

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 13G

(Rule 13d-102)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b) (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO 13d-2(b)**

(Amendment No. 2)*

NEKTAR THERAPEUTICS

(Name of Issuer)

Common Stock

(Title of Class of Securities)

640268108

(CUSIP Number)

December 31, 2008

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the *Notes*).

1 NAME OF REPORTING PERSON:
Biotechnology Value Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) X
(b) 0

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER	0
	6	SHARED VOTING POWER	2,059,700
	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	2,059,700

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,059,700

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* 0

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
2.23%

12 TYPE OF REPORTING PERSON*
PN

1 NAME OF REPORTING PERSON:
Biotechnology Value Fund II, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) X
(b) 0

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER 0
	6 SHARED VOTING POWER 1,419,000
	7 SOLE DISPOSITIVE POWER 0
	8 SHARED DISPOSITIVE POWER 1,419,000

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,419,000

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* 0

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
1.53%

12 TYPE OF REPORTING PERSON*
PN

1 NAME OF REPORTING PERSON:
BVF Investments, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) X
(b) 0

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER 0
	6 SHARED VOTING POWER 4,941,000
	7 SOLE DISPOSITIVE POWER 0
	8 SHARED DISPOSITIVE POWER 4,941,000

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
4,941,000

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* 0

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
5.34%

12 TYPE OF REPORTING PERSON*
OO

1 NAME OF REPORTING PERSON:
Investment 10, L.L.C.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) X
(b) 0

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Illinois

NUMBER OF SHARES	5	SOLE VOTING POWER	0
BENEFICIALLY OWNED	6	SHARED VOTING POWER	593,000
BY EACH REPORTING PERSON	7	SOLE DISPOSITIVE POWER	0
WITH:	8	SHARED DISPOSITIVE POWER	593,000

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
593,000

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
0.64%

12 TYPE OF REPORTING PERSON*
OO

1 NAME OF REPORTING PERSON:
BVF Partners L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) X
(b) O

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER 0
	6 SHARED VOTING POWER 9,012,700
	7 SOLE DISPOSITIVE POWER 0
	8 SHARED DISPOSITIVE POWER 9,012,700

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
9,012,700

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* O

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
9.75%

12 TYPE OF REPORTING PERSON*
PN, HC

1 NAME OF REPORTING PERSON:
BVF Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) X
(b) 0

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER 0
	6 SHARED VOTING POWER 9,012,700
	7 SOLE DISPOSITIVE POWER 0
	8 SHARED DISPOSITIVE POWER 9,012,700

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
9,012,700

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES* 0

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
9.75%

12 TYPE OF REPORTING PERSON*
CO, HC

ITEM 1(a). NAME OF ISSUER:

NEKTAR THERAPEUTICS. ("NKTR")

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

201 Industrial Road
San Carlos, California 94070

ITEM 2(a). NAME OF PERSON FILING:

This Amendment No. 2 to Schedule 13G is being filed on behalf of the following persons (the "Reporting Persons"):

- (i) Biotechnology Value Fund, L.P. ("BVF")
- (ii) Biotechnology Value Fund II, L.P. ("BVF2")
- (iii) BVF Investments, L.L.C. ("BVLLC")
- (iv) Investment 10, L.L.C. ("ILL10")
- (v) BVF Partners L.P. ("Partners")
- (vi) BVF Inc. ("BVF Inc.")

ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE:

The principal business office of the Reporting Persons comprising the group filing this Schedule 13G is located at 900 North Michigan Avenue, Suite 1100, Chicago, Illinois, 60611.

ITEM 2(c). CITIZENSHIP:

BVF:	a Delaware limited partnership
BVF2:	a Delaware limited partnership
BVLLC:	a Delaware limited liability company
ILL10:	an Illinois limited liability company
Partners:	a Delaware limited partnership
BVF Inc.:	a Delaware corporation

ITEM 2(d). TITLE OF CLASS OF SECURITIES:

This Amendment No. 2 to Schedule 13G filed with respect to the common stock, par value \$0.0001 per share ("Common Stock"), of NKTR. The Reporting Persons' percentage ownership of Common Stock is based on 92,445,985 shares of Common Stock being outstanding.

As December 31, 2008, BVF beneficially owned 2,059,700 shares of Common Stock, BVF2 beneficially owned 1,419,000 shares of Common Stock, BVLLC beneficially owned 4,941,000 shares of Common Stock and ILL10 beneficially owned 593,000 shares of Common Stock. Partners and BVF Inc. may each be deemed to beneficially own 9,012,700 shares of Common Stock.

ITEM 2(e). CUSIP Number: 640268108

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), or 13d-2(b) or (c) CHECK WHETHER THE PERSON FILING IS: One of the following

Not applicable as this Amendment No. 2 to Schedule 13G is filed pursuant to Rule 13d-1(c).

ITEM 4. OWNERSHIP:

The information in items 1 and 5 through 11 on the cover pages (pp. 2 - 7) of this Amendment No. 2 to Schedule 13G is hereby incorporated by reference.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:

If this statement is being filed to report the fact that as of the date hereof the reporting persons have ceased to be the beneficial owners of more than 5 percent of the class of securities, check the following [].

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:

Pursuant to the operating agreement of BVLLC, Partners is authorized, among other things, to invest the funds of Samana Capital, L.P., the majority member of BVLLC, in the shares of Common Stock beneficially owned by BVLLC and to vote and exercise dispositive power over those shares of Common Stock. Partners and BVF Inc. share voting and dispositive power over shares of Common Stock beneficially owned by BVF, BVF2, BVLLC and those owned by ILL10, on whose behalf Partners acts as an investment manager and, accordingly, Partners and BVF Inc. have beneficial ownership of all of the shares of Common Stock owned by such parties.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:

Mr. Lampert is the owner, sole director and an officer of BVF Inc. BVF Inc. is the general partner of Partners, which is the general partner of BVF and BVF 2. Partners is the manager of BVLLC and is investment adviser to ILL10.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP:

The members of the group making this filing on Amendment No. 2 to Schedule 13G are: Biotechnology Value Fund, L.P., Biotechnology Value Fund II, L.P., BVF Investments, L.L.C., Investment 10, L.L.C., BVF Partners L.P. and BVF Inc. .

ITEM 9. NOTICE OF DISSOLUTION OF GROUP:

Not applicable.

ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 13, 2009

BIOTECHNOLOGY VALUE FUND, L.P.*

By: BVF Partners, L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND II, L.P.*

By: BVF Partners, L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVF INVESTMENTS, L.L.C.*

By: BVF Partners, L.P., its manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

INVESTMENT 10, L.L.C.*

By: BVF Partners, L.P., its investment manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVP PARTNERS L.P.*

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVF INC.*

By: /s/ Mark N. Lampert
Mark N. Lampert, President

***The Reporting Person disclaims beneficial ownership except to the extent of its pecuniary interest therein.**

Exhibit A
JOINT FILING AGREEMENT

The undersigned agree that this Amendment No. 2 to Schedule 13G, dated December 31, 2008, relating to the Common Stock of NKTR shall be filed on behalf of the undersigned.

Dated: February 13, 2009

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners, L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND II, L.P.

By: BVF Partners, L.P., its general partner

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVF INVESTMENTS, L.L.C.

By: BVF Partners, L.P., its manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVF INVESTMENTS, L.L.C.

By: BVF Partners, L.P., its manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

INVESTMENT 10, L.L.C.

By: BVF Partners, L.P., its investment manager

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVF PARTNERS L.P.

By: BVF Inc., its general partner

By: /s/ Mark N. Lampert
Mark N. Lampert, President

BVF INC.

By: /s/ Mark N. Lampert
Mark N. Lampert, President