Exhibits.

Except as so indicated in Exhibit 99.1, the following exhibits are filed as part of, or incorporated by reference into, this Form 10-K/A Amendment No. 1.

<u>Exhibit Number</u>	<u>Description of Documents</u>
2.1	(1) Agreement and Plan of Merger, dated June 4, 1998, by and between Inhale Therapeutic Systems, a California corporation, and Inhale Therapeutic Systems (Delaware), Inc., a Delaware corporation.
2.2	(15) Recommended Offer, dated December 21, 2000, by Cazenove & Co. on behalf of Nektar Therapeutics for Bradford Particle Design plc.
2.3	(20) Agreement and Plan of Merger and Reorganization, dated May 22, 2001, by and among Nektar Therapeutics, Square Acquisition Corporation, Shearwater Corporation, Certain Shareholders of Shearwater Corporation and J. Milton Harris as Shareholders’ Agent.
2.4	(20) Amendment to Agreement and Plan of Merger and Reorganization, dated June 21, 2001, by and among Nektar Therapeutics, Square Acquisition Corp., Shearwater Corporation, J. Milton Harris, as Shareholders’ Agent and a Designated Shareholder, and Puffinus, L.P.
3.1	(1) Certificate of Incorporation of Inhale Therapeutic Systems (Delaware), Inc.
3.2	(1) Bylaws of Nektar Therapeutics.
3.3	(13) Certificate of Amendment of the Amended Certificate of Incorporation of Nektar Therapeutics.
3.4	(19) Certificate of Designation of Series A Junior Participating Preferred Stock of Nektar Therapeutics.
3.5	(24) Certificate of Designation of Series B Convertible Preferred Stock of Nektar Therapeutics.
3.6	(28) Certificate of Ownership and Merger of Nektar Therapeutics.
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6.
4.2	(2) Restated Investor Rights Agreement, dated April 29, 1993, as amended October 29, 1993, by and among Nektar Therapeutics and certain other persons named therein.
4.3	(3) Stock Purchase Agreement, dated January 18, 1995, by and between Nektar Therapeutics and Pfizer Inc.

- 4.4 (8) Form of Purchase Agreement, dated January 28, 1997, by and among Nektar Therapeutics and the individual Purchasers.
- 4.5 (9) Stock Purchase Agreement, dated December 8, 1998, by and between Nektar Therapeutics and Capital Research and Management Company.
- 4.6 (11) Purchase Agreement, dated October 6, 1999, by and among Nektar Therapeutics, Lehman Brothers Inc., Deutsche Bank Securities Inc. and U.S. Bancorp Piper Jaffray Inc.
- 4.7 (11) Resale Registration Rights Agreement, dated October 13, 1999, by and among Nektar Therapeutics, Lehman Brothers Inc., Deutsche Bank Securities Inc. and U.S. Bancorp Piper Jaffray Inc.
- 4.8 (11) Indenture, dated October 13, 1999, by and between Nektar Therapeutics, as Issuer, and Chase Manhattan Bank and Trust Company, National Association, as Trustee.
- 4.9 (11) Form of Inhaled Registration Rights Agreement, dated January 25, 2000, by and between Nektar Therapeutics and Alliance Pharmaceutical Corp.
- 4.10 (12) Purchase Agreement, dated February 2, 2000, by and among Nektar Therapeutics, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., Lehman Brothers Inc. and U.S. Bancorp Piper Jaffray Inc.

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- 4.11 (12) Resale Registration Rights Agreement, dated February 8, 2000, by and among Nektar Therapeutics, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., Lehman Brothers Inc. and U.S. Bancorp Piper Jaffray Inc.
- 4.12 (12) Indenture, dated February 8, 2000, by and between Nektar Therapeutics, as Issuer, and Chase Manhattan Bank and Trust Company, National Association, as Trustee.
- 4.13 (28) Specimen Common Stock certificate.
- 4.14 (14) Specimen warrants to purchase shares of Common Stock.
- 4.15 (16) Purchase Agreement, dated October 11, 2000, by and among Nektar Therapeutics, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., Lehman Brothers Inc. and U.S. Bancorp Piper Jaffray Inc.
- 4.16 (16) Resale Registration Rights Agreement, dated October 17, 2000, by and among Nektar Therapeutics, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities, Inc., Lehman Brothers Inc. and U.S. Bancorp Piper Jaffray Inc.
- 4.17 (16) Indenture, dated October 17, 2000, by and between Nektar Therapeutics, as Issuer, and Chase Manhattan Bank and Trust Company, National Association, as Trustee.
- 4.18 (19) Rights Agreement, dated as of June 1, 2001, by and between Nektar Therapeutics and Mellon Investor Services LLC., as Rights Agent.
- 4.19 (19) Form of Right Certificate.
- 4.20 (24) Preferred Stock Purchase Agreement, dated January 7, 2002, by and between Nektar Therapeutics and Enzon Pharmaceuticals, Inc.
- 4.21 (27) Common Stock Purchase Agreement, dated June 7, 2002, by and between Nektar Therapeutics and AFAC Equity L.P.
- 4.22 (27) Common Stock Purchase Agreement, dated July 9, 2002, by and between Nektar Therapeutics and AFAC Equity L.P.
- 4.23 (30) Common Stock Purchase Agreement, dated December 6, 2002, by and between Nektar Therapeutics and AFAC Equity L.P.
- 10.1 (6) Nektar Therapeutics' 1994 Non-Employee Directors' Stock Option Plan, as amended.
- 10.2 (29) Nektar Therapeutics' 1994 Employee Stock Purchase Plan, as amended and restated.++
- 10.3 (2) Standard Industrial Lease, dated September 17, 1992, as amended September 18, 1992, by and between Nektar Therapeutics and W.F. Batton & Co., Inc.
- 10.4 (2) Addendum IV to Lease dated September 17, 1992, dated April 1, 1994, by and among Nektar Therapeutics, W.F. Batton and Marie A. Batton.
- 10.5 (5) Amendment Agreement Number One to Lease dated September 17, 1992, dated October 20, 1995, by and between Nektar Therapeutics and W.F. Batton & Co., Inc.
- 10.6 (5) Amendment Agreement Number Two to Lease dated September 17, 1992, dated November 15, 1995, by and among Nektar Therapeutics, W.F. Batton and Marie A. Batton, Trustees of the W.F. Batton and Marie A. Batton Trust UTA dated January 12, 1998 ("Batton Trust").
- 10.7 (10) Amendment Agreement Number Three to Lease dated September 17, 1992, dated February 14, 1996, by and between Nektar Therapeutics and Batton Trust.
- 10.8 (10) Amendment Agreement Number Four to Lease dated September 17, 1992, dated September 15, 1996, by and between Nektar Therapeutics and Batton Trust.
- 10.9 (2) Sublicense Agreement, dated September 13, 1991, by and between Nektar Therapeutics and John S. Patton.++
- 10.10 (4) Stock Purchase Agreement, dated March 1, 1996, by and between Nektar Therapeutics and Baxter World Trade Corporation.
- 10.11 (7) Sublease and Lease Agreement, dated October 2, 1996, by and between Nektar Therapeutics and T.M.T. Associates L.L.C. ("Landlord").
- 10.12 (10) First Amendment to Sublease and Lease Agreement dated October 2, 1996, dated October 30, 1996, by and between Nektar Therapeutics and Landlord.
- 10.13 (10) Letter Agreement amending Sublease and Lease Agreement dated October 2, 1996, dated April 9, 1997, by and between Nektar Therapeutics and Landlord.

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- 10.14 (10) Third Amendment to Sublease and Lease Agreement dated October 2, 1996, dated April 16, 1997, by and between Nektar Therapeutics and Landlord.
- 10.15 (10) Fourth Amendment to Sublease and Lease Agreement dated October 2, 1996, dated November 5, 1997, by and between Nektar Therapeutics and Landlord.
- 10.16 (12) Sublease, dated November 3, 1999, by and between Webvan Group, Inc., as sublessor, and Nektar Therapeutics, as sublessee.
- 10.17 (14) Nektar Therapeutics' 2000 Equity Incentive Plan, as amended.++
- 10.18 (14) Nektar Therapeutics' Stock Option Agreement issued in accordance with Nektar Therapeutics' 2000 Equity Incentive Plan, as amended.++
- 10.19 (14) Agreement for the Contribution of 201 Industrial Road Project, made and entered into as of September 14, 2000, by and among Nektar Therapeutics, Inhale 201 Industrial Road, L.P., a California limited partnership and Bernardo Property Advisors, Inc., a

		California corporation.
10.20	(14)	Agreement of Limited Partnership of Inhale 201 Industrial Road, L.P., a California limited partnership, made and entered into September 14, 2000, by and among SCIMED PROP III, Inc., a California corporation, as general partner, 201 Industrial Partnership, a California general partnership, as limited partner and Nektar Therapeutics, as limited partner.
10.21	(14)	Build-To-Suit Lease, made and entered into as of September 14, 2000, by and between Inhale 201 Industrial Road, L.P., a California limited partnership, as Landlord, and Nektar Therapeutics, as Tenant.
10.22	(14)	Amendment to Lease, dated October 3, 2000, by and between Inhale 201 Industrial Road, L.P., a California limited partnership, as Landlord, and Nektar Therapeutics, as Tenant.
10.23	(14)	Parking Lease Agreement, entered into as of September 14, 2000, by and between Inhale 201 Industrial Road, L.P., a California limited partnership, as Landlord, and Nektar Therapeutics, as Tenant.
10.24	(17)	Nektar Therapeutics' 2000 Non-Officer Equity Incentive Plan.++
10.25	(23)	Nektar Therapeutics 2000 Non-Officer Equity Incentive Plan Stock Option Agreement (Nonstatutory Stock Option).++
10.26	(23)	Nektar Therapeutics 2000 Non-Officer Equity Incentive Plan Stock Option Agreement (Nonstatutory (Unapproved) Stock Option).
10.27	+(18)	Manufacturing and Supply Agreement, dated August 16, 2000, by and among Nektar Therapeutics, Tech Group North America and Bepak Europe, LTD.
10.28	(21)	The Bradford Particle Design plc Approved Employee Share Option Scheme.
10.29	(21)	Form of The Bradford Particle Design plc Approved Employee Share Option Scheme Option Certificate.
10.30	(21)	The Bradford Particle Design plc Unapproved Employee Share Option Scheme.
10.31	(21)	Form of The Bradford Particle Design plc Unapproved Employee Share Option Scheme Option Certificate.
10.32	(21)	Form of Agreement Granting an Enterprise Management Incentives Option.
10.33	(21)	Agreement Granting Options, dated November 5, 1999, by and between Mr. Joseph F. Bohan and Bradford Particle Design plc.
10.34	(21)	Agreement Granting Options, dated October 27, 2000, by and between Mr. Joseph F. Bohan and Bradford Particle Design plc.
10.35	(22)	Shearwater Corporation 1996 Nonqualified Stock Option Plan.
10.36	(22)	Amendment, effective May 22, 1998, to the 1996 Nonqualified Stock Option Plan of Shearwater Corporation.
10.37	(22)	Second Amendment, effective February 26, 2000, to the 1996 Nonqualified Stock Option Plan of Shearwater Corporation.
10.38	(22)	Third Amendment, effective October 5, 2000, to the 1996 Nonqualified Stock Option Plan of Shearwater.
10.39	(22)	Fourth Amendment, effective June 22, 2001, to the 1996 Nonqualified Stock Option Plan of Shearwater Corporation.

10.40	(22)	Form of Shearwater Corporation Nonqualified Stock Option Agreement.
10.41	(22)	Form of June 2001 Amendment to Shearwater Corporation Nonqualified Stock Option Agreement.
10.42	(25)	Nektar Therapeutics 401(k) Retirement Plan.++
10.43	(25)	Non-Standardized Adoption Agreement No. 001 for use with Nektar Therapeutics 401(k) Retirement Plan.
10.44	+(27)	Letter Agreement, dated July 31, 2002, by and between Nektar Therapeutics, and Douglas H. Altschuler.++
10.45	(30)	Letter Agreement, dated December 29, 2001 by and between Nektar Therapeutics and Dr. Arnold J. Repta.++
10.46	(30)	Nektar Therapeutics Severance Benefit Plan.++
10.47	(31)	Key Employee Agreement, dated June 29, 2001, by and between Nektar Therapeutics AL, Corporation and J. Milton Harris.++
21.1	(30)	Subsidiaries of Nektar Therapeutics.
23.1	(30)	Consent of Ernst & Young LLP, independent auditors.
24.1	(30)	Power of Attorney. Reference is made to signature page.
99.1	(31)	Certification of Officers Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

+ Confidential treatment with respect to specific portions are omitted and filed separately with the SEC.

++ Management contract or compensatory plan or arrangement.

- (1) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 1998.
- (2) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-1 (No. 33-75942), as amended.
- (3) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-1 (No. 33-89502), as amended.
- (4) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.
- (5) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Annual Report on Form 10-K for the year ended December 31, 1995.
- (6) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 1996.
- (7) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.
- (8) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-20787).
- (9) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-68897), as amended.
- (10) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 1999.
- (11) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-94161), as amended.
- (12) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Annual Report on Form 10-K for the year ended December 31, 1999.
- (13) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 2000.
- (14) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.
- (15) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Current Report on Form 8-K, filed on January 11, 2001.
- (16) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-53678), filed on January 12, 2001.

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- (17) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-103040), filed on February 7, 2003.
 - (18) Incorporated by reference to Nektar Therapeutics' Annual Report on Form 10-K, as amended, for the year ended December 31, 2000.

- (19) Incorporated by reference to Nektar Therapeutics' Current Report on Form 8-K, filed on June 4, 2001.
- (20) Incorporated by reference to Nektar Therapeutics' Current Report on Form 8-K, filed on July 10, 2001.
- (21) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-55032), filed on February 6, 2001.
- (22) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-67342), filed on August 10, 2001.
- (23) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-71936), filed on October 19, 2001, as amended.
- (24) Incorporated by reference to Nektar Therapeutics' Current Report on Form 8-K, filed on January 8, 2002.
- (25) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-76638), filed on January 11, 2002.
- (26) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
- (27) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.
- (28) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Current Report on Form 8-K, filed on January 23, 2003.
- (29) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-98321), filed on August 19, 2002.
- (30) Previously Filed.
- (31) Filed herewith.

(b) Reports on Form 8-K for the three-month period ending December 31, 2002:

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Nektar Therapeutics

By: /s/ AJIT S. GILL
 Ajit S. Gill
 Chief Executive Officer, President and
 Director

Date: May 13, 2003

By: /s/ AJAY BANSAL
 Ajay Bansal
 Vice President, Finance and Administration
 and Chief Financial Officer

Date: May 13, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u> /s/ AJIT S. GILL </u> Ajit S. Gill	President, Chief Executive Officer and Director (Principal Executive Officer)	May 13, 2003
* Robert B. Chess	Executive Chairman of the Board of Directors	May 13, 2003
<u> /s/ AJAY BANSAL </u> Ajay Bansal	Vice President, Finance and Administration and Chief Financial Officer (Principal Financial and Accounting Officer)	May 13, 2003
* John S. Patton, Ph.D.	Founder, Chief Scientific Officer and Director	May 13, 2003
* Michael A. Brown	Director	May 13, 2003
* James B. Glavin	Director	May 13, 2003

*	Director	May 13, 2003
_____ Christopher A. Kuebler		
*	Director	May 13, 2003
_____ Irwin Lerner		
*	Director	May 13, 2003
_____ Melvin Perelman, Ph.D.		
*	Director	May 13, 2003
_____ Roy A. Whitfield		

*By: /s/ AJAY BANSAL
 Ajay Bansal
 Attorney-in-Fact

**OFFICER CERTIFICATION
PURSUANT TO SECTION 302(A)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Ajit S. Gill, certify that:

1. I have reviewed this annual report on Form 10-K/A Amendment No. 1 of Nektar Therapeutics; and
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.

Date: May 13, 2003

 /s/ AJIT S. GILL
Ajit S. Gill
Chief Executive Officer, President and Director

**OFFICER CERTIFICATION
PURSUANT TO SECTION 302(A)
OF THE SARBANES-OXLEY ACT OF 2002**

I, Ajay Bansal, certify that:

1. I have reviewed this annual report on Form 10-K/A Amendment No. 1 of Nektar Therapeutics; and
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report.

Date: May 13, 2003

 /s/ AJAY BANSAL
Ajay Bansal
Vice President, Finance and Administration and Chief
Financial Officer

EXHIBIT INDEX

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		Acquisition Corporation, Shearwater Corporation, Certain Shareholders of Shearwater Corporation and J. Milton Harris as Shareholders' Agent.
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4.19	(19)	Form of Right Certificate.
4.20	(24)	Preferred Stock Purchase Agreement, dated January 7, 2002, by and between Nektar Therapeutics and Enzon Pharmaceuticals, Inc.
4.21	(27)	Common Stock Purchase Agreement, dated June 7, 2002, by and between Nektar Therapeutics and AFAC Equity L.P.
4.22	(27)	Common Stock Purchase Agreement, dated July 9, 2002, by and between Nektar Therapeutics and AFAC Equity L.P.
4.23	(30)	Common Stock Purchase Agreement, dated December 6, 2002, by and between Nektar Therapeutics and AFAC Equity L.P.
10.1	(6)	Nektar Therapeutics' 1994 Non-Employee Directors' Stock Option Plan, as amended.
10.2	(29)	Nektar Therapeutics' 1994 Employee Stock Purchase Plan, as amended and restated.++
10.3	(2)	Standard Industrial Lease, dated September 17, 1992, as amended September 18, 1992, by and between Nektar Therapeutics and W.F. Batton & Co., Inc.
10.4	(2)	Addendum IV to Lease dated September 17, 1992, dated April 1, 1994, by and among Nektar Therapeutics, W.F. Batton and Marie A. Batton.
10.5	(5)	Amendment Agreement Number One to Lease dated September 17, 1992, dated October 20, 1995, by and between Nektar Therapeutics and W.F. Batton & Co., Inc.
10.6	(5)	Amendment Agreement Number Two to Lease dated September 17, 1992, dated November 15, 1995, by and among Nektar Therapeutics, W.F. Batton and Marie A. Batton, Trustees of the W.F. Batton and Marie A. Batton Trust UTA dated January 12, 1998 ("Batton Trust").
10.7	(10)	Amendment Agreement Number Three to Lease dated September 17, 1992, dated February 14, 1996, by and between Nektar Therapeutics and Batton Trust.
10.8	(10)	Amendment Agreement Number Four to Lease dated September 17, 1992, dated September 15, 1996, by and between Nektar Therapeutics and Batton Trust.
10.9	(2)	Sublicense Agreement, dated September 13, 1991, by and between Nektar Therapeutics and John S. Patton.++
10.10	(4)	Stock Purchase Agreement, dated March 1, 1996, by and between Nektar Therapeutics and Baxter World Trade Corporation.
10.11	(7)	Sublease and Lease Agreement, dated October 2, 1996, by and between Nektar Therapeutics and T.M.T. Associates L.L.C. ("Landlord").
10.12	(10)	First Amendment to Sublease and Lease Agreement dated October 2, 1996, dated October 30, 1996, by and between Nektar Therapeutics and Landlord.
10.13	(10)	Letter Agreement amending Sublease and Lease Agreement dated October 2, 1996, dated April 9, 1997, by and between Nektar Therapeutics and Landlord.

10.14	(10)	Third Amendment to Sublease and Lease Agreement dated October 2, 1996, dated April 16, 1997, by and between Nektar Therapeutics and Landlord.
10.15	(10)	Fourth Amendment to Sublease and Lease Agreement dated October 2, 1996, dated November 5, 1997, by and between Nektar Therapeutics and Landlord.
10.16	(12)	Sublease, dated November 3, 1999, by and between Webvan Group, Inc., as sublessor, and Nektar Therapeutics, as sublessee.
10.17	(14)	Nektar Therapeutics' 2000 Equity Incentive Plan, as amended.++

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10.18	(14)	Nektar Therapeutics' Stock Option Agreement issued in accordance with Nektar Therapeutics' 2000 Equity Incentive Plan, as amended.++
10.19	(14)	Agreement for the Contribution of 201 Industrial Road Project, made and entered into as of September 14, 2000, by and among Nektar Therapeutics, Inhale 201 Industrial Road, L.P., a California limited partnership and Bernardo Property Advisors, Inc., a California corporation.
10.20	(14)	Agreement of Limited Partnership of Inhale 201 Industrial Road., L.P., a California limited partnership, made and entered into September 14, 2000, by and among SCIMED PROP III, Inc., a California corporation, as general partner, 201 Industrial Partnership, a California general partnership, as limited partner and Nektar Therapeutics, as limited partner.
10.21	(14)	Build-To-Suit Lease, made and entered into as of September 14, 2000, by and between Inhale 201 Industrial Road, L.P., a California limited partnership, as Landlord, and Nektar Therapeutics, as Tenant.
10.22	(14)	Amendment to Lease, dated October 3, 2000, by and between Inhale 201 Industrial Road, L.P., a California limited partnership, as Landlord, and Nektar Therapeutics, as Tenant.
10.23	(14)	Parking Lease Agreement, entered into as of September 14, 2000, by and between Inhale 201 Industrial Road, L.P., a California limited partnership, as Landlord, and Nektar Therapeutics, as Tenant.
10.24	(17)	Nektar Therapeutics' 2000 Non-Officer Equity Incentive Plan.++
10.25	(23)	Nektar Therapeutics 2000 Non-Officer Equity Incentive Plan Stock Option Agreement (Nonstatutory Stock Option).++
10.26	(23)	Nektar Therapeutics 2000 Non-Officer Equity Incentive Plan Stock Option Agreement (Nonstatutory (Unapproved) Stock Option).
10.27	+(18)	Manufacturing and Supply Agreement, dated August 16, 2000, by and among Nektar Therapeutics, Tech Group North America and Bepak Europe, LTD.
10.28	(21)	The Bradford Particle Design plc Approved Employee Share Option Scheme.
10.29	(21)	Form of The Bradford Particle Design plc Approved Employee Share Option Scheme Option Certificate.
10.30	(21)	The Bradford Particle Design plc Unapproved Employee Share Option Scheme.
10.31	(21)	Form of The Bradford Particle Design plc Unapproved Employee Share Option Scheme Option Certificate.
10.32	(21)	Form of Agreement Granting an Enterprise Management Incentives Option.
10.33	(21)	Agreement Granting Options, dated November 5, 1999, by and between Mr. Joseph F. Bohan and Bradford Particle Design plc.
10.34	(21)	Agreement Granting Options, dated October 27, 2000, by and between Mr. Joseph F. Bohan and Bradford Particle Design plc.
10.35	(22)	Shearwater Corporation 1996 Nonqualified Stock Option Plan.
10.36	(22)	Amendment, effective May 22, 1998, to the 1996 Nonqualified Stock Option Plan of Shearwater Corporation.
10.37	(22)	Second Amendment, effective February 26, 2000, to the 1996 Nonqualified Stock Option Plan of Shearwater Corporation.
10.38	(22)	Third Amendment, effective October 5, 2000, to the 1996 Nonqualified Stock Option Plan of Shearwater.
10.39	(22)	Fourth Amendment, effective June 22, 2001, to the 1996 Nonqualified Stock Option Plan of Shearwater Corporation.
10.40	(22)	Form of Shearwater Corporation Nonqualified Stock Option Agreement.
10.41	(22)	Form of June 2001 Amendment to Shearwater Corporation Nonqualified Stock Option Agreement.
10.42	(25)	Nektar Therapeutics 401(k) Retirement Plan.++
10.43	(25)	Non-Standardized Adoption Agreement No. 001 for use with Nektar Therapeutics 401(k) Retirement Plan.
10.44	+(27)	Letter Agreement, dated July 31, 2002, by and between Nektar Therapeutics, and Douglas H. Altschuler.++

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10.45	(30)	Letter Agreement, dated December 29, 2001 by and between Nektar Therapeutics and Dr. Arnold J. Repta.++
10.46	(30)	Nektar Therapeutics Severance Benefit Plan.++
10.47	(31)	Key Employee Agreement, dated June 29, 2001, by and between Nektar Therapeutics AL, Corporation and J. Milton Harris.++
21.1	(30)	Subsidiaries of Nektar Therapeutics.
23.1	(30)	Consent of Ernst & Young LLP, independent auditors.
24.1	(30)	Power of Attorney. Reference is made to signature page.
99.1	(31)	Certification of Officers Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

+ Confidential treatment with respect to specific portions are omitted and filed separately with the SEC.
++ Management contract or compensatory plan or arrangement.

- (1) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 1998.
- (2) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-1 (No. 33-75942), as amended.
- (3) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-1 (No. 33-89502), as amended.
- (4) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.
- (5) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Annual Report on Form 10-K for the year ended December 31, 1995.
- (6) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 1996.
- (7) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.
- (8) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-20787).
- (9) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-68897), as amended.

- (10) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 1999.
- (11) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-94161), as amended.
- (12) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Annual Report on Form 10-K for the year ended December 31, 1999.
- (13) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 2000.
- (14) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended September 30, 2000.
- (15) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Current Report on Form 8-K, filed on January 11, 2001.
- (16) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-3 (No. 333-53678), filed on January 12, 2001.
- (17) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-103040), filed on February 7, 2003.
- (18) Incorporated by reference to Nektar Therapeutics' Annual Report on Form 10-K, as amended, for the year ended December 31, 2000.
- (19) Incorporated by reference to Nektar Therapeutics' Current Report on Form 8-K, filed on June 4, 2001.
- (20) Incorporated by reference to Nektar Therapeutics' Current Report on Form 8-K, filed on July 10, 2001.
- (21) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-55032), filed on February 6, 2001.

- (22) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-67342), filed on August 10, 2001.
- (23) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-71936), filed on October 19, 2001, as amended.
- (24) Incorporated by reference to Nektar Therapeutics' Current Report on Form 8-K, filed on January 8, 2002.
- (25) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-76638), filed on January 11, 2002.
- (26) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
- (27) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.
- (28) Incorporated by reference to the indicated exhibit in Nektar Therapeutics' Current Report on Form 8-K, filed on January 23, 2003.
- (29) Incorporated by reference to Nektar Therapeutics' Registration Statement on Form S-8 (No. 333-98321), filed on August 19, 2002.
- (30) Previously Filed.
- (31) Filed herewith.

SQUARE ACQUISITION CORP.

KEY EMPLOYEE AGREEMENT
FOR
J. MILTON HARRIS

This Employment Agreement ("Agreement") is entered into as of the 29th day of June, 2001, by and between J. Milton Harris ("Executive") and Square Acquisition Corp., an Alabama Corporation (the "Company"). The Company is a wholly owned subsidiary of Inhale Therapeutic Systems, Inc., a Delaware corporation (the "Parent").

WHEREAS, the Company desires to employ Executive to provide personal services to the Company, and wishes to provide Executive with certain compensation and benefits in return for his services; and

WHEREAS, Executive wishes to be employed by the Company and provide personal services to the Company in return for certain compensation and benefits;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows:

1. EMPLOYMENT BY THE COMPANY.

1.1 The effective date of this Agreement shall be the Closing Date as defined in that certain Agreement and Plan of Merger and Reorganization dated May 22, 2001, as amended, (the "Reorganization Agreement") between and among the Company, Parent, Shearwater Corporation, an Alabama Corporation, J. Milton Harris and Puffinus, L.P. If the transaction in the Reorganization Agreement does not close, this Agreement shall have no effect, and shall not be binding on the Company or on Executive.

1.2 Subject to terms set forth herein, the Company agrees to employ Executive in the position of President, Square Acquisition Corp. and Executive hereby accepts such employment effective as of the Closing Date (the "Employment Date"). During the term of his employment with the Company, Executive will devote his best efforts and substantially all of his business time and attention (except for vacation periods and reasonable periods of illness or other incapacities permitted by the Company's general employment policies) to the business of the Company.

1.3 Executive shall perform such duties as are customarily associated with his then current title, consistent with the Bylaws of the Company and as required by the Company's Board of Directors (the "Board").

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1.4 The employment relationship between the parties shall also be governed by the general employment policies and practices of the Company, including those relating to protection of confidential information and assignment of inventions, except that when the terms of this Agreement differ from or are in conflict with the Company's general employment policies or practices, this Agreement shall control.

2. COMPENSATION.

2.1 Target Compensation. Executive shall receive for services to be rendered hereunder an annualized target compensation of \$405,600, subject to standard deductions and withholdings (the "Target Compensation"). The Target Compensation consists of a Base Salary and a Target Variable Compensation.

(a) Base Salary. Executive shall receive an annualized salary of \$312,000 ("Base Salary"), payable in accordance with the Company's standard payroll practices.

(b) Target Variable Compensation. The Executive shall receive an annual variable salary target of \$93,600 (representing 100% performance) (the "Target Variable Compensation") dependent upon the Company's performance measured against clearly defined and numerically weighted goals approved by the Board of Directors of the Company twice a year, either prior to or promptly after the six-month time period to which the goals apply. The Target Variable Compensation will be made in two payments per year, subject to standard deductions and withholdings. In order to be eligible to receive each payment of the Target Variable Compensation, Executive must be an active employee of the Company on the date each payment is awarded.

2.2 Standard Benefits. Executive shall be entitled to all rights and benefits for which he is eligible under the terms and conditions of the standard benefits of Parent which may be in effect from time to time and provided by Parent to its employees generally.

2.3 Equity Compensation. Subject to the approval by the Option Grant Subcommittee of the Parent's Board of Directors, Executive shall be granted an option to purchase 100,000 shares of Parent's Common Stock (the "Option"), at fair market value as determined by Parent's Board as of the date of grant, pursuant to Parent's 2000 Non-Officer Equity Incentive Plan (the "Plan"). Except as set forth in Section 6.1 below, the shares governed by the Option shall vest as follows: 20% (12/60th) of the shares governed by the Option shall vest on the first anniversary of the Employment Date and an additional 1.67% (1/60th) of the shares governed by the Option shall vest monthly beginning one month following the first anniversary of the Employment Date until such time as 100% of the shares governed by the Option shall be vested. The Option shall be governed by the terms and conditions set forth in the Plan, and in the applicable written stock option agreement and grant document.

3. PROPRIETARY INFORMATION OBLIGATIONS.

3.1 Agreement. Executive agrees to execute and abide by the Proprietary Information and Inventions Agreement attached hereto as Exhibit A.

3.2 Remedies. Executive's duties under the Proprietary Information and Inventions Agreement shall survive termination of his employment with the Company. Executive acknowledges that a remedy at law for any breach or threatened breach by him of the provisions of the Proprietary Information and Inventions Agreement would be inadequate, and he therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach.

4. NONCOMPETITION AGREEMENT.

4.1 Agreement. Executive agrees to execute and abide by the Noncompetition Agreement attached hereto as Exhibit B.

4.2 Remedies. Executive's duties under the Noncompetition Agreement shall survive termination of his employment with the Company. Executive acknowledges that a remedy at law for any breach or threatened breach by him of the provisions of the Noncompetition Agreement would be inadequate, and he therefore agrees that the Company shall be entitled to injunctive relief in case of any such breach or threatened breach.

5. OUTSIDE ACTIVITIES.

5.1 Except as permitted in Section 5.4, and except with the prior written consent of the Company's Board of Directors, Executive will not during the term of this Agreement undertake or engage in any other employment, occupation or business enterprise, other than ones in which Executive is a passive investor. Executive may engage in civic and not-for-profit activities so long as such activities do not materially interfere with the performance of his duties hereunder.

5.2 Except as permitted by Sections 5.3 and 5.4, Executive agrees not to acquire, assume or participate in, directly or indirectly, any position, investment or interest known by him to be adverse or antagonistic to the Company, Parent, Parent's subsidiaries, its or their respective businesses or prospects, financial or otherwise.

5.3 Except as permitted in Section 5.4, during the term of his employment by the Company, except on behalf of the Company, Executive will not directly or indirectly, whether as an officer, director, stockholder, partner, proprietor, associate, representative, consultant, or in any capacity whatsoever engage in, become financially interested in, be employed by or have any business connection with any other person, corporation, firm, partnership or other entity whatsoever which were known by him to compete directly with the Company, Parent, or Parent's subsidiaries, throughout the world, in any line of business engaged in (or planned to be engaged in) by the Company, Parent, or Parent's subsidiaries; provided, however, that anything above to the contrary notwithstanding, he may own, as a passive investor, securities of any competitor corporation, so long as his direct holdings in any one such corporation shall not in the aggregate constitute more than 1% of the voting stock of such corporation.

5.4 Notwithstanding anything to the contrary in this Agreement or the Noncompetition Agreement, Executive is permitted to be a shareholder in and act as a director on the Board of Directors of Expression Genetics ("EG"), which entity is developing, securing, promoting, manufacturing, marketing, licensing, seeking regulatory approval, distributing and similar related activities regarding: (i) polyethylene glycol ("PEG") molecules, PEG derivatives, PEG Hydrogels and other polymeric materials used in combination with genetic materials by any route of delivery or method of expression, and (ii) other gene delivery and gene expression technologies, any part or all of which may be useful in the treatment of diseases, pre-operative and post-operative complications, and other medically related matters, and any successor entity or assignee of all or substantially all of the assets of EG (an "EG Successor"), so long as such activities do not interfere with his duties hereunder. Further, in the event that EG or an EG Successor should liquidate, dissolve or wind-up its business operations during the Noncompetition Period (as defined in the Noncompetition Agreement), then Executive may provide substantially similar services to one entity in existence at any given time with a similar scope of activity, so long as such activity does not interfere with his duties hereunder. For the purpose of this Agreement, genetic material shall mean any nucleotide capable of carrying genetic information, nucleic acid sequence capable of carrying genetic information or composition thereof capable of carrying genetic information. In the event that the business of either the Parent or the Company extends to gene delivery and/or gene expression technologies, including any activity as set forth in Sections 5.4(i) or (ii) above, then the Company shall provide written notice to Executive and within 30 days thereafter, Executive shall terminate all activities as a director of EG, or if applicable, such similar services with an EG Successor, although Executive may maintain shareholder or similar status with EG or, if applicable, may maintain shareholder or similar status with an EG successor .

6. TERMINATION OF EMPLOYMENT.

6.1 Termination Without Cause.

(a) The Company shall have the right to terminate Executive's employment with the Company at any time without Cause. In the event that Executive's employment is terminated for any reason, either with or without Cause, he agrees to immediately resign from any and all other employment, officer or director positions that he holds with the Company, its parent, or any affiliated entity.

(b) In the event the Company terminates Executive's employment without Cause on or before the fourth anniversary of the Employment Date, Executive shall be entitled to (i) continuation of Base Salary in effect at the time of termination for a period of twelve (12) months following the date of termination and (ii) accelerated vesting of the Option such that, in addition to the number of shares vested as of the date of termination pursuant to the Schedule set forth in Section 2.3 above, the number of shares that would have vested over the 12 month period following such date of termination had the Executive's employment not been terminated without Cause shall be deemed vested as of the date of termination.

(c) In the event the Company terminates Executive's employment without Cause after the fourth anniversary of the Employment Date and prior

to the fifth anniversary of the Employment Date, Executive shall be entitled to (i) continuation of Base Salary in effect at the time of termination until the fifth anniversary of the Employment Date and (ii) accelerated vesting of the Option such that, in addition to the number of shares vested as of the date of termination pursuant to the Schedule set forth in Section 2.3 above, the number of shares that would have vested during the period from the date of termination until the fifth anniversary of the Employment Date had the Executive's employment not been terminated without Cause shall be deemed vested as of the date of termination.

6.2 Termination for Cause.

(a) The Company shall have the right to terminate Executive's employment with the Company at any time for Cause.

(b) "Cause" for termination shall mean: (a) indictment or conviction of any felony; (b) participation in any fraud against the Company; (c) intentional damage to any property of the Company; or (d) intentional breach of this Agreement, including Exhibits A and B.

(c) In the event Executive's employment is terminated at any time with Cause, he will not be entitled to severance pay, pay in lieu of notice or any other such compensation.

6.3 Voluntary Or Mutual Termination.

(a) Executive may voluntarily terminate his employment with the Company at any time, after which no further compensation will be paid to Executive. In the event that Executive terminates his employment with the Company for any reason, he will immediately resign from any and all other employment, officer or director positions that he holds with the Company, its parent, or any affiliated entity.

(b) In the event Executive voluntarily terminates his employment, he will not be entitled to severance pay, pay in lieu of notice or any other such compensation.

7. **RELEASE.** Upon termination of Executive's employment, Executive shall provide the Company with an executed and effective release substantially in the form attached hereto as Exhibit C (the "Release"), as a condition of receipt of any severance benefits provided under Section 6.1 of this Agreement. With respect to Executive's stock options, unless Executive has provided the Company with an executed and effective Release, any acceleration of Executive's stock options as provided in Section 6.1 of this Agreement shall be null and void and Executive's stock options in such event will be vested and may be exercised following the date of termination only to the extent provided under their original terms in accordance with the applicable stock option plan, and the applicable option agreements.

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8. COOPERATION WITH COMPANY.

8.1 Cooperation Obligation. During and after the term of Executive's employment, Executive will cooperate with the Company and Parent in responding to the reasonable requests of the Company's Chairman of the Board, CEO or General Counsel, in connection with any and all existing or future litigation, arbitrations, mediations or investigations brought by or against the Company, Parent, or its or their respective affiliates, agents, officers, directors or employees, whether administrative, civil or criminal in nature, in which the Company reasonably deems Executive's cooperation necessary or desirable. In such matters, Executive agrees to provide the Company with reasonable advice, assistance and information, including offering and explaining evidence, providing sworn statements, and participating in discovery and trial preparation and testimony. Executive also agrees to promptly send the Company copies of all correspondence (for example, but not limited to, subpoenas) received by Executive in connection with any such legal proceedings, unless Executive is expressly prohibited by law from so doing. The failure by Executive to cooperate fully with the Company in accordance with this Section 8 will be a material breach of the terms of this Agreement which will result in all commitments of the Company to make additional payments to Executive or accelerate vesting of the Option under Section 6.1 becoming null and void.

8.2 Expenses and Fees. The Company will reimburse Executive for reasonable out-of-pocket expenses incurred by Executive as a result of his cooperation with the obligations described in Section 8.1, within thirty (30) days of the presentation of appropriate documentation thereof, in accordance with the Company's standard reimbursement policies and procedures. After termination of Executive's employment, the Company will also pay Executive a reasonable fee in the amount of \$200 per hour for the time Executive devotes to matters as requested by the Company under Section 8.1 ("the Fees"). The Company will not deduct or withhold any amount from the Fees for taxes, social security, or other payroll deductions, but will instead issue an IRS Form 1099 with respect to the Fees. Executive acknowledges that in cooperating in the manner described in Section 8.1, he will be serving as an independent contractor, not a Company employee, and he will be entirely responsible for the payment of all employment taxes and any other taxes due and owing as a result of the payment of Fees. Executive hereby indemnifies the Company, Parent, and its and their respective officers, directors, agents, attorneys, employees, shareholders, subsidiaries, and affiliates and holds them harmless from any liability for any taxes, penalties, and interest that may be assessed by any taxing authority with respect to the Fees, with the exception of the employer's share of employment taxes subsequently determined to be applicable, if any.

9. GENERAL PROVISIONS.

9.1 Representation Regarding Compensation From Prior Employment. Executive hereby represents and warrants that all amounts due to him in connection with employment prior to the Employment Date have been timely paid in full, and he hereby acknowledges that he is owed no compensation due to such prior employment.

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9.2 Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including personal delivery by fax) or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at his address as listed on the Company payroll.

9.3 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

9.4 Waiver. If either party should waive any breach of any provisions of this Agreement, he or it shall not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

9.5 Complete Agreement. This Agreement and its Exhibits constitute the entire agreement between Executive and the Company and it is the complete, final, and exclusive embodiment of their agreement with regard to this subject matter, superceding any and all agreements entered into between the Executive and the Company or Shearwater Corporation. It is entered into without reliance on any promise or representation other than those expressly contained herein, and it cannot be modified or amended except in a writing signed by an officer of the Company.

9.6 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

9.7 Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

9.8 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company, the Parent, and its and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of his duties hereunder; and Executive may not assign any of his rights hereunder without the written consent of the Company, which shall not be withheld unreasonably.

9.9 Attorney Fees. If either party hereto brings any action to enforce his or its rights hereunder, the prevailing party in any such action shall be entitled to recover his or its reasonable attorneys' fees and costs incurred in connection with such action.

9.10 Choice of Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of Alabama.

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IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

SQUARE ACQUISITION CORPORATION

BY: /s/ Ajit S. Gill
Ajit S. Gill
Chairman and President

Date: June 29, 2001

Accepted and agreed this
29th day of June, 2001.

/s/ J. Milton Harris
J. Milton Harris

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**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002***

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C § 1350, as adopted), Ajit S. Gill, Chief Executive Officer and President of Nektar Therapeutics (the "Company"), and Ajay Bansal, Vice President, Finance and Administration and Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K/A Amendment No. 1 for the year ended December 31, 2002, to which this Certification is attached as Exhibit 99.1 (the "Annual Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Annual Report and results of operations of the Company for the year covered by the Annual Report.

Dated: May 13, 2003

/s/ AJIT S. GILL

Ajit S. Gill
Chief Executive Officer, President and Director

/s/ AJAY BANSAL

Ajay Bansal
*Vice President, Finance and Administration and
Chief Financial Officer*

A signed original of this written statement required by Section 906 has been provided to Nektar Therapeutics and will be retained by Nektar Therapeutics and furnished to the Securities and Exchange Commission ("SEC") or its staff upon request.

* This certification accompanies the Form 10-K/A Amendment No. 1 to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K/A Amendment No. 1), irrespective of any general incorporation language contained in such filing.
