As Filed with the Securities and Exchange Commission on June 12, 1996
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ACCESS PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

<TABLE>
<S> <C> <C>
DELAWARE 3841 83-0221517
(State or Other Jurisdiction of Incorporation or Organization) (Primary Standard Industrial Classification Code Number) (I.R.S. Employer Identification No.)
</TABLE>

2600 NORTH STEMMONS FREEWAY, SUITE 210,
DALLAS, TEXAS (214) 905-5100
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

KERRY P. GRAY
PRESIDENT AND CHIEF EXECUTIVE OFFICER
ACCESS PHARMACEUTICALS, INC.
2600 NORTH STEMMONS FREEWAY, SUITE 210
DALLAS, TEXAS
(214) 905-5100
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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with copies to:

JOHN J. CONCANNON III
BINGHAM, DANA & GOULD LLP
150 FEDERAL STREET
BOSTON, MA 02110
(617) 951-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement is declared effective.

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, check the following box. [x]

CALCULATION OF REGISTRATION FEE

<TABLE>
<CAPTION>

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share*	Proposed Maximum Aggregate Offering Price*	Amount of Registration Fee
<S>	<C>	<C>	<C>	<C>
Common Stock $.04 par value per share	9,171,415 shares(1)	$ 2.00	$ 18,342,830	$ 6,325.11

</TABLE>

* Estimated solely for the purpose of determining the registration fee. Calculated in accordance with Rule 457(c) under the Securities Act of 1933 based on the average of the bid and ask sale prices reported in the consolidated trading system of the National Association of Securities Dealers, Inc. Automated Quotation System Over-the-Counter Bulletin Board on June 10, 1996.

(1) Includes 600,000 shares issuable to certain selling stockholders upon exercise of Warrants for the purchase of shares of the Registrant's Common Stock. (See "Selling Stockholders")

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 which 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 Section 8(a), may determine.

ACCESS Pharmaceuticals, Inc.

Cross Reference Sheet
Between Items of Form SB-2 and Prospectus

<TABLE>
<CAPTION>

ITEM	LOCATION IN PROSPECTUS
1. Forepart of Registration Statement and Outside Front Cover Page of Prospectus	Outside Front Cover Page
2. Inside Front and Outside Back Cover Pages of Prospectus	Inside Front Cover Page; Outside Back Cover Page; Additional Information
3. Risk Factors	Risk Factors
4. Use of Proceeds	Use of Proceeds
5. Determination of Offering Price	Outside Front Cover Page
6. Dilution.	Not Applicable
7. Selling Security Holders.	Selling Stockholders
8. Plan of Distribution.	Outside Front Cover Page
9. Description of Securities to be Registered. . . .	Outside Front Cover Page; Capitalization; Description of Capital Stock
10. Interests of Named Experts and Counsel.	Experts; Legal Opinions
11. Information With Respect to the Registrant:	
(a) Description of Business.	Business; Management's Discussion and Analysis of Financial Condition and Results of Operations
(b) Description of Property	Business--Properties
(c) Legal Proceedings	Risk Factors--Risks Associated With Pending and Threatened Patent Litigation; Business--Patents and Proprietary Technology; Business--Legal Proceedings
(d) Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters	Outside Front Cover Page; Price Range of Common Stock and Dividend Policy; Executive Compensation; Description of Capital Stock
(e) Financial Statements.	Financial Statements; Capitalization
(f) Selected Financial Data	Selected Financial Data
(g) Supplementary Financial Information	Pro Forma Financial Statements

</TABLE>
<TABLE>
<CAPTION>

ITEM	LOCATION IN PROSPECTUS
(h) Management's Discussion and Analysis Financial of Condition and Results of Operations	Management's Discussion and Analysis of Financial Condition and Results of Operations
(i) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.	Not Applicable
(j) Directors, Executive Officers, Promoters and Control Persons.	Management
(k) Executive Compensation	Executive Compensation
(l) Security Ownership of Certain Beneficial Owners and Management	Security Ownership of Certain Beneficial Owners and Management
(m) Certain Relationships and Related	

Transactions . . . . . Certain Relationships and Related Transactions

1.2 Disclosure of Commission Position on Indemnification for Securities Act Liabilities. . . . . Not Applicable
</TABLE>

ACCESS PHARMACEUTICALS, INC.
PROSPECTUS

9,171,415 SHARES OF
COMMON STOCK, $.04 PAR VALUE

This Prospectus ("Prospectus") of ACCESS Pharmaceuticals, Inc. a Delaware corporation (the "Company" or "ACCESS"), relates to up to 9,171,415 shares (the "Shares") of the Company's common stock, $.04 par value per share (the "Common Stock"), being sold by certain stockholders of the Company (the "Selling Stockholders") for their respective accounts. See "Description of Capital Stock," "Security Ownership of Certain Beneficial Owners and Management" and "Selling Stockholders." The Company will not receive any proceeds from the sale of the shares by the Selling Stockholders. None of the shares have been registered prior to the filing of the Registration Statement of which this Prospectus is a part.

The Common Stock of the Company is traded on the National Association of Securities Dealers, Inc. Automated Quotation System ("Nasdaq") Over-the-Counter Bulletin Board under the symbol AXCS. On June 11, 1996 the last reported sale price of the Common Stock on Nasdaq was $1.875 per share. See "Price Range of Common Stock."

<TABLE>
<CAPTION>

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Selling Stockholders
<S>	<C>	<C>	<C>
Per Share	(1)	(1)(2)	(1)(2)
Total	(1)	(1)(2)	(1)(2)

</TABLE>

(1) The sale or distribution of the Shares may be effected directly to purchasers by the Selling Stockholders as principals or through one or more underwriters, brokers, dealers or agents from time in one or more transactions (which may involve crosses or block transactions) or (i) on any exchange or in the over-the-counter market or (ii) in transactions otherwise than in the over-the-counter market or (iii) through the writing of options (whether such options are listed on an options exchange or otherwise) on, or settlement of short sales of, the Shares. Any of such transactions may be effected at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale or at negotiated or fixed prices in each case as determined by the Selling Stockholder or by agreement between the Selling Stockholder and underwriters, brokers, dealers or agents, or purchasers. If the Selling Stockholders effect such transactions by selling Shares to or through underwriters, brokers, dealers or agents, such underwriters, brokers, dealers or agents may receive compensation in the form of discounts, concessions or commissions from the Selling Stockholders or commissions from purchasers of Securities for who they may act as agent (which discounts, concessions or commissions as to particular underwriters, brokers, dealers or agents may be in excess of those customary in the types of transactions involved). The Selling Stockholders and any brokers, dealers or agents that participate in the distribution of the Shares may be deemed to be underwriters, and any profit on the sale of Shares by them and any discounts, concessions or commissions received by any such underwriters, brokers, dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act of 1933 ("Securities Act").

Under the securities laws of certain states, the Shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in certain states the Shares may not be sold unless the Shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

The Company will pay all of the expenses incident to the registration, offering and sale of the Shares to the public hereunder other than commissions, fees and discounts of underwriters, brokers, dealers and agents. The Company has agreed to indemnify the Selling Stockholders and any underwriters against certain liabilities under the Securities Act. The Company will not receive any of the proceeds from the sale of any of the Shares

by the Selling Stockholders.

See "Plan of Distribution", Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" and "Selling Stockholders."

(2) The Company has agreed to prepared and file this Prospectus and the related Registration Statement and supplements and amendments thereto required by the Securities Act with the Securities and Exchange Commission, to register or qualify the Shares if required under applicable Blue Sky laws, and to deliver copies of the Prospectus to the Selling Stockholders. The expenses incurred in connection with the same, estimated at $63,225, will be borne by the Company. The Company will not be responsible for any discounts, concessions, commissions or other compensation due to any broker or dealer in connection with the sale of any of the shares offered hereby, which expenses will be borne by the Selling Stockholder.

FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS SEE "RISK FACTORS."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES 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 June 12, 1996

AVAILABLE INFORMATION

The Company is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files periodic reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information concerning the Company may be inspected and copies may be obtained (at prescribed rates) at public reference facilities maintained by the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048 and at Northwest Atrium Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such material can also be obtained from the Public Reference Section, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, upon payment of prescribed rates. The Company's Common Stock is listed on The Nasdaq Stock Market, and reports, proxy statements and other information concerning the company can also be inspected the offices of the National Association of Securities Dealers, Inc. at 1735 K Street, Washington, D.C. 20006.

The Company has filed a Registration Statement on Form SB-2 (the "Registration Statement") under the Securities Act with the Commission with respect to the Common Stock being offered pursuant to this Prospectus. As permitted by the rules and regulations of the Commission, this Prospectus omits certain of the information contained in the Registration Statement. For further information with respect to the Company and the Common Stock being offered pursuant to this Prospectus, reference is hereby made to such Registration Statement, including the exhibits filed as part thereof. Statements contained in this Prospectus concerning the provisions of certain documents filed with, or incorporated by reference in, the Registration Statement are not necessarily complete, each such statement being qualified in all respects by such reference. Copies of all or any part of the Registration Statement, including the documents incorporated by reference therein or exhibits thereto, may be obtained upon payment of the prescribed rates at the offices of the Commission set forth above.

Upon request, the Company will provide without charge to each person to whom a copy of this Prospectus has been delivered a copy of any information that was incorporated by reference in the Prospectus (other than exhibits to documents, unless such exhibits are specifically incorporated by reference into the information incorporated by reference in the Prospectus). The Company will also provide upon specific request, without charge to each person to whom a copy of this Prospectus has been delivered, a copy of all documents filed from time to time by the Company with the Commission pursuant to the Exchange Act. Requests for such copies should be directed to Stephen B. Thompson, 2600 N. Stemmons Fwy., Suite 210, Dallas, Texas 75207. Telephone requests may be directed to Mr. Thompson at (214) 905-5100.

RISK FACTORS

The following factors should be considered carefully in considering an investment in the shares of Common Stock offered by this Prospectus.

Certain statements in this Prospectus are forward-looking statements that involve risks and uncertainties, including but not limited to research and development focus, uncertainties associated with research and development activities, future capital requirements and dependence on others, and other risks set forth below.

Research and Development Focus ACCESS' focus is on commercializing proprietary biopharmaceutical patents. Although ACCESS is projected to have royalty income, it is still in the development stage, and its proposed

operations are subject to all the risks inherent in the establishment of a new business enterprise, including the need for substantial capital. ACCESS has recorded minimal revenue to date. It is anticipated that ACCESS will remain principally engaged in research and development activities for an indeterminate, but substantial, period of time. As a non-revenue producing company, normal credit arrangements are unavailable to ACCESS and, therefore, it is likely that ACCESS would be forced to accept unfavorable terms if it should attempt to raise additional needed funds through borrowing. There can be no assurance that any such credit arrangements would be available. Further, it is anticipated that additional losses will be incurred in the future, and there can be no assurances that ACCESS will ever achieve significant revenues.

Uncertainties Associated with Research and Development Activities Research and development activities, by their nature, preclude definitive statements as to the time required and costs involved in reaching certain objectives. Actual research and development costs, therefore, could exceed budgeted amounts and estimated time frames may require extension. Cost overruns due to unanticipated regulatory delays or demands, unexpected adverse side effects or insufficient therapeutic efficacy will prevent or substantially slow the research and development effort and ultimately could have a material adverse effect on ACCESS.

Absence of Operating Revenue Royalties received by ACCESS for sales of ActinexTM and Amlexanox have not been significant to date. There can be no assurance of revenue or profits in the future. ACCESS currently has no products approved for sale and there can be no assurance as to the expenditures of time and resources that may be required to complete the development of potential ACCESS products and obtain approval for sale or if such completion and approval can be realized.

History of Losses; Probability of substantial additional future losses ACCESS has sustained net operating losses since its inception. Since the development and commercialization of current and new products will require substantial expenditures for the foreseeable future, ACCESS expects to incur further losses. If ACCESS' losses continue, its ability to continue its operations will depend upon its ability to secure additional funds. ACCESS' revenue trend and future additional cash needs may display significant variations due to the introduction of new research and development agreements and licensing arrangements, the completion or termination of those agreements and arrangements, the timing and amounts of milestone payments, and the timing of regulatory approvals and market introduction of products.

Future Capital Requirements ACCESS will require substantial funds for its research and product development programs, the pursuit of regulatory approvals, operating expenses, working capital and expansion of its production capabilities. There can be no assurance that ACCESS will be profitable in the future and if ACCESS has insufficient funds for its capital needs, there can be no assurance that additional funds can be obtained on acceptable terms, if at all. If necessary funds are not available, ACCESS' business would be materially adversely affected.

Dependence on Others; Collaborations The Company's strategy for the research, development and commercialization of its potential pharmaceutical products may require the Company to enter into various arrangements with corporate and academic collaborators, licensors, licensees and others, in addition to those already established, and may therefore be dependent upon the subsequent success of outside parties in performing their responsibilities. There can be no assurance that the Company will be able to establish additional collaborative arrangements or license agreements that the Company deems necessary or acceptable

to develop and commercialize its potential pharmaceutical products, or that any of its collaborative arrangements or license agreements will be successful.

No Marketing, Sales, Clinical Testing or Regulatory Compliance Activities In view of the development stage of the Company and its research and development programs, the Company has restricted hiring to research scientists and a small administrative staff and has made no investment in marketing, product sales or regulatory compliance resources. If the Company successfully develops any commercially marketable pharmaceutical products, it may seek to enter joint venture, sublicense or other marketing arrangements with parties that have an established marketing capability or it may choose to pursue the commercialization of such products on its own. There can be no assurance, however, that the Company will be able to enter into such marketing arrangements on acceptable terms, if at all. Further, the Company will need to hire additional personnel skilled in the clinical testing and regulatory compliance process and in marketing or product sales if it develops pharmaceutical products with commercial potential that it determines to commercialize itself. There can be no assurance, however, that it will be able to acquire such resources or personnel.

Protection of Proprietary Technology ACCESS' ability to compete effectively with other companies will depend, in part, on its ability to maintain the proprietary nature of its technology. Although ACCESS has been awarded eight patents involving glycosaminoglycan, acidic saccharide, carbohydrate and other endothelial-binding and targeting carriers in combination with drugs and

diagnostic agents formulated by both physical and chemical covalent means; and eight applications are pending, there can be no assurance that these patents will not be declared invalid or circumvented, or that pending patents will be issued. In addition, there may be other patents issued covering technologies and products which may be required by ACCESS to manufacture, use or sell any potential products. There can be no assurance that ACCESS could obtain a license under any such patent on commercially acceptable terms or at all. To protect their rights in these areas, ACCESS generally requires its respective employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance, however, that these agreements will provide meaningful protection for ACCESS' trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure of such trade secrets, know-how or other proprietary information. Litigation may be necessary to protect trade secrets or know-how currently owned by ACCESS to determine the scope and validity of the proprietary rights of others and could result in substantial cost and diversion of effort by ACCESS.

Regulation by Government Agencies The pharmaceutical industry is subject to regulation by the U.S. Food and Drug Administration ("FDA") and comparable agencies in foreign countries prior to commercial marketing. The process of obtaining approvals from such agencies for any potential products of ACCESS can be costly, complicated and time consuming and there can be no assurance that such approvals will be granted on a timely basis, if ever. The regulatory process may delay the marketing of any new products for lengthy periods, impose substantial additional costs and furnish an advantage to competitors who have greater financial resources. In addition, the extent of potentially adverse governmental regulations which might arise from future legislative, administrative or judicial action cannot be determined. ACCESS cannot predict at this time what effect FDA actions may have on the approval process to which ACCESS' potential products may be subject.

Drug-related Risks Adverse side effects of treatment of diseases and disorders in both human and animal patients are business risks in the pharmaceutical industry. Adverse side effects can occur during the clinical testing of a new drug on humans or animals which may delay ultimate FDA approval or even cause a company to terminate its efforts to develop the drug for commercial use. Even after FDA approval of an NDA, adverse side effects may develop to a greater extent than anticipated during the clinical testing phase and could result in legal action against a company. Drug developers and manufacturers, including ACCESS, may face substantial liability for damages in the event of adverse side effects or product defects identified with their products used in clinical tests or marketed to the public. There can be no assurance that ACCESS will be able to satisfy any claims for which it may be held liable resulting from the use or misuse of products which it has developed, manufactured or sold.

Competition The domestic and international markets for the pharmaceutical industry are highly competitive. Many of ACCESS' competitors have significantly greater financial, technical, research and development and

marketing resources than ACCESS. ACCESS' ability to compete depends primarily upon scientific and technical superiority, patent protection, timely regulatory approvals and effective pricing and marketing. ACCESS' future success will also depend upon, among other factors, its ability to develop, introduce, manufacture and obtain regulatory approvals on a timely basis for new or potential products. Other substances or technologies currently existing or developed in the future may be the basis for competitive products that will render ACCESS' technology obsolete or non-competitive. There can be no assurance that any potential products or processes will compete successfully. Additionally, there can be no assurance that ACCESS' competitors will not substantially increase the resources devoted to the development and marketing of products competitive with those of ACCESS.

Dependence Upon Skilled Personnel The business of ACCESS depends heavily upon the active participation of a number of key management and technical personnel. The loss of the services of one or more such employees could have a material adverse effect on the operation of ACCESS' business, financial condition and results of operations. In addition, both the long and short term success of ACCESS depend in large part upon its continued ability to attract and retain skilled scientific, and managerial employees, which may prove difficult because the market for the services of such individuals is highly competitive.

Possible Volatility of Stock Price Stock prices for many technology companies fluctuate widely for reasons which may be unrelated to operating performance or new product or service announcements. Broad market fluctuations, earnings and other announcements of other companies, general economic conditions or other matters unrelated to ACCESS and outside its control also could affect the market price of the Common Stock.

Effect of Certain Charter and By-Law Provisions; Possible Issuance of Preferred Stock ACCESS' Certificate of Incorporation and Bylaws contain provisions that may discourage acquisition bids for ACCESS. This could limit the price that certain investors might be willing to pay in the future for shares of Common Stock. In addition, shares of ACCESS Preferred Stock may be

issued in the future without further stockholder approval and upon such terms and conditions, and having such rights, privileges and preferences, as the Board of Directors may determine (including, for example, rights to convert into Common Stock). The rights of the holders of Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any ACCESS Preferred Stock that may be issued in the future. The issuance of ACCESS Preferred Stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or discouraging a third party from acquiring, a majority of the outstanding voting Common Stock of ACCESS.

Market Impact of Future Sales of Common Stock Sales of substantial amounts of shares of ACCESS Common Stock in the public market could adversely affect the market price of the Common Stock. As of the date of this Prospectus, 12,139,009 shares of Common Stock are unrestricted and freely tradable.

Dr. David Ranney, a Director, Herbert H. McDade, Chairman of the Board, and Kerry Gray, Chief Executive Officer and President of ACCESS, have entered into Lock-Up Agreements with ACCESS pursuant to which each of them may not sell any shares of the Common Stock of ACCESS owned by them until July 25, 1996.

The private placement investors from the $6 million private placement for 8.57 million shares of common stock on March 4, 1996 have agreed not to sell any of the shares purchased in the offering until 180 days after the closing of the private placement or until September 5, 1996.

There also are outstanding options, warrants and rights to purchase up to approximately 4.6 million shares of the Common Stock. The sale of a substantial amount of these shares could have a material adverse effect on the future market price of Common Stock.

THE COMPANY

ACCESS was founded in 1974 as Chemex Corporation, a Wyoming corporation, and in 1983 changed its name to Chemex Pharmaceuticals, Inc ("Chemex"). Chemex changed its state of incorporation from Wyoming to Delaware on June 30, 1989. In connection with the merger of ACCESS Pharmaceuticals, Inc., a Texas Corporation ("API"), with and into the Company on January 25, 1996, the name of the Company was changed to ACCESS Pharmaceuticals, Inc.

ACCESS' principal executive office is at 2600 North Stemmons Freeway, Suite 210, Dallas, Texas 75207; its telephone number is (214) 905-5100.

USE OF PROCEEDS

The Company will not receive any proceeds from the sale of shares by the Selling Shareholders.

PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

The Common Stock was traded on the National Association of Securities Dealers, Inc. Automated Quotation System ("Nasdaq") SmallCap market under the trading symbol CHMX until April 27, 1995. ACCESS' securities were delisted from the Nasdaq SmallCap Market on April 27, 1995 for failure to meet certain financial requirements. ACCESS Common Stock now trades on the Nasdaq Over-the-Counter ("OTC") Bulletin Board and as of February 1, 1996 trades under the trading symbol AXCS. The following tables set forth, for the periods indicated, the high and low closing prices for the Common Stock as reported by Nasdaq.

<TABLE>
<CAPTION>

	Common Stock	
	High	Low
<S>	<C>	<C>
Fiscal Year Ended December 31, 1995		
First quarter	$ 3/4	$ 7/16
Second quarter(1)	1/2	7/16
Second quarter(2)	9/16	1/16
Third quarter	19/32	9/32
Fourth quarter	1-1/8	1/4
Fiscal Year Ended December 31, 1996		
First quarter	2-11/16	29/32
Second quarter (to May 31, 1996)	2-9/16	1-3/4

</TABLE>

(1) Through April 27, 1995 on NASDAQ SmallCap Market.
(2) After April 27, 1995 on OTC Bulletin Board.

The Company has never declared or paid any cash dividends on its Common Stock and does not anticipate paying any cash dividends in the foreseeable future. The Company currently intends to retain all future earnings, if any, to finance the development and growth of the Company's business.

CAPITALIZATION

The following table sets forth as of March 31, 1996 the actual capitalization (unaudited) of the Company. This table should be read in conjunction with the financial statements (including the notes thereto), which are included in this Registration Statement and Prospectus.

<TABLE>
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	MARCH 31, 1996
	(in 000's)
<S>	<C>
Stockholders' equity:	
Preferred Stock: $.01 par value, 10,000,000 shares authorized; no shares issued and outstanding	$ -
Common Stock: $.04 par value, 40,000,000 shares authorized; 31,290,182 shares issued and outstanding(1);	1,252
Additional paid-in capital	17,748
Accumulated deficit during the development stage	(12,529)
Total stockholders' equity	6,471
Total capitalization	$ 6,471

</TABLE>

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(1) Excludes 1,445,461 shares of Common Stock issuable pursuant to the exercise of stock options outstanding as of May 31, 1996 at a weighted average exercise price of $2.22 per share, of which options to purchase all 1,445,461 shares were then exercisable from the 1987 Stock Awards Plan. Also excludes (i) 406,000 shares issuable under the 1995 Stock Option Plan as of May 31, 1996. See "Stock Option Plans".

SELECTED FINANCIAL DATA

The following data, insofar as it relates to each of the years in the five year period ended December 31, 1995, has been derived from the audited financial statements of ACCESS and notes thereto appearing elsewhere herein. The data for the three month periods ended March 31, 1996 and 1995 have been derived from unaudited financial statements also appearing herein and which, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments except the merger adjustments discussed below in footnote (2)) necessary for the fair statement of the financial position and results of operations for the unaudited interim periods presented. The data should be read in conjunction with the Financial Statements and Notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Prospectus. The unaudited Pro Forma financial data for the three months ended March 31, 1996 and the year ended December 31, 1995, gives effect to the merger and the Private Placement Offering and have been derived from and should be read in conjunction with the financial data set forth under the unaudited Pro Forma financial statements. Pro Forma data are not necessarily indicative of future financial position or future operating results.

<TABLE>
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	Pro Forma (1)(2)	Three Months Ended March 31,		Pro Forma (1)(2)	For the Year Ended December 31,				
	1996	1996	1995	1995	1995(3)	1994	1993	1992	1991
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
STATEMENT OF OPERATIONS DATA:									
Total Revenues	$ 165	$ 165	$ 135	$ 3,581	$ 690	$ 1,038	$ 322	$ 589	$1,646
Operating Loss	(401)	(8,715)	(286)	(817)	(1,104)	(485)	(1,386)	(1,009)	358
Other Income	77	30	3	307	5	9	34	106	195
Income (Loss) Before Income Taxes	(324)	(8,685)	(283)	(510)	(1,099)	(476)	(1,352)	(903)	553
Income taxes	-	-	-	-	-	-	32	(44)	139
Net income (Loss)	(324)	(8,685)	(283)	(510)	(1,099)	(476)	(1,384)	859	414
COMMON STOCK DATA:									
Net Income (Loss) Per Share	$ (.01)	$ (.34)	$ (.10)	$ (.02)	$ (.35)	$ (.16)	$ (.47)	$ (.29)	$ .14
Weighted Average Number of Common Shares Outstanding	31,290	25,535	2,918	31,290	3,098	2,918	2,918	2,918	2,916

</TABLE>

<TABLE>
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	March 31,		December 31,				
	1996	1995	1995	1994	1993	1992	1991
BALANCE SHEET DATA:							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Total Assets	$7,230	$816	$ 424	$1,261	$1,079	$2,444	$3,558
Total Liabilities	759	568	772	731	71	53	397
Stockholders' Equity (Deficit)	6,471	248	(348)	531	1,007	2,391	3,161

</TABLE>

(1) Gives effect to Pro Forma adjustments related to the acquisition of Chemex Pharmaceuticals, Inc. ("Chemex") as if the acquisition had occurred at the beginning of the periods presented. ACCESS Pharmaceuticals, Inc. a Texas corporation ("API") merged with and into Chemex on January 25, 1996. Under the terms of the agreement, Chemex acquired all of the outstanding shares of API in exchange for 13,919,979 shares of registered common stock of Chemex and accordingly API was merged into Chemex with Chemex as the surviving legal entity. The name of Chemex was changed to ACCESS Pharmaceuticals, Inc. ("ACCESS" or the "Company").

As a result of the merger and immediately after the merger, the former API stockholders owned approximately 60% of the issued and outstanding shares of the Company. Generally accepted accounting principles require that a company whose stockholders retain the controlling interest in a combined business be treated as the acquiror for accounting purposes. As a consequence, the merger was accounted for as a "reverse acquisition" for financial reporting purposes and API has been deemed to have acquired an approximate 60% interest in Chemex. Despite the financial reporting requirement to account for the acquisition as a "reverse acquisition," Chemex remains the continuing legal entity and registrant for Securities and Exchange Commission reporting purposes; however, as a result of the merger, the name of Chemex was changed to ACCESS Pharmaceuticals, Inc.

As a result the Selected Financial Data above is the data for ACCESS from January 25, 1996 to March 31, 1996 and API as of and for the three months ended March 31, 1995 and as of and for the years ended December 31, 1991 through 1995.

The unaudited balance sheet at March 31, 1996 and related statement of operations for the three months ended March 31, 1996 include adjustments to record the "reverse acquisition" as a purchase with API as the acquirer. The values used in the preparation of the financial statements at the January 25, 1996 merger date were determined based on negotiations between Chemex and API using comparable values for companies at API's stage of development. As a result, common stock and paid in capital of API were recorded at a $10.0 million valuation. The excess purchase price over the fair value of Chemex's assets of $8,314,000 was written off in the first quarter of 1996.

(2) Gives effect to the Pro Forma adjustments related to the receipt by the Company of the net proceeds of the Private Placement Offering, for $6 million for 8.57 million shares of Common Stock on March 4, 1996

(3) In the fourth quarter of 1995, the Company changed its accounting for patent and application costs from capitalizing and amortizing initial patent and application costs (primarily legal and filing fees related to patents) to expensing these costs as incurred. The change was made to bring the Company's policy in the line with prevailing industry

practices. As a result of the change, the Company wrote down capitalized patent and application costs by approximately $246,000.

PRO FORMA FINANCIAL STATEMENTS

The accompanying unaudited Pro Forma statements of operations for the year ended December 31, 1995, and for the three months ended March 31, 1996, are based on the historical financial statements of the Company adjusted as if the following events occurred on January 1, 1995: (1) Consummation of the merger of ACCESS Pharmaceuticals, Inc., a Texas Corporation ("API") with and into the Company and, (ii) receipt by the Company of the net proceeds of the Private Placement Offering. The unaudited December 31, 1995 Pro Forma statement of operations combines the historical operations of API with the historical operations of Chemex, prior to the date of the merger. The unaudited Pro Forma Statement of Operations for the three months ended March 31, 1996 reflects the operations of ACCESS after eliminating the write off of excess purchase price recorded using the purchase method of accounting.

These statements are based on assumptions set forth in the notes to such statements and should be read in conjunction with the related financial statements and notes thereto of the Company and API included elsewhere in this Prospectus.

The Pro Forma financial statements are not necessarily indicative of ACCESS' future operating results or what ACCESS results would have been had the merger and Private Placement Offering been consummated at January 1, 1995.

PRO FORMA STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 1995
(UNAUDITED)

<TABLE>
<CAPTION>

		ADJUSTMENTS		
	HISTORICAL API	MERGER	PRIVATE PLACEMENT	AS ADJUSTED
	(In thousands except per share date)			
<S>	<C>	<C>	<C>	<C>
Revenues	$ 690	$ 2,891 (A)		$ 3,581
Cost and Expenses:				
Research and Development	675	1,245 (A)		1,920
General and Administrative	694	1,341 (A)		2,035
Interest	58	6 (A)		64
Depreciation and amortization	367	12 (A)		379
Total expenses	1,794	2,604		4,398
Operating income (loss)	(1,104)	287		(817)
Other income				
Interest and miscellaneous income	5	54 (A)	$ 248 (B)	307
Income (loss) before income taxes	(1,099)	341	248	(510)
Income taxes	-	-	-	-
Net income (loss)	$ (1,099)	$ 341	$ 248	$ (510)
Net income (loss) per share	$ (0.09)	$ 0.04	$ 0.02	$ (0.02)
Weighted average number of common shares outstanding	11,846 (D)	8,717 (D)	8,571 (E)	29,134

</TABLE>

The accompanying notes are an integral part of the Pro Forma Financial Statements.

PRO FORMA STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 1996
(UNAUDITED)

<TABLE>

<CAPTION>

	HISTORICAL ACCESS	ADJUSTMENTS MERGER	PRIVATE PLACEMENT	AS ADJUSTED
	(In thousands except per share data)			
<S>	<C>	<C>	<C>	<C>
Revenues	$ 165			$ 165
Cost and Expenses:				
Research and development	181			181
General and administrative	336			336
Interest	13			13
Depreciation and amortization	36			36
Writeoff of Excess purchase price	8,314	$ (8,314) (C)		-
Total expenses	8,880	(8,314)		566
Operating income (loss)	(8,715)	8,314		(401)
Other income				
Interest and miscellaneous income	30		$ 47 (B)	77
Income (loss) before income taxes	(8,685)	8,314	47	(324)
Income taxes	-	-	-	-
	-	-	-	-
Net income (loss)	$ (8,685)	$ 8,314	$ 47	$ (324)
Net loss per share from continuing operations	$ (0.34)		$ (0.01)	
Weighted average number of common shares outstanding	25,535	8,717	8,571	31,250

</TABLE>

The accompanying notes are an integral part of the Pro Forma Financial Statements.

Notes to Pro Forma Financial Statements

(A) Reflects the historical net revenues and operating expenses of the Company as if the merger had occurred on January 1, 1995 (adjustments do not include amounts for operations of Chemex from January 1, 1996 to January 25, 1996, as such amounts were not significant)
(B) Reflects increased interest income earned on proceeds from the private placement.
(C) Adjustment is made to reflect the elimination of write off of excess purchase price recorded on January 25, 1996. Such adjustment is considered nonrecurring and will not have a continuing impact.
(D) The weighted average number of outstanding shares of Historical API gives retroactive effect to the exchange of 3.824251 shares of Chemex for each outstanding share of ACCESS.
(E) Reflects shares issued in connection with private placement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the financial condition and results of operation of the Company should be read in conjunction with the Company's Financial Statements and Notes thereto, and the other financial information included elsewhere in this Prospectus.

OVERVIEW

In connection with the merger ("Merger") of ACCESS Pharmaceuticals, Inc., a Texas corporation ("API"), with and into Chemex Pharmaceuticals, Inc. ("Chemex") on January 25, 1996, the name of Chemex was changed to ACCESS Pharmaceuticals, Inc. ("ACCESS" or the "Company").

As a result of the merger and immediately after the merger, the former API Stockholders owned approximately 60% of the issued and outstanding shares of the Company. Generally accepted accounting principles require that a company whose stockholders retain the controlling interest in a combined business be treated as the acquiror for accounting purposes. As a consequence, the merger was accounted for as a "reverse acquisition" for financial reporting purposes and API was deemed to have acquired an approximate 60% interest in Chemex. Despite the financial reporting requirement to account for the acquisition as a "reverse acquisition," Chemex remains the continuing legal entity and registrant for Securities and Exchange Commission reporting purposes.

Until the sale of its rights to the drug Amlexanox in September 1995 to Block Drug Company ("Block"), Chemex focused on the development of novel drugs for the treatment of various skin diseases and had a diversified portfolio of drugs under development.

As consideration for the sale of the Company's rights to the drug Amlexanox, Block (a) made an initial non-refundable upfront royalty payment of $2.5 million; (b) is obligated to pay the Company $1.5 million as a prepaid royalty at the end of the calendar month during which Block together with any sublicensee has achieved cumulative worldwide sales of Amlexanox oral products of $25 million; and (c) after the payment of such $1.5 million royalty, is obligated to pay the Company a royalty for all sales in excess of cumulative worldwide sales of Amlexanox oral products of $45 million, as defined in the agreement.

ACCESS' obligations following such sale are limited to performing reasonable activities in support of obtaining FDA approval of Amlexanox until the earlier of (i) three years after FDA approval of Amlexanox, or (ii) the liquidation or dissolution of ACCESS. An New Drug Application ("NDA") for Amlexanox was filed in April 1995 and the Company announced on May 20, 1996 that Block has received an approvable letter from the FDA for Amlexanox. There have been no sales of Amlexanox to date.

Subsequent to the Merger of API into ACCESS, the Company has been managed by the former management of API and the focus of the Company has changed to the development of enhanced delivery of parenteral therapeutic and diagnostic imaging agents through the utilization of its patented and proprietary endothelial binding technology which selectively targets sites of disease. The Company has a broad platform technology for enhancing the site targeting of intravenous therapeutic drugs, MRI contrast agents and radiopharmaceutical diagnostic and therapeutic agents. The ACCESS technology is based on natural carbohydrate carriers.

The technology development of the Company is currently focused on increasing the therapeutic benefit of oncology agents and improving the efficiency of oncology diagnosis by selectively targeting sites of disease and accelerating drug clearance.

The Company has developed four possible product candidates, two of which are anticipated to be ready to be advanced into human testing in the first half of 1997. These product candidates are new formulations of existing compounds which increase therapeutic efficacy and reduce toxicity, designed to address the clinical shortfalls of available treatments.

Recent Developments

On April 26, 1996, ACCESS executed a letter of intent to acquire Tacora Corp., a privately-held pharmaceutical company based in Seattle. The transaction is expected to close in the next 60-90 days. Under the terms of the letter of intent, the purchase price is contingent upon the achievement of certain milestones. Stock up to a maximum of $14,000,000 could be payable to Tacora's Shareholders over a 30 month period on an escalating value over the milestone period. The consummation of the transaction is subject to customary conditions to closing including completion of due diligence, negotiation of definitive documents and approval of the stockholders of Tacora Corp.

Liquidity and Capital Resources

The Company's principal source of liquidity as of March 31, 1996, is $6,813,000 of cash and cash equivalents. Working capital as of March 31, 1996 was $6,419,000, an increase of $6,934,000 as compared to the working capital as of December 31, 1995 of $(515,000). The increase in working capital was principally due to $6 million in proceeds from the private placement of 8.57 million shares of common stock in March 1996 and the addition of $1.84 million in working capital of Chemex resulting from the Merger between Chemex and API. Based on completion of the private placement, $480,000 was paid to a consultant. The net cash infusion from the private placement will be used to continue the development and advancement of the ACCESS technology which focuses on increasing the therapeutic benefit and improving the efficacy of oncology therapeutics and diagnostic agents by selectively targeting sites of disease and accelerating drug clearance. The shares issued in the private placement were not registered; however, the Company agreed to file this registration statement within 90 days of the date of the private placement issuance. The private placement investors have agreed not to sell any of the shares purchased in the offering until 180 days after the closing of the private placement.

Management believes its working capital will cover planned operations through December 1997.

Management anticipates that future expansion of the Company's business through acquisition will be financed through the issuance of stock of the Company.

Currently royalty revenues are not expected during 1996. Research and development expenditures to advance products into human testing will remain high for several years and there can be no assurance that the Company will be

successful in attaining a partner or future equity financing to complete the testing of its products.

RESULTS OF OPERATIONS

Comparison of Three Months Ended March 31, 1996 and 1995

First quarter 1996 revenues were $165,000 as compared to $135,000 in 1995, an increase of $30,000. The increase in revenues for the first quarter of 1996 as compared to the comparable 1995 period was principally due to $165,000 of option payments recorded as income in the first quarter related to a third-party evaluation of certain of the Company's technology. The company performing the evaluation elected not to extend the option period beyond March 29, 1996. An additional $110,000 in option payments was converted to a non-interest bearing loan due to the evaluating pharmaceutical company. First quarter 1995 revenues were comprised of sponsored research and development revenues.

Total research spending for the first quarter of 1996 was $181,000 as compared to $215,000 for the same period in 1995, a decrease of $34,000. The decrease in expenses was the result of a decrease in external research expenditures. Research spending will increase in future quarters as the Company has initiated the hiring of additional scientific management and staff and is accelerating activities to develop the Company's product candidates.

Total general and administrative expenses were $336,000 for the first quarter of 1996, an increase of $182,000 as compared to the same period in 1995. The increase in spending was due to the following: increased professional expenses due to the Merger and legal costs of being a public company-$100,000; director fees and director and officer insurance-$39,000; general business consulting fees and expenses-$15,000; and other increases of $28,000.

Excess purchase price over the fair value of Chemex's net assets of $8,314,000 was recorded and written off in the first quarter due to an immediate impairment of the excess purchase price.

Total expenses were $8,880,000, including $8,314,000 of excess purchase price written off, which resulted in a loss for the quarter of $8,685,000, or $.34 per share.

Comparison of Years Ended December 31, 1995 and 1994

Revenues in 1995 were $690,000, as compared to the same period in 1994 of $1,039,000, a reduction of $349,000. The lower revenues in 1995 are due to a project cancellation in June 1995 by a pharmaceutical company.

Research and development expenses for 1995 were $675,000 as compared to $714,000 for the same period in 1994, a decrease in spending of $39,000. The decrease is due mainly to a decrease in external research expenditures. Research and development expenses are expected to increase in 1996 due to the funding received from the $6 million private placement in March 1996 (see Liquidity and Capital Resources).

General and administrative expenses were relatively constant from 1994 to 1995. These expenses are anticipated to increase in 1996 as compared to 1995. Most of the emphasis will be on research and development for the company's products.

Interest expense was $39,000 higher in 1995 versus 1994 due to capital lease obligations incurred late in 1994.

Depreciation and amortization increased to $367,000 in 1995 from $115,000 in 1994, an increase of $252,000. The increase was due to API changing its accounting for patent and application costs from capitalizing and amortizing initial patent and application costs (primarily legal and filing fees related to patents) to expensing these costs as incurred. The change was made to bring the Company's policy in line with prevailing industry practices. As a result of the change, the Company wrote down capitalized patent and application costs by approximately $246,000 in the fourth quarter of 1995.

Comparison of Years ended December 31, 1994 and 1993

Revenues in 1994 were $1,039,000 an increase of $717,000 over 1993. Revenues in 1994 were only from Corange International, Ltd. and revenues in 1993 were only from Yamanouchi Pharmaceutical Co., Ltd. In April 1994, ACCESS concluded agreements,

as amended, with Corange. The agreements were to develop drugs based on ACCESS' endothelial binding technology for the use in the technology area and an option for a period up to two years, as defined to exclusively license the

product worldwide.

Total research and development expenses were $714,000 for 1994, a reduction of $128,000 as compared with fiscal 1993. The reduction of spending was due to wind up costs associated with the completion of the Yamanouchi MRI project and the start up of the new Corange oncology projects whereas 1993 had a full year of active project costs.

General, administrative and interest expenses were $695,000 in 1994, a reduction of $60,000 as compared to 1993. The reduction was due primarily to lower business professional fees ($70,000), scientific consulting ($19,000), travel and entertainment ($26,000) offset by higher patent costs ($34,000) and legal fees ($27,000).

Other income-interest and miscellaneous income was $9,000 for 1994, a reduction of $25,000 as compared with fiscal 1993. The reduction in other income was due to lower cash balances on hand.

Total expenses were $1,524,000 for fiscal 1994, as compared to $1,708,000 in 1993, a reduction of $184,000. The net loss in 1994 was $476,000 or a reduction in loss of $908,000 from 1993. The reduction in net loss for 1994 as compared to 1993 was principally due to the higher revenues received from Corange due to the start of the oncology project and the net effect of research and development and general cost reductions in 1994.

Consequently, the net loss for 1994 was $476,000 or $.16 loss per common share, as compared to a net loss of $1,384,000 or $.47 loss per common share in 1993.

SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," effective for fiscal years beginning after December 15, 1995, requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In addition, this statement requires that long-lived assets and certain identifiable intangibles to be disposed of be reported at the lower of carrying amount or fair value less cost to sell. The Company adopted this statement January 1, 1996, and the adoption of SFAS No. 121 did not have material impact on the financial condition of the Company.

SFAS No. 123, "Accounting for Stock Based Compensation", effective for fiscal years beginning after December 15, 1995 established financial, accounting and reporting standards for stock-based employee compensation plans. These plans include all arrangements by which employees receive shares of stock or other equity investments of the employer or the employer incurs liabilities to employees in amounts based on the price of the employer's stock. This statement also applies to transactions in which an entity issues its equity instruments to acquire goods or services from non-employees. The Company has elected to account for employee stock compensation plans under APB 25 and accordingly, only selected the disclosure requirements of SFAS No. 123. Such additional disclosure requirements will be presented by the Company in its 1996 Form 10-K.

BUSINESS

OPERATIONS PRIOR TO JANUARY 1996

In June 1990, ACCESS sold its then lead drug, ActinexTM, a drug developed by ACCESS for the treatment of actinic keratoses (pre-malignant lesions of the skin) to Block Drug Company ("Block") for a total of $8 million in milestone payments plus future royalties which to date have not been significant. As of December 31, 1992, all milestones were achieved and paid, and Block began selling the drug in November 1992. ACCESS has retained the right to the active ingredient of ActinexTM for all applications other than the indications for premalignant lesions of the skin and basal cell carcinoma.

In June 1991, ACCESS entered into a joint venture agreement with Block for the development, manufacturing and marketing of certain dermatological products (the "Joint Venture"). Under this Joint Venture, Amlexanox, a drug for canker sores, was developed.

Following the dissolution of the Joint Venture as of December 31, 1994, ACCESS jointly owned the rights to Amlexanox with Block. ACCESS was required to share certain research and development and other expenses relating to the commercialization of Amlexanox on a 50/50 basis with Block. These agreements also provided that if ACCESS was unable to fund its shares of such expenses, ACCESS would be entitled to exercise an option to sell its rights to Amlexanox to Block in exchange for the right to receive royalties from future sales of Amlexanox.

Believing that it would not be able to continue to fund its share of the expenses required for commercialization of Amlexanox and because it was unable to raise additional equity financing and reach agreement, by letter of intent or otherwise, on a merger transaction with a third party, ACCESS, on May 30, 1995, exercised an option to sell its rights to Amlexanox to Block. On September 14, 1995, at a Special Meeting of Stockholders, the ACCESS Stockholders approved such sale and such transaction was consummated on September 21, 1995.

As consideration for the sale of ACCESS' share of Amlexanox, Block (a) made a nonrefundable upfront royalty payment of $2.5 million; (b) is obligated to pay to ACCESS $1.5 million as a prepaid royalty at the end of the calendar month during which Block together with any sublicensee has achieved cumulative worldwide

sales of Amlexanox oral products of $25 million; and (c) after the payment of such $1.5 million royalty, is obligated to pay to ACCESS for all sales in excess of cumulative worldwide sales of Amlexanox oral products of $45 million:

(1) for all countries where a valid and enforceable patent of Takeda Chemical Industries, Ltd., ("Takeda"), the licensor of Amlexanox to Block, and or/an Amlexanox patent for canker sores is in effect at the time of sale:

Ethical formulations: 5%
Over the Counter ("OTC") formulations: 2.5%

(2) for countries where there is no valid and enforceable Takeda patent or Amlexanox patent for canker sores in effect at the time of a sale:

Ethical formulations: 2.5%
OTC formulations: 1.25%

ACCESS' obligations following such sale are limited to performing reasonable activities in support of obtaining FDA approval of Amlexanox until the earlier of (i) three years after FDA approval of Amlexanox, or (ii) the liquidation or dissolution of ACCESS. An NDA for Amlexanox was filed in April 1995 and the Company announced on May 20, 1996 that Block has received an approvable letter from the U.S. Food and Drug Administration for Amlexanox. There have been no sales of Amlexanox to date.

Until July 1995 and the sale of the drug Amlexanox to Block, ACCESS focused on the development of novel drugs for the treatment of various skin diseases and had a diversified portfolio of drugs under development.

Subsequent to the Merger of API into ACCESS, the Company is now managed by the former management of API and the focus of the Company has changed to the development of enhanced delivery of parenteral therapeutic and diagnostic imaging agents through the utilization of its patented and proprietary endothelial binding technology which selectively targets sites of disease.

This new technology was researched and developed at the University of Texas Southwestern Medical Center by Dr. David Ranney, API's founder, who was the Director of the Laboratory of Targeted Diagnosis and Therapy in the departments of Pathology and Radiology. The technology is being developed to increase the efficacy and reduce the side effects of therapeutics and diagnostic agents by selectively targeting them to the sites of disease and accelerating drug clearance. The principal form of the technology utilizes natural carbohydrates, glycosaminoglycans ("GLYCOS"), as the carrier system which selectively targets sites of disease. GLYCOS work by recognizing and adhering to cytokine-induced adhesive receptors on the walls of local blood vessels.

The therapeutic focus of ACCESS is the development of proprietary pharmaceuticals for the treatment of cancer and life-threatening infections and the diagnosis and staging of cancer. ACCESS believes that the unique pharmacologic profiles and selective targeting properties of GLYCOS could allow its product candidates to become useful treatments for cancer and life-threatening infections, and important diagnostic tools in the early detection, prognosis and monitoring of cancer. The focus on acute care in large expanding high-value hospital markets, particularly in the areas of oncology and infectious disease, is designed to more rapidly accelerate development and regulatory review and lower development cost in these life saving therapeutic areas.

ACCESS has developed four possible product candidates, two of which are believed ready to be advanced into human testing. These product candidates are new formulations of existing compounds which increase therapeutic efficacy and reduce toxicity, designed to address the clinical shortfalls of available treatments.

OVERVIEW OF CURRENT OPERATIONS

The ACCESS strategy is to initially focus on utilizing its GLYCOS technology in combination with approved drug substances to develop novel patentable physical formulations of potential therapeutic and diagnostic

products. It is anticipated that this will expedite product development, both preclinical and clinical, and ultimately product approval. To reduce financial risk and equity financing requirements, ACCESS is directing its resources to the preclinical phase of development and plans to outlicense to, or co-develop with, marketing partners its current product candidates during the clinical development phases.

ACCESS has initiated and will continue to expand its internal core capabilities of physical formulation, analytical methods development, initial process scale up, carbohydrate analysis, drug/diagnostic targeting screens and project management capability to maximize product opportunities in a timely manner. The manufacturing scale-up, pre-clinical testing and product production will be contracted to research organizations, contract manufacturers and strategic partners. Given the current cost containment and managed care environment both in the United States and overseas and the difficulty for a small company to effectively market its products, ACCESS does not currently plan to become a fully integrated pharmaceutical company.

Consequently, ACCESS expects to form strategic alliances for product development and to outlicense the commercial rights to development partners. By forming strategic alliances with major pharmaceutical and diagnostic companies, it is believed that the ACCESS technology can be more rapidly developed and successfully introduced into the marketplace. Potential strategic partners are and will continue to be screened based on the technology synergy, development capabilities, expertise in the therapeutic/diagnostic area and ability to globally maximize the potential product opportunity. Strategic alliance agreements are expected to be structured around milestone and diligence payments commensurate with the opportunity, the level of development partner funding of clinical development and regulatory costs and ACCESS' receiving a royalty based on worldwide product revenues.

SCIENTIFIC BACKGROUND

Preclinical work to date has demonstrated that ACCESS' technology enhances the performance of therapeutic and diagnostic/prognostic imaging agents by binding them to GLYCOS carriers which rapidly target to sites of tissue disease and cause them to remain there for longer intervals while rapidly clearing the non-targeted fraction. The GLYCOS technology is patterned after an immune targeting system present in the body. GLYCOS mimic the body's defense systems and appear capable of recognizing neovascular receptors selectively at sites of disease, crossing vascular barriers and targeting drug payloads to tumor sites, infections, inflammatory lesions, cardiovascular disease and potentially other disease entities.

ACCESS' GLYCOS carriers are derived from natural sources and comprise the carbohydrate portions of natural proteoglycans. GLYCOS have favorable toxicity profiles compared to synthetic molecules. Also, currently they are the only cost effective carrier substances available in the class of complex carbohydrates. Examples of ACCESS carriers include heparin and dermatan sulfate, the former an approved substance worldwide, and the latter a product in advanced clinical development in Europe.

ACCESS has researched various GLYCOS for their targeting, biodistribution, and clearance properties. ACCESS is now able to select the combination of GLYCOS and active substances to provide optimal formulation characteristics, minimize the dose-related side effects in preclinical testing, optimize clearance rates and routes of different drugs and potentially obtain site selectivity for different major classes of disease, beginning with cancer and infection.

Importantly, the binding of drugs and imaging agents to GLYCOS carriers is typically by noncovalent physical processes. This results in simple formulations which utilize existing, approved/approvable substances as carriers and are expected to be compatible with a range of drugs and imaging agents.

ACCESS' proprietary GLYCOS carriers bind first to the body's endothelial receptors that are induced on the microvascular barrier between the bloodstream and the tissue sites of disease. Consequently, in a fashion similar to the body's own cellular immune mechanisms, ACCESS' GLYCOS formulations progressively accumulate and cross into sites of disease from their initial binding/targeting sites on induced endothelium and are able to continue such accumulation with repeated dosing, depending on the nature, severity and persistence of the disease and the tissue mediators. Being sulphated polysaccharides, these GLYCOS appear to avoid inducing anticarrier antibodies to themselves except in the extremely low incidence established for therapeutic

heparinoids.

Attaching a GLYCOS carrier to a drug or imaging agent causes the drug or imaging agent to accumulate at the site of tissue damage more rapidly and to a significantly greater extent than without the GLYCOS. Moreover, by piggybacking on the physiological pathway that allows cells and molecules to penetrate the endothelial barrier and permeate deep into the underlying tissue lesion, GLYCOS help bring the drug closer to all sub-regions and cells of the pathologic lesion.

ACCESS believes that both the polymeric and multivalent binding properties of GLYCOS are important for optimal disease site-localization of the attached drug or diagnostic/prognostic. These aspects are important in optimizing biodistribution, targeting and clearance and may also promote displacement of the endogenous interfering substances which can be bound to diseased endothelium, further enhancing the active endothelial translocation of the GLYCOS drug or diagnostic into underlying sites of disease.

Drug and diagnostic enhancement by ACCESS' GLYCOS occurs by a number of mechanisms, the principal ones being rapid selective targeting to tissue sites of disease, stabilization of the active substance during both storage and plasma transmit, longer retention at the site of disease and rapid clearance of the non-targeted fraction giving reduced imaging backgrounds and reduced drug toxicity.

PRODUCT DEVELOPMENTS

ACCESS DRUG PORTFOLIO

Compound	Originator	Indication	FDA Filing	Clinical Stage (1)
Cancer				
AP 4010	ACCESS	Anti-tumor (Cancer)	Development	Pre-Clinical
AP 2011	ACCESS	MRI Contrast Agent	Development	Pre-Clinical
Radiopharmaceutical	ACCESS	Cancer Diagnosis	Development	Research
Masoprocol(3)(5)	ACCESS	Anti-tumor (Cancer)	Development	Pre-Clinical
Anti-Fungal				
AP 1110	ACCESS	Anti-fungal	Development	Pre-Clinical
Dermatology				
ActinexTM(2)	ACCESS	Actinic keratosis	FDA approved	Completed
Amlexanox(2) (CHX-3673)	Takeda	Oral ulcers	NDA filed April 1995	Completed
CHX-100 (3)(5)	ACCESS	Prevention of photoaging of skin	IND filed 1993	Phase II
Hypericin(4)(5)	VimRx	Psoriasis	VimRx IND	Phase I

(1) See "Government Regulations" for description of clinical stages.

(2) Sold to Block. Subject to a Royalty Agreement.

(3) Involves the use of NDGA and may be developed by ACCESS pursuant to the royalty-free, worldwide, exclusive license from Block to ACCESS.

(4) Option to license compound for dermatological use from VimRx Pharmaceuticals.

(5) Development currently suspended. Furthered development is under review.

ACCESS currently has rights to three drugs in various stages of human clinical development covering medical indications for the following disease states: contact dermatitis, mild to moderate psoriasis and photoaging of the skin (anti-wrinkling). ACCESS also has an option to license hypericin from Vim Rx Pharmaceuticals, Inc. for dermatological use. In addition, ACCESS' proprietary drug, masoprocol, was in preclinical studies to determine the extent of its potential in treating, in combination with other chemotherapeutic agents, multiple-drug resistant cancers.

ACCESS begins the product development effort by screening and formulating potential product candidates, selecting an optimal active and formulation approach and developing the processes and analytical methods. Pilot stability, toxicity and efficacy testing are conducted prior to advancing the product candidate into formal pre-clinical development. Specialized skills are required to produce these product candidates utilizing the ACCESS technology. ACCESS has a core internal development capability with significant experience in these formulations.

Once the product candidate has been successfully screened in pilot testing, ACCESS' scientists together with external consultants, assist in designing and performing the necessary preclinical efficacy, pharmacokinetic and

toxicology studies required for IND submission. External investigators and scale-up manufacturing facilities are selected in conjunction with Company consultants. ACCESS does not plan to have an extensive clinical development organization as this would be conducted by a development partner.

DEVELOPMENT AND RESEARCH PROJECTS

With all of ACCESS' product development candidates, there can be no assurance that the results of the in vitro or animal studies are or will be indicative of the results that will be obtained when these product candidates are tested in humans. There can be no assurance that any of these projects will be successfully completed or that regulatory approval of any product will be obtained.

CANCER

Chemotherapy, surgery and radiation are the major components in the clinical management of cancer patients. Chemotherapy is usually the primary treatment of hematologic malignancies, which cannot be excised by surgery, and is increasingly used as an adjunct to radiation and surgery, to improve efficacy, and is used as the primary therapy for some solid tumors and metastases. The current optimal strategy for chemotherapy involves exposing patients to the most intensive cytotoxic regimens they can tolerate. Clinicians attempt to design a combination of drugs, dosing schedule and method of administration to increase the probability that cancerous cells will be destroyed while minimizing the harm to healthy cells.

Most current drugs have significant limitations. Certain cancers are inherently unresponsive to chemotherapeutic agents, other cancers initially respond but subgroups of cancer cells acquire resistance to the drug during the course of therapy, with the resistant cells surviving and resulting in relapse. As the cells acquire resistance to a specific agent, they often simultaneously become resistant to a wide variety of agents through a phenomenon known as multi-drug resistance. Another limitation of current anti-cancer drugs is that serious toxicity, including bone marrow suppression or irreversible cardiotoxicity, can prevent their administration in curative doses.

ACCESS' cancer program is aimed at formulating generic chemotherapy agents and proprietary products to enhance efficacy and reduce the toxicity compared with the currently available chemotherapeutics.

Product in Development

AP-4010 - ACCESS currently has one product in development, a GLYCOS-based doxorubicin formulation for intravenous administration.

The most widely used cancer agents are anthracyclines, such as doxorubicin, which are broadly effective against proliferating cancer cells. Anthracyclines have a number of limitations, certain cancer types are unresponsive and can cause severe toxic effects, including myelosuppression, mucositis and cumulative irreversible cardiotoxicity.

ACCESS' animal studies have shown that higher doses of the product can be tolerated with less acute toxicity and hence greater efficacy than standard doxorubicin. It is possible that AP-4010 may have a better pharmacokinetic profile than existing formulations of doxorubicin.

ACCESS is currently conducting pilot scale up of production of AP-4010 for animal toxicity testing prior to submission of an IND which ACCESS anticipates filling in approximately 12 months. The clinical indications are currently under evaluation by external company consultants.

INFECTIOUS DISEASES

Systemic fungal infections are a major problem for patients with impaired immune defense mechanisms, particularly cancer patients, diabetics and AIDS patients. Available agents for the treatment of systemic fungal infections include amphotericin B and fluconazole. Despite the availability of these agents, serious fungal infections remain difficult to treat. Because fluconazole is not effective in treating many strains of fungi and

amphotericin B toxicities remain difficult to manage at effective doses, mortality rates among such patients remain high.

Product in Development

AP-1110 - ACCESS' product development is focused on a GLYCOS-based formulation of Amphotericin B, an effective cytocidal compound whose effectiveness and regimens are limited by severe nephrotoxicity and prolonged blood and body clearance. Amphotericin B remains the standard in the treatment of fungal infections, however, because of nephroxicity, limitations on intensive higher

dosing regimens, it is difficult to cure many deep fungal infections.

The GLYCOS formulation significantly reduces kidney toxicity by redirecting the clearance of the drug through the liver, where no new hepatotoxicity has been observed (in subacute mouse toxicity tests). The clearance in animals of amphotericin B appears accelerated from 120 hours to 24 hours with the GLYCOS formulation. Based on its improved tolerance and clearance, in animal testing it was possible to sufficiently increase the dosing and regimen intensity of the GLYCOS formulation to achieve cures in animals, whereas none could be achieved with the standard formulation.

An additional animal study to confirm the findings with a second fungal model is required prior to formulation scale-up and proceeding toward an IND. This project had been scheduled as a subsequent development, pending further definition of the market potential and the interest of a strategic partner. The Company now anticipates that this product candidate will be moved into clinical development.

MRI DIAGNOSTIC AGENTS

Preoperative diagnostic imaging technologies are used to determine the existence and the extent of disease. The principal diagnostic imaging technologies are CT Scanning and Magnetic Resonance Imaging ("MRI"). Both methods produce images that show anatomic boundaries between the tissue suspected of being malignant and the surrounding tissue, to reveal potential disease. Neither method gives information allowing a clear distinction of malignant from nonmalignant tissue. A more recently developed technology, immunoscintigraphy, uses a gamma-ray detection camera externally to identify internally localized radiolabeled antibodies potentially specific to certain cancers. Although immunoscintigraphy with certain radiolabeled antibodies appears capable of distinguishing malignant tumors from nonmalignant lesions and surrounding tissues, none of the external imaging technologies, including immunoscintigraphy, is effective in consistently identifying primary tumors smaller than one centimeter, in precisely locating the site or margins of the tumor, in consistently identifying all metastatic tumor nodules, or in distinguishing pre-invasive from functionally invasive tumor behaviors.

The currently available contrast agents for MRI are nonselective gadolinium based extracellular agents predominantly used in imaging the central nervous system.

ACCESS is focused on expanding the utility of MRI imaging to include body imaging by developing a site-selective intravenous contrast agent with improved localization and performance outside as well as within the central nervous system. ACCESS believes that improved site selectivity, longer site contrast with rapid blood clearance, the ability to clearly delineate tumor boundaries and metastases and the opportunity to obtain additional valuable information on prognosis, function, therapeutic response monitoring and anatomy at high resolution, could be major competitive advantages of the GLYCOS formulations.

Product in Development

AP-2011 - A pilot formulation utilizing the GLYCOS carrier, a chelating agent and gadolinium has been prepared and an acceptable acute toxicity profile obtained.

Prior to advancing this product candidate further, additional toxicity and animal efficacy studies are required. Encouraging initial results, including the successful, rapid contrast enhancement of tumors of the liver and nonliver tumors have been obtained in four different animal models and in three different species. Acute

toxicity studies have been completed. Production of GMP materials and sub-acute toxicity testing is required before submission of an IND.

RADIOPHARMACEUTICALS

Given currently available technologies, diagnostic techniques such as CT, MRI and immunoscintigraphy are projected to be used by a large number of physicians to detect, stage and monitor cancer. CT and MRI currently have not effectively distinguished malignant from non-malignant tissue. Several biotechnology-based companies are developing antibody products for immunoscintigraphy in colorectal, ovarian, small cell lung, melanoma and breast cancer. Although immunoscintigraphy with antibody agents and peptides has the capacity to distinguish malignant from non-malignant tissue, none of the technologies is effective in consistently identifying tumors smaller than one centimeter or in precisely locating the site of a tumor. They only indicate that cancer may be present within a general area. Because of these limitations, the physician may frequently be making decisions concerning surgery and other therapy with incomplete information.

To date, radiopharmaceuticals have been limited to diagnostic indications and bone pain management in patients with metastatic prostate cancer. There has been little use in therapy due to the toxicities associated with the radionuclides necessary to achieve therapeutic benefits, and also due to the heterogeneity of tumor-specific antigens on tumor cells and subregions, with

the prominent exception of B-cell lymphomas.

Diagnostic Applications

A pilot GLYCOS radiopharmaceutical diagnostic imaging agent has been prepared and tested utilizing Gallium67. Animal studies have shown that the GLYCOS have the ability to rapidly target and permeate AT-1 prostate tumors in grown rats. These studies also showed fast clearance by the renal route and negligible liver uptake. These characteristics support the development of radiolabeled agents for tumor imaging. The pilot studies indicate selective tumor localization of the radiolabeled agent within 5 minutes of injection allowing optimal imaging between 15 minutes and 1 hour post injection.

GLYCOS may provide the key additional information of tumor function and prognosis in a way which can improve clinical diagnosis and staging, and allow rapid early decision-making on patient management and therapeutic approaches, including intraoperative approaches.

Before advancing to preclinical development, product optimization, including the selection of a radionuclide, chelator and GLYCOS carrier, must be finalized in conjunction with an external advisory group.

PATENTS

ACCESS believes that the value of technology both to ACCESS and to potential corporate partners is established and enhanced by its strong, broad and specific intellectual property positions. Consequently, ACCESS already has issued and seeks to obtain additional U.S. and foreign patent protection for products under development and for new discoveries. Patent applications are filed with the U.S. Patent and Trademark Office and, when appropriate, with the Paris Convention's Patent Cooperation Treaty (PCT) Countries (most major countries in Western Europe and the Far East) for its inventions and prospective products.

ACCESS holds U.S. and European patents with broad composition of matter claims encompassing glycosaminoglycan, acidic saccharide, carbohydrate and other endothelial-binding and targeting carriers in combination with drugs and diagnostic agents formulated by both physical and chemical covalent means. Eight patents have issued commencing in 1990 (six U.S. and two European) and an additional eight patent applications are pending (five U.S. and three PCT).

These patents and applications broadly cover the in vivo medical uses of drugs and diagnostic carrier formulations which bind and cross endothelial and epithelial barriers at sites of disease, including but not limited to treatment and medical imaging of tumor, infarct, infection and inflammation. They further disclose the body's induction of endothelial, epithelial, tissue and blood adhesins, selections, integrins, chemotaxins and cytotaxins at sites of disease as a mechanism for selective targeting, and they claim recognized usable carrier

substances which selectively bind to these induced target determinants.

ACCESS has a strategy of maintaining an ongoing line of continuation applications for each major category of patentable carrier and delivery technology. By this approach, ACCESS is extending the intellectual property protection of its basic targeting technology and initial agents to cover additional specific carriers and agents, some of which are anticipated to carry the priority dates of the original applications.

The intellectual property around which API was founded was originally licensed by way of a License Agreement from the inventor and principal shareholder Dr. David Ranney. A Patent Purchase Agreement dated April 5, 1994, (the "Patent Purchase Agreement") terminated the License Agreement and provided for assignment of the rights to the original patents to ACCESS. The terms of the Patent Purchase Agreement were amended effective January 25, 1996 reducing the minimum royalty payments due to Dr. David Ranney. Additional patents covering the technology were purchased from the University of Texas system on October 31, 1990 and applied for directly by ACCESS. The technology was developed by Dr. David Ranney during his tenure at the University of Texas Southwestern Medical School which retains a royalty free non-exclusive right to use the patent rights for its own research, teaching and other educationally-related purposes. See "Certain Relationships and Related Transactions."

Dr. David Ranney has signed an Assignment of Intellectual Property Agreement whereby all rights, title and interest in and to all subsequent inventions and confidential information will become the sole and exclusive property of ACCESS at the earlier of the date of conception or development, while he remains an employee of ACCESS and for a period of two years after he ceases employment for inventions relating to the ACCESS technology.

Under the terms of the Patent Purchase Agreement as amended, Dr. David Ranney has retained certain rights and interests in the intellectual property, including a non-exclusive right to use the inventions and technology covered by or relating to the patents for his own research, teaching or other academic related purposes, and after he is no longer a full-time employee of ACCESS for research and development of uses or implementations of the inventions and

technology improvements. ACCESS maintains the first right to negotiate the acquisition of any new inventions or technology improvements developed by Dr. David Ranney relating to the technology. Beginning in 1994, ACCESS has agreed to pay Dr. David Ranney a royalty of three quarters of one percent (0.75%) of ACCESS' gross revenues derived from products covered by the patents and pay certain minimum payments.

In addition, the Patent Purchase Agreement, as amended, establishes certain additional rights of Dr. David Ranney. The patent assignment will terminate in the event ACCESS fails to pay the amounts due to Dr. David Ranney pursuant to the Agreement, files a petition in bankruptcy, fails to commercially develop the patents or creates a security interest in the patents without Dr. David Ranney's approval. Also, in the event that parts of the ACCESS technology are not being developed prior to January 2000, Dr. David Ranney has the right of first refusal to license or acquire at fair market value development rights to such parts of the ACCESS technology.

GOVERNMENT REGULATIONS

ACCESS is subject to extensive regulation by the Federal Government, principally by the FDA, and, to a lesser extent, by other Federal and State agencies as well as comparable agencies in foreign countries where registration of products will be pursued. Although a number of ACCESS GLYCOS formulations incorporate extensively tested drug substances, because the resulting GLYCOS formulations make claims of enhanced efficacy and/or improved side effect profiles they are expected to be classified as new drugs by the FDA.

The Federal Food, Drug and Cosmetic Act and other federal, state and foreign statutes and regulations govern the testing, manufacturing, safety, labeling, storage, shipping and record keeping of ACCESS' products. The FDA has the authority to approve or not approve new drug applications and inspect research and manufacturing records and facilities.

Among the requirements for drug approval and testing is that the prospective manufacturer's facilities and

methods conform to the FDA's Code of Good Manufacturing Practices regulations which establish the minimum requirements for methods to be used in, and the facilities or controls to be used during the production process and the facilities are subject to ongoing FDA inspection to insure compliance.

The steps required before a pharmaceutical product may be produced and marketed in the U.S. include preclinical tests, the filing of an IND with the FDA, which must become effective pursuant to FDA regulations before human clinical trials may commence, and the FDA approval of an NDA prior to commercial sale.

Preclinical tests are conducted in the laboratory, usually involving animals, to evaluate the safety and efficacy of the potential product. The results of preclinical tests are submitted as part of the IND application and are fully reviewed by the FDA prior to granting the sponsor permission to commence clinical trials in humans. Clinical trials typically involve a three-phase process. Phase I, the initial clinical evaluations, consists of administering the drug and testing for safety and tolerated dosages as well as preliminary evidence of efficacy in humans. Phase II involves a study to evaluate the effectiveness of the drug for a particular indication and to determine optimal dosage and dose interval and to identify possible adverse side effects and risks in a larger patient group. When a product is found effective in Phase II, it is then evaluated in Phase III clinical trials. Phase III trials consist of expanded multi-location testing for efficacy and safety to evaluate the overall benefit-to-risk index of the investigational drug in relationship to the disease treated. The results of preclinical and human clinical testing are submitted to the FDA in the form of an NDA for approval to commence commercial sales.

The process of doing the requisite testing, data collection, analysis and compilation of an IND and an NDA is labor intensive and costly and may take a protracted time period. In some cases tests may have to be re-done or new tests instituted to comply with FDA requests. Review by the FDA may also take a considerable time period and there is no guarantee an NDA will be approved. Hence, ACCESS cannot with any certainty estimate how long the approval cycle may take.

Current U.S. government revisions to the U.S. healthcare system are not yet known in detail, but could have an impact on the pharmaceutical industry, possibly in the form of pricing restrictions. Although ACCESS is developing new novel drugs in the field of cancer and infectious disease that are currently not treated effectively, there still can be no assurance that certain pricing constraints would not pertain.

ACCESS is also governed by other federal, state and local laws of general applicability, such as laws regulating working conditions, employment practices, as well as environmental protection.

COMPETITION

The pharmaceutical and biotechnology industry is highly competitive. Most

pharmaceutical and biotechnology companies have considerably greater research and development, financial, technical and marketing resources than ACCESS. Although ACCESS' proposed products utilize a novel drug delivery system, they will be competing with established pharmaceutical companies' existing and planned new product introductions and alternate delivery forms of the active substance being formulated by ACCESS.

A number of companies are developing or may, in the future, engage in the development of products competitive with the ACCESS delivery system. Currently, in the therapeutic area, liposomal formulations being developed by Nexstar, Inc., The Liposome Company, Inc. and Sequus Pharmaceuticals, Inc. are the major competitive intravenous drug delivery formulations which utilize similar drug substances. A number of companies are developing or evaluating enhanced drug delivery systems. ACCESS expects that technological developments will occur at a rapid rate and that competition is likely to intensify as various alternative delivery system technologies achieve certain if not identical advantages.

The principal current competitors to ACCESS' technology fall into three categories: monoclonal antibodies, liposomes and peptides. ACCESS believes its technology represents a significant advance over these older technologies because it is the only system with a favorable pharmacokinetic profile which has been shown to effectively bind and cross neovascular barriers and to deeply penetrate the major classes of deep tissue and organ disease, which remain partially inaccessible to older technologies.

Even if ACCESS' products are fully developed and receive required regulatory approval, regarding which there is no assurance, ACCESS believes that its products can only compete successfully if marketed by a company having expertise and a strong presence in the therapeutic area. Consequently, ACCESS does not currently plan to establish an internal marketing organization. By forming strategic alliances with major pharmaceutical and diagnostic medical imaging companies, management believes that ACCESS' development risks should be minimized and the technology will potentially be more rapidly developed and successfully introduced into the marketplace.

EMPLOYEES

As of May 31, 1996 ACCESS has 12 full time employees, five of whom have advanced scientific degrees. ACCESS believes that it maintains good relations with its personnel. In addition, to complement its internal expertise, ACCESS contracts with scientific consultants, contract research organizations and university research laboratories that specialize in various aspects of drug development including toxicology, sterility testing and preclinical testing to complement its internal expertise.

PROPERTIES

ACCESS maintains one facility of administrative offices and laboratories in Dallas, Texas. ACCESS has a lease agreement for the facility which has approximately 5,500 square feet, which terminates in January 1998, however the Company has an option for early termination. Adjacent space is available for expansion which the Company believes would accommodate growth for the foreseeable future.

LEGAL PROCEEDINGS

ACCESS is not a party to any legal proceedings.

MANAGEMENT

EXECUTIVE OFFICERS AND DIRECTORS

The directors and executive officers of the Company are as follows:

<TABLE>
<CAPTION>

Name	Age	Position Held with ACCESS
<S>	<C>	<C>
Herbert H. McDade, Jr.	68	Chairman of the Board of Directors
Kerry P. Gray	43	President, Chief Executive Officer, Treasurer, Director
David F. Ranney, M.D.	53	Executive Vice President, Director
Stephen B. Thompson	42	Chief Financial Officer
J. Michael Flinn	61	Director
Elizabeth M. Greetham	46	Director
Max Link, Ph.D.	55	Director

</TABLE>

Business and Experience of Directors and Executive Officers

The Board of Directors of the Company is divided into three classes. Members of each class serve a term of three years until the respective annual meeting of stockholders and election and qualification of their successors. Max Link is the sole member of Class 1 whose term expires upon the Annual Meeting of Stockholders in 1996. The Board of Directors of the Company has nominated Max Link for election as a Class 1 director at the Annual Meeting of Stockholders to be held June 21, 1996. Dr. David F. Ranney and Elizabeth M. Greetham are Class 2 directors to serve as such

until their successors shall be elected and qualified. Messrs. Gray, McDade and Flinn are Class 3 directors to serve as such until the 1998 Annual Meeting of Stockholders and until their successors shall be elected and qualified. Each officer of the Company is selected by the Board of Directors for a term of one year. There is no family relationship among any of the Directors or Executive Officers.

Mr. Herbert H. McDade, Jr. was elected a Director of the Company in January 1988. In February 1989, he was elected Vice-Chairman of the Board of Directors and Chief Executive Officer of the Company. In June 1989, he was elected Chairman of the Board of Directors and Treasurer in addition to his responsibilities as Chief Executive Officer, and in May 1990 he assumed the position of President of the Company. Mr. McDade served in such capacities until January 25, 1996. He is also a member of the Audit & Finance and Compensation Committees of the Board of Directors. He is currently President and Chief Executive Officer of the Thoma Corporation, a closely-held health care consulting company. In addition, he also serves on the Boards of CytRx Corporation, Shaman Pharmaceutical Co., Vaxcel Inc. and Clarion Pharmaceuticals, Inc. From 1986 to 1987 he served as Chairman of the Board of Directors and President of Armour Pharmaceutical Co., a wholly-owned subsidiary of Rorer Group, Inc. Prior to 1986 he served for approximately 13 years in various executive positions at Revlon, Inc., including President of the International Division of the Revlon Health Care Group from 1979 to 1986. He was also previously associated for twenty years in various executive capacities with The Upjohn Company. From January 1989 to July 1995 he served on the Board of API.

Mr. Kerry P. Gray, has been President and a Chief Executive Officer and a Director of the Company since January 25, 1996. Prior to such time he served as President and Chief Executive Officer of API since June 1993. Previously, Mr. Gray served as Vice President and Chief Financial Officer of PharmaSciences, Inc., a company he co-founded to acquire technologies in the drug delivery area. From May 1990 to August 1991, Mr. Gray was Senior Vice President, Americas, Australia and New Zealand of Rhone-Poulenc Rorer, Inc. Prior to the Rorer/Rhone Poulenc merger, he had been Area Vice President Americas of Rorer International Pharmaceuticals. Previously, from January 1986 to May 1988, he was Vice President, Finance of Rorer International Pharmaceuticals, having served in that same capacity for the Revlon Health Care Group of companies before their acquisition by Rorer Group. Between 1975 and 1985, he held various senior financial positions in Revlon Health Care Group. Mr. Gray's experience in the pharmaceutical industry totals 20 years.

David F. Ranney, M.D., has been Executive Vice President and a Director of the Company since January 25, 1996. He was the founder and Chairman of the Board of Directors of API since inception in 1988, and was Executive Vice President commencing August 1995 and Vice President, Research and Development since June 1993. Previously, he was President and Chief Executive Officer of API since founding API in March 1988. Until November 1989, Dr. Ranney directed the Laboratory of Targeted Diagnosis and Therapy at the University of Texas Southwestern Medical Center, where he held a joint faculty appointment in Radiology and Pathology. Dr. Ranney received a B.A. degree in Chemistry from Oberlin College and an M.D. from Case Western Reserve Medical School. He has postdoctoral training in Biochemistry (Case Western Reserve), Cardiovascular and Microvascular Surgery (Stanford University Medical Center), Immunology and Cancer Biology (NIH), and Pathology (University Of Texas Southwestern Medical Center). Dr. Ranney resigned his position of Executive Vice President effective May 31, 1996.

Mr. Stephen B. Thompson, has been Chief Financial Officer of the Company since January 25, 1996. Previously from November 1990 he was Controller and Administration Manager of API. From 1989 to 1990, he was Controller of Robert E. Woolley, Inc. a hotel real estate company where he was responsible for accounting, finances and investor relations. Previously, from 1985 to 1989, he was Controller of OKC Limited Partnership, an oil and gas company where he was responsible for accounting, finances and SEC reporting. Between 1975 and 1985 he held various accounting and finance positions with Santa Fe International Corporation.

Mr. J. Michael Flinn has served as a Director of the Company since 1983. He also is a member of the Audit & Finance and Compensation Committees of the Board of Directors. Since 1970 he has been an investment counselor. He is a principal with the investment counseling firm of Sirach Capital Management, Inc. He assists in the management of pension, profit sharing, individual, corporate and foundation accounts totaling over $4.5 billion.

Mrs. Elizabeth M. Greetham has served as a Director of the Company since 1992

and is President of Libracorn

Financial Consultants. One of her present clients is Weiss, Peck & Greer, a New York-based money management firm. With over twenty years of worldwide experience as a health care analyst and portfolio manager, she currently is responsible for Weiss, Peck & Greer's health care investments for institutional, mutual, and selected individual accounts. Prior to her association with Weiss, Peck & Greer, Mrs. Greetham consulted for a number of years for F. Eherstadt & Co., a New York institutional brokerage house. She is a member of the Board of Directors of Repligen Corporation, a pharmaceutical development company. She is a member of the Company's Audit & Finance and Compensation Committees.

Max Link, Ph.D. has been a director of the Company since March 28, 1996. He has held a number of executive positions with pharmaceutical and health care companies. Most recently, he served as Chief Executive Officer of Corange Limited, from May 1993 until June 1994. Prior to joining Corange, Dr. Link served in a number of positions with Sandoz Pharma Ltd., including Chief Executive Officer, from 1990 until April 1992, and Chairman, from April 1992 until May 1993. Dr. Link currently serves on the board of directors of three other publicly-traded life science companies: Alexion Pharmaceuticals, Inc., Protein Design Labs, Inc. and Human Genome Sciences, Inc. Dr. Link received this Ph.D. in Economics from the University of St. Gallen in 1970.

KEY EMPLOYEE

In addition to its executive officers, the Company relies on the following key employee for advancing its research efforts, pursuing licensing and collaborative research arrangements with pharmaceutical companies and obtaining FDA approval of identified drug products.

Dr. Richard Van Inwegen rejoined the Company in May 1996 as Vice President Pre-Clinical and Clinical Development, after consulting for a period of eight months with the Company and others. Previously he was with Chemex from September 1991 as Director of Clinical Research and from March 1993 as Vice President of Clinical Research until August 1995. He is responsible for all of the Company's clinical research and drug development. Prior to joining the Company, Dr. Van Inwegen was with Roberts Pharmaceuticals for two years as assistant director of clinical research the Rorer Company as department manager specializing in hypersensitivity for three years, and the Revlon Health Care Group where he was involved in various pharmaceutical development for ten years. He holds a B.A. in biology and an M.A. in cell physiology from State University of New York, Binghampton, and Ph.D. from the University of Illinois in physiology. In addition, he is a member of the New York Academy of Sciences and Sigma Xi.

Compliance with Section 16(a) of the Securities Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's Directors, Executive officers and persons who own more than ten percent of a registered class of the Company's equity securities ("10% holders"), to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Directors, officers and 10% holders are required by SEC regulation to furnish the Company with copies of all of the Section 16(a) reports they file.

Based solely on a review of reports furnished to the Company or written representatives from the Company's Directors and executive officers during the fiscal year ended December 31, 1995, all Section 16(a) filing requirements applicable to its Directors, officers and 10% holders for such year were complied with.

EXECUTIVE COMPENSATION

Each Director who is not an employee of the Company receives a quarterly fee of $1,250, the sum of $1,000 for each board meeting which he attends and each member of the Audit and Finance and Compensation Committee receives $500 for each meeting he attends. Each Committee Chairman also received $250 for each meeting.

Summary Compensation Table

The following table sets forth the aggregate compensation paid by the Company to each of the most highly compensated executive officers of the Company whose aggregate salary and bonus exceeded $100,000 for services rendered in all capacities to the Company for the year ended December 31, 1995.

<TABLE>
<CAPTION>

Name and Principal Position	Year	Annual Compensation Salary(1)	Bonus	Long-term Compensation Awards Securities Underlying Options/SARs (#)	All Other Compens.
<S>	<C>	<C>	<C>	<C>	<C>
Herbert H. McDade, Jr.	1995	$ 110,571	$ 0	0	$ 57,165(2)
Chairman & Former CEO(5)	1994	131,714	0	226,829	46,122(2)
	1993	174,000	62,500	50,000	60,371(2)
Atul S. Khandwala	1995	$ 103,751	$ 0	0	$ 57,173(6)
Former Executive Vice President(5)	1994	153,960	0	107,715	19,620(4)
	1993	160,626	30,519	25,000	28,662(3)
Kerry P. Gray	1995	$ 150,000	$ 0		$ 0
President and CEO(7)			$ 0		
David F. Ranney	1995	$ 145,000	$ 0	$ 0	$ 15,000(9)
Former Executive Vice President(7,8)					

</TABLE>

(1) These amounts are prior to reduction for deferred employer contributions under the Company's Employee Stock Ownership Plan Pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code").

(2) Pursuant to Mr. McDade's employment agreement, Mr. McDade was reimbursed for certain expenses. In 1995, he was reimbursed for insurance payments ($49,682) and auto allowance ($6,000) and auto insurance reimbursement ($440). In addition, the Company made ESOP contributions in stock of $1,043. In 1994, he was reimbursed for life insurance payments ($23,000) and auto allowance ($6,000) and auto insurance reimbursement ($658). In addition, the Company made ESOP contributions in stock of $16,464. In 1993, he was reimbursed for life insurance payments ($31,220) and auto allowance ($6,000) and auto insurance reimbursement ($1,254). In addition, the Company made ESOP contributions in stock of $21,897.

(3) Represents Company ESOP contributions in stock of $20,560 and relocation expenses of $8,102.

(4) Represents Company ESOP contributions made in stock.

(5) Effective January 25, 1996 and August 31, 1995, Mr. McDade, Mr. Khandwala, respectively, resigned as officers of the Company. Mr. McDade remains as Chairman of the Board of Directors.

(6) Pursuant to Mr. Khandwala's severance agreement payments of $53,542 were made to during 1995. Represents company ESOP contributions made in stock of $3,631.

(7) Mr. Gray and Dr. Ranney, President and Executive Vice President, respectively, became officers of the Company on January 25, 1996, previously they were officers of API. Compensation reported for

Mr. Gray and Dr. Ranney's compensation is paid by API.

(8) Effective May 31, 1996, Dr. Ranney resigned as an officer of ACCESS.

(9) Pursuant to Dr. Ranney's patent purchase agreement dated April 4, 1994 Dr. Ranney was paid $15,000.

Options/SARs Year-End Value Table

This table includes the number of shares covered by both exercisable and non-exercisable stock options/SARs as of December 31, 1995. Also reported are the values for "in-the-money" stock options/SARs which represent the positive spread between the exercise price of any such existing stock options/SARs and the year-end price of the Company's common stock. There were no SARs granted or exercised by the officers during 1995.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND FY-END OPTION/SAR VALUES

<TABLE>
<CAPTION>

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-The-Money Options/SARs at Fiscal Year-End ($) Exercisable/ Unexercisable
<S>	<C>	<C>	<C>	<C>
H. McDade, Jr.	-	-	490,004/0	$184,756/$0
A. Khandwala	-	-	268,965/0	$73,572/$0

</TABLE>

STOCK OPTION PLANS

1995 Stock Option Plan

The Company's 1995 Stock Option Plan (the "1995 Plan") was approved by the stockholders on January 25, 1996. The 1995 Plan provides for the issuance of a maximum of 2,000,000 shares of Common Stock, pursuant to the grant of incentive stock options and non-qualified stock options to any executive, other key employee, director, advisor or consultant to the Company. To date 406,000 options and no shares have been granted under the 1995 Plan.

The 1995 Plan is administered by the Compensation Committee of the Board of Directors. The Company stockholders must approve all amendments to the 1995 Plan. Generally, an option is not transferable by the option holder except by will or by the laws of descent and distribution.

Under the 1995 Plan, the exercise price of incentive stock options must be not less than 100% (or 110% with respect to any optionee owning more than 10% of the total combined voting power of all classes of stock of the Company) of the fair market value of the Common Stock at the date of grant, and the aggregate fair market value (determined at the time of grant) of shares issuable pursuant to such options which first become exercisable in any calendar year by an employee or officer, may not exceed $100,000. The term of such options may not exceed ten years (except that with respect to any optionee who owns more than 10% of the total combined voting power of all classes of stock of the Company, the terms may not exceed five years). The corresponding provisions of any non-qualified stock options granted under the 1995 Plan are not similarly limited.

Option grants to non-employee directors under the Plan will be made on a formula basis only, whereby each director of the Company will receive, upon her or his initial election or appointment to the Board, options exercisable for 30,000 shares of Common Stock and, under the current version of the Plan, will receive, at each subsequent election of directors of the Company at which she or he is re-elected to the Board, options exercisable for 20,000 shares of Common Stock.

1987 Stock Option Plan and Non-Employee Director Stock Option Plan

The 1995 Plan replaced the 1987 Stock Option Plan and Non-Employee Director Stock Option Plan (the "1987 Plans"). No further option grants are permitted under the 1987 plans and as of May 31, 1996 there were options outstanding under the 1987 Plans to purchase an aggregate of approximately 1,445,461 shares of Common Stock.

COMPENSATION PURSUANT TO AGREEMENTS AND PLANS

EMPLOYMENT AGREEMENTS

MR. HERBERT H. MCDADE, JR. Effective February 1, 1989 the Company and Mr. McDade entered into an

employment agreement, as amended (the "McDade Agreement"), which provided that he would serve as the Chief Executive Officer of the Company and Vice Chairman or Chairman of the Board of Directors. The McDade Agreement was amended, effective June 25, 1991, to provide for a term ending June 30, 1994, and was extended to January 31, 1996. Mr. McDade left the company as President and Chief Executive Officer on January 25, 1996 after the Merger was completed. See Item 13 Certain Relationships and Related Transactions - Transactions with Management and Others. Mr. McDade was eligible to participate in all company employee benefit and welfare programs available to executives. The Company also paid insurance premiums on $1 million of life insurance payable to his estate, medical expenses coverage for Mr. McDade and his spouse and long-term disability coverage for Mr. McDade. The McDade Agreement provided that, upon termination, a cash severance payment equal to one year's salary would be paid if Mr. McDade was terminated by the Company without cause and a cash severance equal to two years' salary would be paid if he terminated his employment for good reason. Mr. McDade waived the severance provisions when leaving the company.

Pursuant to the McDade Agreement and in accordance with the Company's 1987 Stock Awards Plan, the Company granted to Mr. McDade (i) on February 1, 1989 options (the "February Options") for the purchase of 50,000 shares of common stock, and (ii) on December 31, 1989 options ("the December Options") for the purchase of 37,500 shares of common stock, upon vesting and payment of the exercise price. The February Options and December Options are referred to collectively herein as the "New Options." On July 31, 1991, Mr. McDade exchanged 87,500 previously granted options for 80,625 New Options. The New Options are identical to the exchanged options, except that the New Options have a lower exercise price. All of the New Options have vested. On March 31, 1992, Mr. McDade was granted 65,000 options at market value, which have vested as of December 31, 1994. On July 29, 1993, Mr. McDade was granted 50,000 options at market value, which vest based on certain performance criteria. On April 29, 1994, Mr. McDade voluntarily accepted a salary reduction of approximately $64,000 on an annualized basis. In exchange for this salary reduction, Mr. McDade was granted 75,000 options at market value, to vest in one year from the date of the grant. On July 29, 1994, Mr. McDade was granted 50,000 options, which vest based on certain performance criteria, all of which have vested. On December 31, 1994, Mr. McDade was granted 101,829 SARs with zero base value or exercise price, based on certain performance criteria. Upon Mr. McDade's termination of employment (other than termination by the Company for cause or by Mr. McDade without good reason), all options shall immediately vest and become exercisable. All Options and SARS are vested. Mr. McDade also holds 17,550 vested options for the purchase of common stock granted pursuant to the Non-Employee Directors Stock Option Plan. Mr. McDade has the right to request (subject to certain limitations by the underwriters) that all shares of common stock which he owns or may acquire in the future be included in registration statements of company securities filed with the Securities and Exchange Commission.

The McDade Agreement also contained a provision for stock appreciation rights ("SARS") pertaining to 50,000 shares of common stock with a zero base value or exercise price. All of the stock appreciation rights have vested. Appreciation on SARs is to be paid in shares of common stock; as of December 31, 1991, Mr. McDade waived his right under the provision of the 1987 Stock Awards Plan to request the Board to authorize a cash payment for any SARs he elects to exercise.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

TRANSACTIONS WITH MANAGEMENT AND OTHERS

Mr. David Blech. Mr. Blech became a financial consultant to ACCESS on October 1, 1990. His contract terminated in 1991 and under the terms of the agreement, ACCESS paid Mr. Blech $75,000 in 1991 and $25,000 in 1990. In 1992, Mr. Blech performed consulting services for ACCESS and ACCESS paid him $50,000. In addition, ACCESS paid $25,000 to Mr. Blech in January 1995 for consulting services rendered.

As of December 14, 1995, ACCESS, D. Blech & Co., and Sentinel Remainder Trust (each affiliates of Mr. Blech), entered into a Letter Agreement which provided that Sentinel Remainder Trust would forfeit its rights to representation on the Board of Directors of ACCESS in consideration of the extension of the expiration date of (i) 500,000 Units exercisable in the aggregate for 500,000 shares of Common Stock and warrants exercisable in the aggregate for 700,000 shares of Common stock pursuant to the terms of the Conversion

Agreement from July 31, 1996 to January 1, 1999 and (ii) the warrants underlying the Units from July 31, 1997 to January 1, 2000.

As of January 29, 1996, ACCESS has retained Mr. Blech as a consultant to the Company for one year to advise on structuring transactions including equity placements, licensing agreements and research and development collaborations. Under the terms of the agreement Mr. Blech was paid $480,000 in connection with the March 4, 1996 private placement offering and received warrants to purchase 600,000 shares of Common Stock at an exercise price of $1.00 per share exercisable until the year 2000.

In March 1996, the Company concluded a $6 million Private Placement of 8.57 million shares of common stock. Mr. Blech may be deemed to be the beneficial owner of up to 4.77 million shares of the Common Stock sold and issued in this private placement. The investors have agreed not to sell any of the shares purchased in the offering until 180 days after closing.

As of April 30, 1996, Mr. Blech may be deemed to be the beneficial owner of 7,198,027 Shares of Common Stock which represents 21.7% of the outstanding shares Common Stock. Mr. Blech has warrants to purchase 600,000 shares of Common Stock at the exercise price of $1.00 per share pursuant to his consulting arrangement described above. Additionally Sentinel a related party of Mr. Blech has an option to purchase until January 1, 1999, up to 500,000 units which consist of 500,000 shares of Common Stock and 700,000 warrants with an expiration date of January 1, 2000. See "Security Ownership of Certain Beneficial Owners and Management."

Dr. David Ranney. Dr. David Ranney, Director of ACCESS, beneficially owns, approximately 9,147,608 shares of Common Stock which represents 29.2% of the

outstanding shares of Common Stock. See "Management and Security Ownership of Certain Beneficial Owners and Management." Dr. David Ranney and ACCESS have entered into a Stockholder's Agreement providing for, among other matters, (1) certain rights of Dr. David Ranney to be nominated or to have his nominee nominated for election to the Board of Directors of ACCESS at any election of ACCESS Directors; (2) a right of first refusal of Dr. David Ranney to license or purchase certain technology and intellectual property of ACCESS under certain conditions; and, (3) a certain Patent Purchase Agreement, dated as of April 5, 1994, as amended January 25, 1996 between Dr. David Ranney and ACCESS, regarding certain royalties payable to Dr. David Ranney relating to certain technology and intellectual property of ACCESS and an agreement, subject to certain conditions, by Dr. David Ranney not to sell, transfer or otherwise dispose of his shares of the capital stock of ACCESS through July 25, 1996. ACCESS has agreed to pay Dr. David Ranney a royalty of three quarters of one percent ((0.75%) of ACCESS' gross revenues derived from products covered by the patents and pay certain minimum payments.

On April 5, 1994 a Patent Purchase Agreement, which terminated a previous License Agreement, between ACCESS and Dr. David Ranney, was executed. This provided for the assignment of the rights to the original patents to ACCESS.

Under the terms of the Patent Purchase Agreement Dr. David Ranney has retained certain rights and interests in the intellectual property as provided in the Stockholder's Agreement, including a non-exclusive right to use the inventions and technology covered by or relating to the patents for his own research, teaching or other academic related purposes, and after he is no longer a full-time employee of ACCESS for research and development of uses or implementations of the inventions or technology improvements. ACCESS maintains the first right to negotiate the acquisition of any new inventions or technology improvements developed by Dr. David Ranney relating to the technology. ACCESS has agreed to pay Dr. David Ranney a royalty of three quarters of one percent (0.75%) of ACCESS gross revenues derived from products covered by the patents and to pay certain minimum payments which began in 1994, and which are subject to further modifications.

In addition the Patent Purchase Agreement as amended, establishes certain additional rights of Dr. David Ranney. The patent assignment will terminate in the event ACCESS fails to pay the amounts due to Dr. David Ranney pursuant to the Agreement, files a petition in bankruptcy, fails to commercially develop the patents or creates a security interest in the patents without Dr. David Ranney's approval. Also, in the event that parts of the ACCESS technology are not being developed after January 25, 2000, Dr. David Ranney has the right of first refusal to license or acquire at fair market value development rights to such parts of the

ACCESS technology.

Dr. David Ranney has signed an Assignment of Intellectual Property whereby all rights, title and interest in and to all subsequent inventions and confidential information will become the sole and exclusive property of ACCESS at the earlier of the date of conception or development, while he remains an employee of ACCESS and for a period of two years after he ceases employment for inventions related to the ACCESS technology.

Herbert McDade. In consideration for the termination of his employment with ACCESS, Mr. McDade and ACCESS entered into an agreement on October 4, 1995, pursuant to which, among other things, (i) Mr. McDade became a consultant to ACCESS, providing consulting services to ACCESS at least four days each month; (ii) Mr. McDade is paid a base of $1,500 per day of consulting; (iii) ACCESS will use its best efforts to retain Mr. McDade's enrollment under its healthcare plan and (iv) the period for exercise of all options and SARs owned by Mr. McDade was extended from three months after the termination of his employment with ACCESS to the expiration of the option or SAR. See "Security Ownership of Certain Beneficial Owners and Management."

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of the Company consists of 40,000,000 shares of Common Stock, $.04 par value per share, and 10,000,000 shares of Preferred Stock, $.01 par value per share (the "Preferred Stock"), which may be issued in one or more series.

COMMON STOCK

As of March 31, 1996, there were 31,290,182 shares of Common Stock outstanding and held of record by approximately 3,000 stockholders.

Holders of Common Stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and have the right to vote cumulatively for the election of Directors. This means that in the voting at the Annual Meeting each stockholder, or his proxy, may multiply the number of his shares by the number of directors to be elected then cast the resulting total number of votes for a single nominee, or distribute such votes on the ballot among the nominees as desired. Holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared by the Board of Directors out of funds legally available therefor, subject to any preferential dividend rights for outstanding Preferred Stock. Upon the liquidations, dissolution or winding up of the Company, the holders of Common Stock are entitled to receive ratably the net assets of the Company available after the

payment of all debts and other liabilities and subject to the prior rights of any outstanding Preferred Stock. Holders of the Common Stock have no preemptive, subscription, redemption or conversion rights. The outstanding shares of Common Stock are, and the shares offered by the Selling Stockholders in this offering will be fully paid and nonassessable. The rights, preferences and privileges of holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Preferred Stock which the Company may designate and issue in the future. Upon the closing of this offering, there will be no shares of Preferred Stock outstanding.

PREFERRED STOCK

The Board of Directors are authorized, subject to certain limitations prescribed by law, without further stockholder approval, to issue from time to time up to an aggregate of 10,000,000 shares of Preferred Stock in one of more series and to fix or alter the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of each such series thereof, including the dividend rights, dividend rates, conversion rights, voting rights, terms of redemption of shares constituting any series or designations of such series. The issuance of Preferred Stock may have the effect of delaying, deferring or preventing a change of control of the Company. The Company has no present plans to issue any shares of Preferred Stock.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Common Stock is American Stock Transfer & Trust Company,

New York, New York.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth beneficial ownership of Common Stock as of April 30, 1996 by all Directors and named Executive Officers of the Company and all Directors and Executive Officers as a group, and all owners of 5% or more of the Common Stock:

<TABLE>
<CAPTION>

	Common Stock Beneficially Owned	
Name	Number of Shares (1)	% of Class
<S>	<C>	<C>
Herbert H. McDade. Jr.	1,008,062	3.2%
Kerry P. Gray	1,079,790	3.4%
David F. Ranney	9,147,608	29.2%
Stephen B. Thompson	55,451	*
J. Michael Flinn	63,500	*
Elizabeth M. Greetham	32,667	*
David Blech and Certain Related Parties	7,198,027	21.7%
All Directors and Executive Officers as a group (consisting of 7 persons)	1,378,078	35.7%

</TABLE>

- ----------

* Less than 1%.

(1) Includes common stock held plus all options and warrants exercisable within 30 days after April 30, 1996. Unless otherwise indicated, the persons listed have sole voting and investment powers with respect to all such shares.

(2) Including presently exercisable options for the purchase of 17,550 shares of Common Stock pursuant to the Non-Employee Director Plan, and 320,625 shares of Common Stock and 151,829 SARs exercisable pursuant to the 1987 Stock Option Plan and 69,270 shares issued in connection with the ESOP.

(3) Including presently exercisable options for the purchase of 54,000 shares of Common Stock pursuant to the Non-Employee Director Plan.

(4) Including presently exercisable options for the purchase of 26,667 shares of Common Stock pursuant to the Non-Employee Director Plan.

(5) Sentinel Charitable Remainder Trust ("Sentinel"), 30 Outwater Lane, Garfield, New Jersey, is known to ACCESS to be the beneficial owner of more than five percent of the Common Stock. Mr. David Blech is the sole income beneficiary of the trust, and as such may be deemed to be the beneficial owner of the securities held by it.

In addition to the 1,020,000 shares of Common Stock held by Sentinel, Sentinel additionally has an option to purchase until January 1, 1999, up to 500,000 units at $2.50 per unit. The units consist of 500,000 shares of Common Stock, 500,000 warrants with an expiration date of January 1, 2000 and an exercise price of $6.25 and 200,000 Warrants with an expiration date of January 1, 2000 and an exercise price of $2.50. Information is based on Form 4 as filed by Mr. David Blech in October 1994.

The Century Charitable Remainder Trust, the Ocean Charitable Remainder Trust, the Lake Charitable Remainder Trust, the Beacon Charitable Remainder Trust, the

Freedom Charitable Remainder Trust, the Oak Charitable Remainder Trust and the Celestial Charitable Remainder Trust (together, the "Charitable Remainder Trusts") are known by ACCESS to be the beneficial owners in the aggregate of more than 5% (807,839 shares) of the issued and outstanding Common Stock. Mr. Nicholas Madonia is the trustee of the Charitable Remainder Trusts and as such may be deemed to be a beneficial owner of the securities held by them. In addition, Mr. Blech may be deemed to be a beneficial owner of the securities held by the Charitable Remainder Trusts. Mr. Nicholas Madonia is the trustee of the Blech Family Trust and as such may be deemed to be a beneficial owner of the securities held by it. In addition, Mr. Blech may be deemed to be a beneficial owner of the securities held by the Blech Family Trust. Mr. Blech may be deemed to be a beneficial owner

of the securities held by the Edward Blech Trust.

In addition to the 5,000 shares of Common Stock held by Mr. Blech, Mr. Blech additionally has 600,000 warrants to purchase up to 600,000 shares of Common Stock with an expiration date of March 4, 2000, at an initial exercise price, subject to adjustment in certain events, of $1.00 per share.

SELLING STOCKHOLDERS

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock as of May 31, 1996 and as adjusted to reflect the sale of the Common Stock offered hereby, by each of the Selling Stockholders.

Except as indicated below, none of the Selling Stockholders has had any position, office or other material relationship within the past three years with the Company or its affiliates.

<TABLE>
<CAPTION>

Name of Selling Stockholder	Shares Beneficially Owned Prior to Offering(1)	Shares Offered(2,3)	Shares to be Beneficially Owned After Offering Number
<S>	<C>	<C>	<C>
Aries Domestic Fund LP	212,857	212,857	0
The Aries Trust	522,857	522,857	0
Arnold Barros	142,857	142,857	0
Beacon Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
David Blech(4,5)	7,198,027	4,908,827	2,289,200
The Edward Blech Trust(5)	1,462,498	1,462,498	0
Esther Blech	88,000	71,000	17,000
The Blech Family Trust(5)	5,130,529	2,846,329	2,284,200
Celestrial Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
Century Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
Freedom Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
Mark S. Germain	714,285	714,285	0
Michael G. Jesselson	1,428,510	1,428,510	714,285
Michael G. Jesselson 12/18/80 Trust	1,428,510	1,428,510	714,285
Rabbi M. Jofen(6)	1,462,498	1,462,498	0
Karfunkel Family Foundation	193,285	193,285	0
Pasquale Li Vecchi	291,174	107,142	184,032
Nicholas R. Madonia(5)	5,130,529	2,846,329	2,284,200
Oak Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
Ocean Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
David Mark Rozen	249,999	249,999	0
Sential Charitable Remainder Trust(5)	5,130,529	2,846,329	2,284,200
Stanley K. Shapiro	92,094	92,094	0
Patricia Higgins Swetnick	142,857	142,857	0
Elizabeth van Merkenstein	142,857	142,857	0
Paul and Ruth Woolard	177,000	157,000	20,000
Larry Zalk	71,428	71,428	0

</TABLE>

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(1) Except as provided herein, the Company believes, based on information provided by the Selling Shareholders, that each Selling Stockholder has sole voting and investment power with respect to the shares beneficially owned.

(2) The sale or distribution of the Shares may be effected directly to purchasers by the Selling Stockholders as principals or through one or more underwriters, brokers, dealers or agents from time in one or more transactions (which may involve crosses or block transactions) (i) or on any exchange or in the over-the-counter market, (ii) in transactions otherwise than in the over-the-counter market or (iii) through the writing of options (whether such options are listed on an options exchange or otherwise) on, or settlement of short sales of, the Shares. Any of such transactions may be effected at market prices prevailing at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale or at negotiated or fixed prices, in each case as determined by the Selling Stockholder or by agreement between the Selling Stockholder and underwriters, brokers, dealers or agents, or purchasers. If the Selling Stockholders effect such transactions by selling Shares to or through underwriters, brokers, dealers or agents, such underwriters, brokers, dealers or agents may receive compensation in the form of discounts, concessions or commissions from the Selling Stockholders or commissions from purchasers of Shares for who they may act as agent (which discounts, concessions or commissions as to particular underwriters, brokers, declares or agents may be in excess of those customary in the types of transactions involved). The Selling Stockholders and any brokers, dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act.

Under the securities laws of certain states, the Shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in certain states the Shares may not be sold unless the Shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

The Company will pay all of the expenses incident to the registration, offering and sale of the Shares to the public hereunder other than commissions, fees and discounts of underwriters, brokers, dealers and agents. The Company has agreed to indemnify the Selling Stockholders and any underwriters against certain liabilities, including liabilities under the Securities Act. The Company will not receive any of the proceeds from the sale of any of the Shares by the Selling Shareholders.

(3) All of the shares offered by Selling Stockholders have a restriction on selling shares until 180 days after closing the Private Placement Offering from March 4, 1996.

(4) Includes 600,000 shares issuable upon exercise of certain warrants that were received by Mr. Blech under the terms of the consulting agreement on advice on structuring transactions, including equity placements, licensing agreements and research and development collaborations. This transaction was exempt from the registration requirements exempted from the Securities Act.

(5) Sentinel Charitable Remainder Trust ("Sentinel"), 30 Outwater Lane, Garfield, New Jersey, is known to ACCESS to be the beneficial owner of more than five percent of the issued and outstanding Common Stock. Mr. Blech is the sole income beneficiary of the trust, and as such may be deemed to the beneficial owner of the securities held by it.

In addition to the 1,020,000 shares of Common Stock held by Sentinel, Sentinel additionally has an option to purchase until January 1, 1999, up to 500,000 units at $2.50 per unit. The units consists of 500,000 shares of Common Stock, 500,000 warrants with an expiration date of January 1, 2000 and an exercise price of $2.50. Information is based on Form 4 as filed by Mr. Blech in October 1994.

The Century Charitable Remainder Trust, the Ocean Charitable Remainder Trust, the Lake Charitable Remainder Trust, the Beacon Charitable Remainder Trust, the Freedom Charitable Remainder Trust, the Oak Charitable Remainder Trust and the Celestrial Charitable Remainder Trust (together, the "Charitable Remainder Trusts") are known by ACCESS to be the beneficial owners in the aggregate of more than 5% (807,839 shares) of the issued and outstanding Common Stock. Mr. Nicholas Madonia is the trustee of the Charitable Remainder Trusts and as such may be deemed to be a beneficial owner of the securities held by them. In addition, Mr. David Blech

may be deemed to be a beneficial owner of the securities held by the Charitable Remainder Trusts. Mr. Nicholas Madonia is the trustee of the Blech Family Trust and as such may be deemed to be a beneficial owner of the securities held by it. In addition, David Blech may be deemed to be a beneficial owner of the securities held by the Blech Family Trust. David Blech may be deemed to be a beneficial owner of the securities held by the Edward Blech Trust.

In addition to the 5,000 shares of Common Stock held by Mr. Blech, Mr Blech additionally has 600,000 warrants to purchase up to 600,000 shares of Common Stock with an expiration date of March 4, 2000, at an initial exercise price, subject to adjustment in certain events, of $1.00 per

share.

(6) Rabbi M. Jofen is the trustee of The Edward Blech Trust and as such may be deemed to be the beneficial owner of the Securities held by such trusts.

PLAN OF DISTRIBUTION

The sale or distribution of the Shares may be effected directly to purchasers by the Selling Stockholders as principals or through one or more underwriters, brokers, dealers or agents from time in one or more transactions (which may involve crosses or block transactions) or (i) on any exchange or in the Over-the-counter market, or (ii) in transactions otherwise than in the over-the-counter market or (iii) through the writing of options (whether such options are listed on an options exchange or otherwise) on, or settlement of short sales of, the Shares. Any of such transactions may be effected at market prices prevailing at the time of sale, at prices related to such prevailing at the time of sale, at prices related to such prevailing market prices, at varying prices determined at the time of sale or at negotiated or fixed prices, in each case as determined by the Selling Stockholder or by agreement between the Selling stockholder and underwriters, brokers, dealers or agents, or purchasers. If the Selling Stockholders effect such transactions by selling Shares to or through the form of discounts, concessions or commissions from the Selling stockholders or commissions from purchasers of securities for who they may act as agent (which discounts, concessions or commissions as to particular underwriters, brokers, dealers or agents may be in excess of those customary in the types of transactions involved). The Selling Stockholders and any brokers, dealers or agents that participate in the distribution of the Shares may be deemed to be underwriters, and any profit on the sale of Shares by them and any discounts, concessions or commissions received by any such underwriters, brokers, dealers or agents may be deemed to be underwriting discounts and commissions under the Securities Act.

Under the securities laws of certain states, the Shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in certain states the Shares may not be sold unless the Shares have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

The Company will pay all of the expenses incident to the registration, offering and sale of the shares to the public hereunder other than commissions, fees and discounts of underwriters, brokers, dealers and agents. The Company has agreed to indemnify the Selling Stockholders and any underwriters against certain liabilities, including liabilities under the Securities Act. The Company will not receive any of the proceeds from the sale of any of the Shares by the Selling Stockholders.

Certain of the underwriters, dealers, brokers or agents may have other business relationships with the Company and its affiliates in the ordinary course.

LEGAL MATTERS

The validity of the Common Stock to be sold in this offering is being passed upon for the Company by Bingham, Dana & Gould LLP 150 Federal Street, Boston, Massachusetts 02110.

EXPERTS

The financial statements of ACCESS Pharmaceuticals, Inc., formerly Chemex Pharmaceuticals, Inc., as of December 31, 1995 and 1994 and for each of the years in the three-year period ended December 31, 1995 appearing in this Prospectus and Registration Statement have been audited by KPMG Peat Marwick LLP, independent Certified Public Accountants, as set forth in their report thereon appearing elsewhere herein and in the Registration Statement and are included in reliance upon such report given the authority of said firm as experts in accounting and auditing.

The financial statements of ACCESS Pharmaceuticals, Inc. ("API") (a development stage enterprise) as of December 31, 1995 and for the year then ended appearing in the Prospectus and Registration Statement have been audited by KPMG Peat Marwick LLP, independent Certified Public Accountants, as set forth in the report thereon appearing elsewhere herein and in the Registration Statement, and are included in reliance upon such report given the authority of said firm as experts in accounting and auditing.

The financial statements of API as of December 31, 1994 and for the years ended December 31, 1994 and 1993 and the cumulative statements of operations, stockholders' equity and cash flows for the period February 24, 1988 (inception) to December 31, 1994 appearing in this Prospectus and Registration Statement have been audited by Smith, Anglin & Co., independent Certified Public Accountants, as set forth in their report thereon appearing elsewhere herein and in the Registration Statement and are included in reliance upon such report given the authority of said firm as experts in accounting and auditing.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
ACCESS Pharmaceuticals, Inc.:

We have audited the accompanying balance sheet of ACCESS Pharmaceuticals, Inc. (a development stage enterprise) as of December 31, 1995, and the related statements of operations, stockholders' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The cumulative statements of operations, stockholders' equity (deficit), and cash flows for the period February 24, 1988 (inception) to December 31, 1995 include amounts for the period from February 24, 1988 (inception) to December 31, 1988 and for each of the years in the six-year period ending December 31, 1994, which were audited by other auditors whose report has been furnished to us and is included herein, and our opinion, insofar as it relates to the amounts included for the period February 24, 1988 (inception) through December 31, 1994 is based solely on the report of the other auditors included herein.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors included herein, the 1995 financial statements referred to above present fairly, in all material respects, the financial position of ACCESS Pharmaceuticals, Inc. (a development stage enterprise) as of December 31, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Dallas, Texas
April 6, 1996,
except for the last paragraph of Note 9,
which is as of April 26, 1996

INDEPENDENT AUDITORS REPORT

To the Board of Directors and Stockholders
Of ACCESS Pharmaceuticals, Inc.

We have audited the accompanying balance sheet of ACCESS Pharmaceuticals, Inc. (a development stage company) as of December 31, 1994, and the related statements of income, stockholders' equity, and cash flows for the years ended December 31, 1994 and 1993 and the period February 24, 1988 (Inception) through December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACCESS Pharmaceuticals, Inc. as of December 31, 1994, and the results of operations and its cash flows for the years ended December 31, 1994 and 1993 and the period February 24, 1988 (Inception) through December 31, 1994, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements. the Company's significant operating losses and lack of new equity financing or funding raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Smith, Anglin & Co.

Dallas, Texas
September 21, 1995

ACCESS PHARMACEUTICALS, INC.
a development stage company

BALANCE SHEETS

<TABLE>
<CAPTION>

	March 31,	December 31,	
	1996	1995	1994
	(Unaudited)		
<S>	<C>	<C>	<C>
Assets			
Current Assets			
Cash and cash equivalents	$ 6,813,000	$ 30,000	$ 533,000
Accounts receivable	-	3,000	-
Prepaid expenses and other current assets	65,000	4,000	20,000
Total Current Assets	6,878,000	37,000	553,000
Property and Equipment, net (note 4)	350,000	385,000	453,000
Patents and Applications, net of accumulated amortization of $10,000 in 1994 (note 1)	-	-	252,000
Other Assets, net	2,000	2,000	3,000
Total Assets	$ 7,230,000	$ 424,000	$ 1,261,000
Liabilities and Stockholders' Equity (Deficit)			
Current Liabilities			
Accounts payable and accrued expenses	$ 317,000	$ 169,000	$79,000
Unearned revenue (note 3)	-	150,000	180,000
Note payable (note 2)	-	100,000	-
Current portion of obligations under			

capital leases (note 5)	142,000	134,000	118,000
Total Current Liabilities	459,000	553,000	377,000
Obligations under capital leases, net of current portion (note 5)	191,000	220,000	353,000
Note payable (note 3)	110,000	-	-
Total Liabilities	760,000	773,000	730,000
Commitments and Contingencies (note 5 & 8)			
Stockholders' Equity (note 6)			
Common stock, $.04 par value; authorized 40,000,000 shares; issued and outstanding 31,290,182 shares at March 31, 1996; $.01 par value; authorized 10,000,000 shares; issued and outstanding 3,639,928 and 2,918,328 shares at December 31, 1995 and 1994, respectively	1,252,000	36,000	29,000
Additional paid-in capital	17,748,000	3,460,000	3,248,000
Deficit accumulated during the development stage	(12,530,000)	(3,845,000)	(2,746,000)
Total Stockholders' Equity (Deficit)	6,470,000	(349,000)	531,000
Total Liabilities and Stockholders' Equity (Deficit)	$ 7,230,000	$ 424,000	$ 1,261,000

</TABLE>

See Accompanying Notes to Financial Statements

ACCESS PHARMACEUTICALS, INC.
A DEVELOPMENT STAGE COMPANY

STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Three Months Ended March 31,		Year Ended December 31,			February 24, 1988 (Inception) to December 31, 1995	February 24, 1988 (Inception) to March 31, 1996
	1996	1995	1995	1994	1993		
	(Unaudited)					(Unaudited)	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenues (note 3)							
Sponsored research and development	$ -	$ 135,000	$ 690,000	$ 439,000	$ -	$ 2,711,000	$ 2,711,000
Option income	165,000	-	-	600,000	322,000	1,872,000	2,037,000
Total Revenues	165,000	135,000	690,000	1,039,000	322,000	4,583,000	4,748,000
Expenses							
Sponsored research and development	-	187,000	341,000	248,000	-	2,172,000	2,172,000
Proprietary research and development	181,000	28,000	334,000	466,000	842,000	2,354,000	2,535,000
General and Administrative	336,000	154,000	694,000	676,000	755,000	3,387,000	3,723,000
Interest	13,000	21,000	58,000	19,000	-	76,000	89,000
Depreciation and amortization	36,000	31,000	367,000	115,000	111,000	771,000	807,000
Write off of Excess purchase price	8,314,000	-	-	-	-	-	8,314,000
Total Expenses	8,880,000	421,000	1,794,000	1,524,000	1,708,000	8,760,000	17,640,000
Loss From Operations	(8,715,000)	(286,000)	(1,104,000)	(485,000)	(1,386,000)	(4,177,000)	(12,892,000)
Other Income							
Interest and miscellaneous income	30,000	3,000	5,000	9,000	34,000	459,000	489,000
Loss Before Income Taxes	(8,685,000)	(283,000)	(1,099,000)	(476,000)	(1,352,000)	(3,718,000)	(12,403,000)

Provision for Income Taxes	-	-	-	-	32,000	127,000	127,000
Net Loss	$(8,685,000)	$(283,000)	$(1,099,000)	$ (476,000)	$(1,384,000)	$(3,845,000)	$(12,530,000)
Net Loss Per Share	$(0.34)	$ (0.10)	$ (0.35)	$ (0.16)	$ (0.47)		
Weighted Average Common Shares Outstanding	25,535,239	2,918,328	3,097,686	2,918,328	2,918,328		

</TABLE>

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See Accompanying Notes to Financial Statements

ACCESS PHARMACEUTICALS, INC.
A DEVELOPMENT STAGE COMPANY

STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in	Deficit Accumulated During the
	Shares	Amount	Capital	Development Stage
<S>	<C>	<C>	<C>	<C>
Balance, February 24, 1988	-	$ -	$ -	-
Common stock issued, $1.00 per share	98,000	1,000	97,000	
Common stock issued, $0.25 per share	51,000	1,000	12,000	
Net Loss for the period February 24, 1988 to December 31, 1988				(30,000)
Balance, December 31, 1988	149,000	2,000	109,000	(30,000)
Common stock issued, $1.00 per share	29,000	-	29,000	
Common stock issued, $5.00 per share	25,000	-	124,000	
Common stock issued, $0.01 per share	650,000	7,000		
Stock split (Two shares issued for each one share held)	1,706,000	17,000	(17,000)	
Net loss for the year				(191,000)
Balance, December 31, 1989	2,559,000	26,000	245,000	(221,000)
Common stock issued, $3.00 per share	71,000	-	212,000	
Common stock issued, $7.82 per share	284,000	3,000	2,222,000	
Common stock grants	2,000	-	6,000	
Net loss for the year				(219,000)
Balance, December 31, 1990	2,916,000	29,000	2,685,000	(440,000)
Common stock issued $3.00 per share	2,000	-	6,000	
Additional paid-in-capital equipment			468,000	
Net income for the year				413,000
Balance, December 31, 1991	2,918,000	29,000	3,159,000	(27,000)
Additional paid-in-capital equipment			89,000	
Net loss for the year				(859,000)
Balance, December 31, 1992	2,918,000	29,000	3,248,000	(886,000)
Net loss for the year				(1,384,000)
Balance, December 31, 1993	2,918,000	29,000	3,248,000	(2,270,000)
Net loss for the year				(476,000)
Balance, December 31, 1994	2,918,000	29,000	3,248,000	(2,746,000)
Common stock issued $2.00 per share	25,000	-	50,000	
Exercise of stock options between $0.25 and $1.25 per share	623,000	6,000	163,000	
Common Stock grants	74,000	1,000	(1,000)	
Net loss for the year				(1,099,000)

Balance, December 31, 1995	3,640,000	$ 36,000	$ 3,460,000	$ (3,845,000)
Merger	19,018,000	871,000	9,130,000	
Common stock issued $.70 per share	8,571,000	343,000	5,160,000	
Exercise of stock options/SARs	61,000	2,000	(2,000)	
Net loss for the period			(8,685,000)	
Balance, March 31, 1996	31,290,000	$ 1,252,000	$ 17,748,000	$ (12,530,000)

</TABLE>

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See Accompanying Notes to Financial Statements

ACCESS PHARMACEUTICALS, INC.
A DEVELOPMENT STAGE COMPANY

STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Three Months Ended March 31,		Year Ended December 31,		
	1996	1995	1995	1994	1993
	(Unaudited)				
<S>	<C>	<C>	<C>	<C>	<C>
Cash Flows From Operating Activities:					
Net Loss	$(8,685,000)	$(283,000)	$(1,099,000)	$(476,000)	$(1,384,000)
Adjustments to reconcile net loss to net cash used in operating activities:					
Write off of Excess purchase price	8,314,000	-	-	-	-
Depreciation and amortization	36,000	31,000	367,000	115,000	111,000
Change in assets and liabilities:					
Accounts receivable	3,000	-	(3,000)	-	29,000
Accrued interest receivable	-	-	-	-	14,000
Prepaid expenses and other current assets	(61,000)	15,000	16,000	(20,000)	-
Other assets	-	-	1,000	-	-
Accounts payable and accrued expenses	148,000	11,000	43,000	7,000	19,000
Unearned revenue	(150,000)	(135,000)	(30,000)	180,000	
Net Cash Used In Operating Activities	(395,000)	(361,000)	(705,000)	(194,000)	(1,211,000)
Cash Flows From Investing Activities:					
Capital expenditures	(1,000)	-	-	(81,000)	(13,000)
Marketable securities	-	-	-	-	1,204,000
Capitalized patent costs	-	-	-	(31,000)	(94,000)
Net Cash Provided by (Used In) Investing Activities	(1,000)	-	-	(112,000)	1,097,000
Cash Flows From Financing Activities					
Proceeds from note payable	110,000	-	100,000	502,000	-
Repayment of notes payable and obligations under capital leases	(21,000)	(38,000)	(117,000)	(30,000)	-
Proceeds from merger with Chemex Pharmaceuticals	1,587,000	-	-	-	-
Proceeds from stock issuances	5,503,000	-	219,000	-	-
Net Cash Provided by (Used in) Financing Activities	7,179,000	(38,000)	202,000	472,000	-
Net Increase (Decrease) in Cash and Cash Equivalents	6,783,000	(399,000)	(503,000)	166,000	(114,000)
Cash and Cash Equivalents At Beginning of Period	30,000	533,000	533,000	367,000	481,000
Cash and Cash Equivalents at End of Period	$ 6,813,000	$ 134,000	$ 30,000	$ 533,000	$ 367,000
Cash Paid for Interest	$ 13,000	$ 21,000	$ 58,000	$ 19,000	$ -
Cash Paid for Income Taxes			-	-	$ 32,000
Supplemental disclosure of noncash					

transaction:	$ 47,000	
Payable accrued for fixed asset purchase		
Eliminations of note payable to Chemex Pharmaceuticals due to merger	$ 100,000	

<CAPTION>

	February 24, 1988 (Inception) to December 31, 1995	February 24, 1988 (Inception) to March 31, 1996
		(Unaudited)
<S>	<C>	<C>
Cash Flows From Operating Activities:		
Net Loss	$ (3,845,000)	$ (12,530,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Write off of Excess purchase price	-	8,314,000
Depreciation and amortization	771,000	807,000
Change in assets and liabilities:		
Accounts receivable	(3,000)	-
Accrued interest receivable	-	-
Prepaid expenses and other current assets	(5,000)	(66,000)
Other assets	-	-
Accounts payable and accrued expenses	122,000	270,000
Unearned revenue	150,000	-
Net Cash Used In Operating Activities	(2,810,000)	(3,205,000)
Cash Flows From Investing Activities:		
Capital expenditures	(848,000)	(849,000)
Marketable securities	-	-
Capitalized patent costs	(262,000)	(262,000)
Net Cash Provided by (Used In) Investing Activities	(1,110,000)	(1,111,000)
Cash Flows From Financing Activities		
Proceeds from note payable	603,000	712,000
Repayment of notes payable and obligations under capital leases	(149,000)	(170,000)
Proceeds from merger with Chemex Pharmaceuticals	-	1,587,000
Proceeds from stock issuances	3,496,000	9,000,000
Net Cash Provided by (Used in) Financing Activities	3,950,000	11,129,000
Net Increase (Decrease) in Cash and Cash Equivalents	30,000	6,813,000
Cash and Cash Equivalents At Beginning of Period	-	-
	-	-
Cash and Cash Equivalents at End of Period	$ 30,000	$ 6,813,000
Cash Paid for Interest	$ 76,000	$ 89,000
Cash Paid for Income Taxes		
Supplemental disclosure of noncash transaction:		
Payable accrued for fixed asset purchase Eliminations of note payable to Chemex Pharmaceuticals due to merger		

</TABLE>

ACCESS PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
March 31, 1996 (unaudited), December 31, 1995, 1994 and 1993

1. Summary of Significant Accounting Policies:

(a) Business - ACCESS Pharmaceuticals, Inc. ("API" or the "Company") is engaged in research and development activities with a broad platform technology for enhancing the site targeting of intravenous therapeutic drugs, MRI contrast agents and radiopharmaceutical diagnostic and therapeutic agents. The ACCESS technology is based on natural carbohydrate carriers.

The Company's products will require clinical trials, U.S. Food and Drug Administration ("FDA") approval and acceptance in the marketplace prior to commercialization. Although the Company believes its patents and patent applications are valid, the invalidation of its major patents would have a material adverse effect upon its business. The Company competes with specialized biotechnology companies and major pharmaceutical companies. Many of these competitors have substantially greater resources than does the Company.

The Company is in the development stage and its efforts have been principally devoted to research and development. The Company has incurred significant losses since inception on February 24, 1988.

API merged with Chemex Pharmaceuticals, Inc. ("Chemex") on January 25, 1996 and in March 1996 concluded a $6 million private placement of 8.57 million shares of common stock. On January 25, 1996, Chemex changed its name to ACCESS Pharmaceuticals, Inc. ("ACCESS") and API was dissolved (see note 9).

(b) Cash and Cash Equivalents - The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents for purposes of the statements of cash flows.

(c) Property and Equipment - Property and equipment are recorded at cost. Depreciation is provided using the straight- line method over estimated useful lives ranging from three to seven years. Assets acquired pursuant to capital lease arrangements are amortized over the shorter of the estimated useful lives or the lease terms.

(d) Patents and Applications - In the fourth quarter of 1995, the Company changed its accounting for patent and application costs from capitalizing and amortizing initial patent and application costs (primarily legal and filing fees related to patents) to expensing these costs as incurred. The change was made to bring the Company's policy in line with prevailing industry

practices. As a result of the change, the Company wrote down capitalized patent and application costs by approximately $246,000 which amounts were included in depreciation and amortization expense in the accompanying 1995 Statement of Operations.

(e) Revenue Recognition - Sponsored research and development revenues are recognized as research and development activities are performed under the terms of research contracts. Advance payments received are recorded as unearned revenue until the related research activities are performed. Option revenues are recognized when the earnings process is completed pursuant to the terms of the respective contract.

(f) Research and Development Expenses - Research and development expenses are expensed as incurred.

(g) Income Taxes - Tax credits related to research and development and to investments in equipment and improvements are reported as a reduction of income tax expense in the year realized. Certain income and expense items are recognized for financial reporting purposes in years different than for income tax purposes.

(h) Net Loss Per Share - Net loss per common share is calculated based upon the weighted average number of common shares and common equivalent shares outstanding during the years ended December 31, 1995, 1994 and 1993 of 3,097,686, 2,918,328 and 2,918,328, respectively. In 1995, 1994 and 1993 any common equivalent shares were either not material or anti-dilutive.

(i) Use of Estimates - Management of the Company has made a number of estimates and assumptions relative to the reporting of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(j) Interim Financial Data (Unaudited) - The interim financial data for the three months ended March 31, 1996 and 1995, included in the accompanying financial statements are unaudited; however, in the opinion of the Company, the interim financial data include all adjustments, consisting only of normal recurring adjustments, except for the merger accounting discussed below, necessary for a fair statement of the results for the interim periods. The interim financial data are not necessarily indicative of the results of operations for a full fiscal year.

The unaudited balance sheet at March 31, 1996 and unaudited statement of operations and unaudited statement of cash flows have been prepared using "purchase" accounting with API as the acquirer. The values used in the preparation of the financial statements were determined based on negotiations between Chemex and API companies and comparable values for companies at API's stage of development. As a result, common stock and paid in capital of API was recorded at a $10.0 million valuation. The excess purchase price over the fair value of Chemex's assets of $8,314,000 was written off in the first quarter of 1996.

2. Related Party Transactions:

Under consulting agreements between Thoma Corporation (Thoma) and the Company, Thoma receives payments for consulting services and reimbursement of direct expenses. Herbert H. McDade, Jr., a former director of the Company and current director of ACCESS is an owner of Thoma Corp. During 1994 and 1993 Thoma received payments for consulting services of $1,688, and $6,930 respectively. Thoma was also reimbursed for consulting expenses of $2,536, $2,761, and $2,898 respectively, in 1995, 1994 and 1993.

Mr. McDade's son, Mark McDade, was also a pharmaceutical consultant for the Company. Mr. Mark McDade received payments for consulting services of $40,625 during 1993 and reimbursements for expenses of $22,329 during 1993.

See also, Note 8. Commitments, for transactions regarding David F. Ranney, Executive Vice President and major shareholder of the Company.

Pursuant to the terms of the merger agreement, Chemex was obligated to loan, at any time prior to the closing of the transaction, an aggregate amount of up to $250,000 to API, upon request of API. On October 4, 1995, Chemex made a loan to API of $100,000 which is evidenced by a 7% promissory note (see note 9). In addition, Chemex sold the remainder of its fixed assets to API at book value in the fourth quarter of 1995. A payable to Chemex for approximately $47,000 was recorded at December 31, 1995 for these fixed assets.

3. Research and Development Agreements:

A technology evaluation option agreement with a pharmaceutical company accounted for $150,000 in option proceeds in 1995. These proceeds are reflected as unearned revenue at December 31, 1995 pending completion of the earnings process under the terms of the

ACCESS PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
March 31, 1996 (unaudited), December 31, 1995, 1994 and 1993

agreement. This agreement was terminated March 29, 1996 at which point 40% of the $275,000 ($150,000 in 1995 and $125,000 in 1996) in proceeds received, $110,000, converted to a non-interest bearing loan due the pharmaceutical company and the remaining 60% was recognized as option income revenue in accordance with the agreement.

On April 26, 1994, the Company entered into agreements, as amended, with Corange International Ltd. (Corange) to develop drugs based on the Company's endothelial binding technology for use in the oncology area. Under the agreements, the Company granted Corange an option for a period up to two years, as defined, to exclusively license worldwide, any oncology agent developed pursuant to the terms of the common research agreement. In 1994, Corange made initial option payments of $600,000 which amounts were recognized as revenue in 1994. Corange also made $618,532 in payments for sponsored research and development of which $438,532 were revenues recognized in 1994 and $180,000 were advance payments recorded as unearned revenue at December 31, 1994.

In 1995, Corange made $494,937 in payments to the Company for sponsored research and development which amounts were recognized as revenue in 1995. In addition, $180,000 of unearned revenue at December 31, 1994 was recognized as revenue in 1995 pursuant to the Corange agreements. The Corange agreements were terminated by Corange on June 30, 1995.

An option agreement with a pharmaceutical company accounted for 100% of the option income for 1993. The agreement was limited to the license of one product in a specified geographical area. The pharmaceutical company declined to exercise its option.

4. Property and Equipment:

Property and equipment, of which a majority is held under capital leases, consists of the following:
<TABLE>

<CAPTION>

	December 31,	
	1995	1994
<S>	<C>	<C>
Laboratory equipment	$442,000	$442,000
Laboratory and building improvements	14,000	14,000
Furniture and equipment	102,000	54,000
	558,000	510,000
Less accumulated depreciation and amortization	173,000	57,000
Net property and equipment	$385,000	$453,000

</TABLE>

Depreciation and amortization on property and equipment was $115,000, $110,000, and $107,000 for the years ended December

31,1995, 1994 and 1993, respectively.

In September 1994, pursuant to a sales leaseback transaction, the Company sold substantially all of its property and equipment for $426,000, which amount equaled the net book value of the property and equipment sold. The Company correspondingly entered into a master lease agreement with the purchaser of the property and equipment (see note 5).

5. Obligations Under Capital and Operating Leases:

At December 31, 1995, future minimum lease payments under capital lease obligations and commitments under noncancelable operating leases were as follows:

<TABLE>
<CAPTION>

	Capital leases	Operating leases
<S>	<C>	<C>
1996	$ 173,000	$ 59,000
1997	170,000	18,000
1998	80,000	
Total future minimum lease payments	423,000	$ 77,000
Less amount representing interest	71,000	
Present value of minimum capital lease payments	354,000	
Less current portion	134,000	
Obligations under capital leases, excluding current portion	$ 220,000	

</TABLE>

The Company leases office and research and development facilities under an operating lease. Rent expense for the years ended December 31, 1995, 1994 and 1993 was $59,000, $50,000 and $46,000, respectively.

As previously noted, the Company entered into a master lease agreement to lease back property and equipment sold in September 1994. The lease is classified as a capital lease with an initial minimum obligation of $426,432, payable in 42 monthly installments plus interest. The agreement allows for the purchase of the equipment at the end of the lease term for $42,643. The Company also issued a warrant to the lessor for the purchase of 35,536 shares of the Company's common stock at an exercise price of $4.20 per share, subject to adjustment, as part of the transaction (see note 6). No value was assigned to the warrant because its value was de minimis.

Also during 1994 the Company enter into two other capital lease agreements with leasing companies for an aggregate obligation of $75,815. The terms of these leases are 36 months and allow for

the purchase of the equipment at the end of the lease term at a price not to exceed 10 percent of the purchase price at inception for one lease and fair market value for the other lease.

Substantially all of the Company's property and equipment is held under capital leases.

6. Stockholders' Equity:

The Company has a Stock Awards Plan - Common Stock and a Stock Awards Plan - Options, as amended, under which up to 1,000,000 shares of common stock and options may be awarded to the Company's employees, directors and consultants. At December 31, 1995, 696,600 shares of common stock had been awarded under the Stock Awards Plan.

The Company's option plan for incentive and nonqualified stock options expires on dates up to ten years after the date of the grant. As of December 31, 1995, all options have been exercised at prices ranging from $.25 to $1.25 per share and there were no options outstanding.

Summarized information for the Stock Awards Plan is as follows:

<TABLE>
<CAPTION>

	Options	Common Stock
<S>	<C>	<C>
Outstanding at December 31, 1994	455,500	0
Granted	190,000	73,600
Forfeited	22,500	0
Exercised	623,000	73,600
Outstanding at December 31, 1995	0	0

</TABLE>

No dividends have been paid or declared by the Company.

The Company is authorized to issue 1,000,000 shares of $.10 par value preferred stock, none of which was issued or outstanding at December 31, 1995 or 1994.

Under the terms of the 1994 lease agreement (described in Note 5), the leasing company received a warrant to purchase 35,536 shares of common stock. The warrant remains exercisable for seven years from the date of issuance and will expire on September 19, 2001. The warrant is exercisable at $4.20 per share. The warrant may be adjusted under some conditions, as defined, for dividends, changes in stock price, reorganization, consolidation or merger and extraordinary events. No value was assigned to the warrant because its value was de minimis.

7. Income Taxes:

The Company follows Statement of Financial Accounting Standards Number 109 - Accounting for Income Taxes ("FASB 109"). No provision for federal income taxes has been made since inception due to the operating losses incurred for income tax purposes. At December 31, 1995 and 1994, the Company had deferred tax assets primarily comprised of the tax benefits of net operating loss carry-forwards. Because the Company has a history of losses, a 100% provision against the deferred tax assets was recorded. At December 31, 1995, the Company's regular and alternative minimum tax net operating loss carry-forwards for federal income tax purposes approximated $3 million, which if not utilized, will expire in varying amounts through the year 2010.

8. Commitments and Contingencies:

Under the terms of the "Patent Purchase Agreement" dated April 5, 1994, as amended on January 23, 1996 between Dr. David F. Ranney and the Company, Dr. Ranney, Executive Vice President, and majority stockholder is entitled to yearly cash royalty payments as consideration for the assignment of patents to the Company as follows:

<TABLE>
<CAPTION>

	ROYALTY PAYMENTS

DATE	AMOUNT
<S>	<C>
April 15, 1994	$ 7,500
January 31, 1995	$15,000
January 31, 1996	$25,000
January 31, 1996	$50,000

</TABLE>

Thereafter each January 31, payments equal to 105% of the payment made in the immediately preceding calendar year will be paid to Dr. Ranney through the life of the patents. ACCESS will also pay Dr. Ranney a royalty of three quarters of one percent (0.75%) of gross revenues derived from products covered by the patents. All payments due Dr. Ranney under this agreement have been paid as of March 29, 1996.

Under the terms of the "Exclusive Technology License Agreement" between Dr. David F. Ranney and the Company, which was terminated April 5, 1994, Dr. Ranney, was entitled to royalties equal to the greater of: (i) four percent (4%) of its Net Product Revenues (as defined), or (ii) one percent (1%) of Gross Product Revenues (as defined). No payments were made under this agreement in 1994 and 1993.

The Company is not currently a party to any material legal

proceedings.

9. Subsequent Events:

On January 23, 1996, API's shareholders, at a Special Shareholders Meeting, approved the merger into Chemex (an SEC registrant). Under the terms of the agreement, API was merged into Chemex with Chemex as the surviving legal entity. Chemex acquired all of the outstanding shares of API in exchange for 13,919,979 shares of registered common stock of Chemex. Chemex also changed its name to ACCESS Pharmaceuticals, Inc. and the operations of the merged company are now based in Dallas, Texas.

As a result of the merger, the former API Stockholders own approximately 60% of the issued and outstanding shares of Chemex. Generally accepted accounting principles require that a company whose stockholders retain the controlling interest in a combined business be treated as the acquiror for accounting purposes. As a consequence, the merger is being accounted for as a "reverse acquisition" for financial reporting purposes and API has been deemed to have acquired an approximate 60% interest in Chemex.

Despite the financial reporting requirement to account for the acquisition as a "reverse acquisition," Chemex remains the continuing legal entity and registrant for Securities and Exchange Commission reporting purposes.

Under the terms of merger on January 25, 1996, a maximum of 750,000 warrants exercisable at $0.75 per share with a 5 year expiration from the date of issue, may be issued to the former holders of record of API Common Stock upon the occurrence of certain conditions.

As of January 29, 1996, ACCESS retained Mr. David Blech, the income beneficiary of the Sentinel Charitable Remainder Trust, as a consultant to ACCESS for one year to advise on structuring transactions including equity placements, licensing agreements and research and development collaborations. Under the terms of the agreement Mr. Blech was paid $480,000 in 1996 and received immediately exercisable warrants to purchase 600,000 shares of common stock at an exercise price of $1.00 per share, which warrants expire in the year 2000.

In March 1996, ACCESS concluded a $6 million Private Placement of 8.57 million shares of common stock. The cash infusion will be used to continue the advancement of the product portfolio which focuses on increasing the therapeutic benefit and improving the

efficiency of oncology therapeutics and diagnostic agents by selectively targeting sites of disease and accelerating drug clearance. The shares issued in the private placement have not been registered, however the company has agreed to file a registration statement within 90 days of the issuance covering such shares. The investors have agreed not to sell any of the

shares purchased in the offering until 180 days after the closing.

On April 26, 1996, ACCESS executed a letter of intent to acquire Tacora Corp., a privately-held pharmaceutical company based in Seattle. The transaction is expected to close in the next 60-90 days. Under the terms of the letter of intent, the purchase price is contingent upon the achievement of certain milestones. Stock up to a maximum of $14,000,000 could be payable over a 30 month period on an escalating value over the milestone period.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
ACCESS Pharmaceuticals, Inc.:

We have audited the accompanying balance sheets of ACCESS Pharmaceuticals, Inc. (formerly Chemex Pharmaceuticals, Inc.) as of December 31, 1995 and 1994, and the related statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACCESS Pharmaceuticals, Inc., as of December 31, 1995 and 1994, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 1995, in conformity with generally accepted accounting principles.

KPMG Peat Marwick LLP

Dallas, Texas
March 29, 1996

ACCESS PHARMACEUTICALS, INC.
Formerly Chemex Pharmaceuticals, Inc.

Balance Sheets

<TABLE>
<CAPTION>

ASSETS	December 31, 1995	December 31, 1994
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents (Note 1)	$ 1,888,000	$ 1,335,000
Accounts receivable (Note 1)	48,000	136,000
Loan to API (Note 6)	100,000	-
Prepaid expenses and other assets	93,000	151,000
Total current assets	2,129,000	1,622,000
Furniture and Equipment at cost	-	123,000
Less accumulated depreciation	-	(61,000)
	-	62,000
Other Assets	-	20,000
Total Assets	$ 2,129,000	$ 1,704,000

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 136,000	$ 190,000
Accrued lease settlement (Note 5)	30,000	-
Financed insurance premium	73,000	90,000
Accrued merger closing expenses (Note 9)	140,000	-
Other accrued liabilities	57,000	85,000
Total current liabilities	436,000	365,000
Long-term liabilities	7,000	12,000
Total liabilities	443,000	377,000
Commitments and contingencies (Note 5)		
Stockholders' Equity (Notes 2 and 3)		
Preferred stock, $.01 par value. Authorized 5,000,000 shares; none issued or outstanding	-	-
Common stock, $.04 par value. Authorized 22,000,000 shares; issued 8,737,788 and 8,678,660 shares	350,000	347,000
Additional paid-in capital	40,367,000	40,352,000
Treasury stock, 1,677 shares, at cost	(5,000)	(5,000)
Deficit	(39,026,000)	(39,367,000)
Total Stockholders' Equity	1,686,000	1,327,000
Total Liabilities and Stockholder's Equity	$ 2,129,000	$1,704,000

</TABLE>

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See accompanying notes to financial statements.

ACCESS PHARMACEUTICALS, INC
Formerly Chemex Pharmaceuticals, Inc.

Statements of Operations

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1995	1994	1993
<S>	<C>	<C>	<C>
Revenues:			
Sale of proprietary rights (Note 8)	$2,500,000	$1,700,000	-
Joint Venture project revenue (Note 8)	11,000	1,371,000	$1,468,000
Amlexanox project revenue	379,000	-	-
Actinex royalty (Note 7)	1,000	26,000	49,000
Interest and dividend income	54,000	65,000	139,000
	2,945,000	3,162,000	1,656,000
Expenses:			
Research and Development (Notes 2, 3, 7 and 8):			
Amlexanox/Joint Venture (Note 8)	587,000	2,438,000	2,582,000
ACCESS proprietary	666,000	153,000	324,000
General, Administrative and Other:			
Operating expenses	1,341,000	1,381,000	1,895,000
Professional fees-related parties (Note 6)	13,000	27,000	108,000
Amortization of stock awards (Note 3)	(3,000)	122,000	(161,000)
Settlement of litigation	-	-	475,000
	2,604,000	4,121,000	5,223,000
Income (loss) before income taxes	341,000	(959,000)	(3,567,000)
Provision for income taxes (Note 4)	-	-	-
Net income (loss)	$341,000	($959,000)	($3,567,000)

Net income (loss) per common share (Note 1)	$0.04	($0.11)	($0.43)
Average number of common and equivalent common shares outstanding (Note 1)	8,717,402	8,543,003	8,384,904

</TABLE>

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See accompanying notes to financial statements

ACCESS PHARMACEUTICALS, INC.
FORMERLY CHEMEX PHARMACEUTICALS, INC.

STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 1995, 1994, 1993

<TABLE>
<CAPTION>

	Common Shares	Common Stock Amount	Add'l. Paid-in Capital	Deficit	Treasury Stock	Total Stockholders' Equity
<S>	<C>	<C>	<C>			
Balances at December 31, 1992	8,314,563	$333,000	$40,038,000	$ (34,841,000)	$ (5,000)	$ 5,525,000
Issuance of common stock for ESOP [Note 3(c)]	117,763	5,000	156,000			161,000
Exercise of stock options/SARs [Note 3(a) and 3(b)]	66,750	2,000	20,000			22,000
Stock award amortization [Note 3(d)]			(161,000)			(161,000)
Issuance of common stock for services [Note 2(a)]	25,000	1,000	49,000			50,000
Net loss - 1993				(3,567,000)		(3,567,000)
Balances at December 31, 1993	8,524,076	$341,000	$40,102,000	$ (38,408,000)	$ (5,000)	$ 2,030,000
Issuance of common stock for ESOP [Note 3(c)]	154,580	6,000	95,000			101,000
Stock/SARs award expense [Note 3(d)]			155,000			155,000
Warrants exercised	4					0
Net loss - 1994				(959,000)		(959,000)
Balances at December 31, 1994	8,678,660	$347,000	$40,352,000	$ (39,367,000)	$ (5,000)	$ 1,327,000
Issuance of common stock for ESOP [Note 3(c)]	44,325	2,000	19,000			21,000
Issuance of stock on exercise of SARs [Note 3(a) and 3(b)]	14,803	1,000	(4,000)			(3,000)
Net income - 1995				341,000		341,000
Balances at December 31, 1995	8,737,788	$350,000	$40,367,000	$ (39,026,000)	$ (5,000)	$ 1,686,000

</TABLE>

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See accompanying notes for financial statements

ACCESS PHARMACEUTICALS, INC
Formerly Chemex Pharmaceuticals

Statements of Cash Flows

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31,		
	1995	1994	1993
<S>	<C>	<C>	<C>
Cash Flows from Operating Activities:			
Net income (loss)	$ 341,000	$ (959,000)	$(3,567,000)
Adjustments to reconcile net income (loss) to cash provided by (used by) operating activities:			
Depreciation	15,000	25,000	24,000
Common stock issued in payment for services			50,000
Common stock contributed to Employee Stock Ownership Plan	20,000	101,000	161,000
Stock award amortization	(3,000)	155,000	(161,000)
Change in assets and liabilities:			
Accounts receivable	136,000	217,000	(102,000)
Prepaid expenses and other assets	78,000	43,000	(78,000)
Accounts payable	(54,000)	(94,000)	(35,000)
Accrued taxes	-	-	(431,000)
Accrued lease settlement	30,000	-	-
Accrued litigation settlement	-	(475,000)	475,000
Accrued merger closing expenses	140,000	-	-
Other accrued liabilities	(45,000)	(36,000)	(48,000)
Net cash provided by (used by) operating activities	658,000	(1,023,000)	(3,712,000)
Cash Flows from Investing Activities:			
Capital expenditures	-	-	(3,000)
Net cash used by investing activities	-	-	(3,000)
Cash Flows from Financing Activities:			
Proceeds from exercising of stock options	-	-	22,000
Principal payments on capital leases	(5,000)	(4,000)	(5,000)
Loan to API	(100,000)	-	-
Net cash provided by (used by) financing activities	(105,000)	(4,000)	17,000
Net increase (decrease) in cash and cash equivalents	$553,000	$ (1,027,000)	$(3,698,000)
Cash and cash equivalents at beginning of year	1,335,000	2,362,000	6,060,000
Cash and cash equivalents at end of year	$1,888,000	$ 1,335,000	$ 2,362,000
Cash paid for interest	$6,174	$5,233	$3,300
Cash paid for income taxes			$ 431,000

</TABLE>

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See accompanying notes to financial statements

ACCESS PHARMACEUTICALS, INC.
FORMERLY CHEMEX PHARMACEUTICALS, INC.
Notes to Financial Statements

(1) The Company and Summary of Significant Accounting Policies

(a) The Company

ACCESS Pharmaceuticals, Inc. ("ACCESS" or the "Company"),

formerly known as Chemex Pharmaceuticals, Inc. ("Chemex"), is engaged in research and development activities with a broad platform technology for enhancing the site targeting of intravenous therapeutic drugs, MRI contrast agents and radiopharmaceutical diagnostic and therapeutic agents. The ACCESS technology is based on natural carbohydrate carriers.

Chemex merged with ACCESS Pharmaceuticals, Inc. ("API") on January 25, 1996 and in March 1996 concluded a $6 million private placement of 8.57 million shares of common stock. On January 25, 1996, Chemex changed its name to ACCESS (see note 9).

Prior to the merger, the Company was engaged in research and development activities for certain dermatological products relating to the determination of the potential use, if any, of elements of certain natural product and synthetic compounds for therapeutic purposes. To commercialize these activities, a joint venture, (the "Joint Venture") was signed with Block Drug Company, Inc. ("Block") in June 1991 and represented the commencement of planned operations. The Joint Venture was dissolved effective December 31, 1994, and pursuant to such dissolution, the original compounds that had been contributed to the Joint Venture by the Company were returned to the Company, with the exception of Amlexanox. The Company transferred its rights to Amlexanox to Block for a non-refundable upfront royalty payment of $2.5 million plus future royalties, with the consent of Takeda Chemicals (the licensor) and approval of Chemex shareholders on September 14, 1995 (see Note 8).

The Company's products will require clinical trials, FDA approval and acceptance in the marketplace prior to commercialization. Although the Company believes its patents and patent applications are valid, the invalidation of its major patents would have a material adverse effect upon its business. The Company competes with specialized biotechnology companies and major pharmaceutical companies. Many of these competitors have substantially greater resources than does the Company.

(b) Cash and Cash Equivalents

The Company considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents for purposes of the statements of cash flows.

(c) Depreciation

Depreciation of furniture and equipment was provided using the straight-line method based on estimated useful lives of 5 years. Depreciation expense for the years ended December 31, 1995, 1994 and 1993, amounted to $15,000, $25,000 and $24,000, respectively. In connection with the merger, the Company sold the remainder of its fixed assets to API at net book value in the fourth quarter of 1995.

(d) Net Income (Loss) Per Common Share

Net income (loss) per common share is calculated based upon the weighted average number of common shares and common equivalent shares outstanding during the years ended December 31, 1995, 1994 and 1993 of 8,717,402, 8,543,003 and 8,384,904, respectively. In 1995, 1994 and 1993 any common equivalent shares were either not material or anti-dilutive.

(e) Revenues

The Company entered into three separate agreements with Block under which it performed contract research and development. The first agreement represented the sale of Actinex(R) to Block, whereby the Company was reimbursed for any outside costs it incurred in connection with the further development of Actinex(R). The second agreement with Block was the Joint Venture, under which the Company was responsible for performing all research and development of the Joint Venture products. Through December 31, 1994 (the effective date of the dissolution of the Joint Venture), the Company shared

equally with Block all research and development expenses, after the first $3 million of expenditures which was paid by Block, however, this agreement was terminated by mutual consent on December 31, 1994 (see note 8 for further discussion). On June 7, 1995, the Company entered into the third agreement with Block to sell its rights to Amlexanox for a non-refundable upfront royalty payment of $2.5 million plus future royalties, if any, which was approved by the Company's shareholders on September 14, 1995. Until the completion of the agreement, 50% of research conducted for Amlexanox was paid for by Block.

(f) Research and Development Expenses

All costs of research and development are expensed in the period incurred.

(g) Accounts Receivable

Accounts receivable as of December 31, 1995 and December 31, 1994 were $48,000 and $136,000, respectively, and in 1995 was due from API in connection with the sale of the Company's furniture and computer equipment and in 1994 were entirely due from Block for the Joint Venture research and development expenses and Actinex(R) royalty.

(h) Use of Estimates

Management of the Company has made a number of estimates and assumptions relative to the reporting of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

(2) Stockholders' Equity

(a) Common Stock

From time to time, the Company has issued restricted shares of its common stock as payment for various costs and services. These shares were valued by the Company's Board of Directors (the Board) based upon the quoted market price on the date of issue, discounted as considered appropriate by the Board, for the restricted nature of the stock. During the years ended December 31, 1995 and 1994, the Company did not issue any shares of common stock as payment for any obligations. During the year ended December 31, 1993, the Company issued 25,000 shares at a value of $50,000 as payment of outside investment banking services.

(b) Warrants

The Company has authorized the issuance of up to 500,000 Units, consisting in the aggregate of 500,000 shares of Common Stock and warrants exercisable in the aggregate for 700,000 shares of Common Stock. The authorization of the Units was made in connection with a Conversion Agreement, dated June 18, 1990, by and between ACCESS and Sentinel Charitable Remainder Trust (the "Conversion Agreement"). Pursuant to the terms of the Conversion Agreement, each Unit has an exercise price of $2.50 and the rights of Sentinel Charitable Remainder Trust to subscribe for the Units were to expire on July 31, 1996. This Conversion Agreement was amended as of December 14, 1995 by the Letter Agreement to provide that the right of Sentinel Charitable Remainder Trust to subscribe for the Units now expire on January 1, 1999.

Each warrant issuable in connection with the Units described above is exercisable for one share of Common Stock (subject to adjustment as provided in the warrant), with 500,000 of the warrants exercisable at $6.25 and the remaining 200,000 warrants exercisable at $2.50, all upon the terms and conditions set forth in the Conversion Agreement. The warrants expire on January 1, 2000.

Under the terms of merger on January 25, 1996, a maximum of 750,000 warrants exercisable at $0.75 per share with a 5 year expiration from the date of issue, may be issued to the former

holders of record of API Common Stock upon the occurrence of certain conditions.

(3) Stock Option Plan and Employee Stock Ownership Plan

(a) Stock Option Plan

The Company adopted a stock option plan (the "1987 Stock Awards Plan") and reserved 1,725,000 shares of the Company's common stock for issuance to optionees including officers,

employees, and other individuals performing services for the Company. The 1987 Stock Awards Plan replaced the previously approved Restated Non-Qualified Stock Option Plan (the "Restated Plan") and includes stock appreciation rights, which vested based on the achievement of certain financial and operational benchmarks. Options granted under the plans were generally exercisable over a ten-year period from the date of grant, however, as a result of certain events occurring in 1995, all issued options became vested and exercisable. The shareholders replaced the 1987 Plan on January 25, 1996 with the 1995 Stock Option Plan. No further grants have been or can be made under the 1987 Plan.

Under the 1995 Stock Option Plan, 2,000,000 shares of ACCESS Common Stock are reserved for issuance to employees, officers, directors and consultants at the Company.

Summarized information for the 1987 Plan is as follows:

<TABLE>
<CAPTION>

	1987 Plan	
	Incentive Stock Options	SARs(1)
<S>	<C>	<C>
Outstanding options at December 31, 1994	1,092,602	360,161
Granted	0	0
Forfeited	(116,505)	(6,693)
Exercised	0	(14,803)
Outstanding options at December 31, 1995	976,097	338,665
At December 31, 1995:		
o Average exercise price of outstanding options	$2.42	$0.00
o Exercisable options	976,097	338,665

</TABLE>

(1) See Note [3(d)]

(b) Non-employee Director Stock Option Plan

The Company adopted the Non-Employee Director Stock Option Plan during 1987 and reserved 467,500 shares of the Company's common stock for options awarded under the plan. Directors who had options in the Restated Plan relinquished those options for equivalent options in the Non-Employee Director Stock Option Plan. During 1995, there were no options granted by the Company. Shares under option at December 31, 1995 are as follows:

<TABLE>
<CAPTION>

1987 Non-Employee Director Plan	
<S>	<C>
Outstanding options at December 31, 1994	299,054
Granted	0
Forfeited	(19,937)
Exercised	0
Outstanding options at December 31, 1995	279,117
At December 31, 1995	
o Average exercise price of outstanding options	$2.90
o Exercisable options	279,117

</TABLE>

Both of the Plans described in (a) and (b) above provide for shares to be purchased for cash or with shares of the Company's common stock owned by the optionee with a market value equal to the aggregate option price.

Stock options and stock appreciation rights vest to the optionees immediately upon a change in control of the Company. Change in control is generally defined as the acquisition of 25% or more of the common stock of the Company by an individual or a group. Change in control did occur at the date of the merger, January 25, 1996, and as a result, all unvested options vested.

(c) Employee Stock Ownership Plan ("ESOP")

Effective January 1, 1986, the Company adopted a qualified Employee Stock Ownership Plan (ESOP) in which all employees are eligible to participate. The ESOP provides that the Company may elect to match employee contributions at varying percentage rates designated by the Company (50% in 1993, 1994, and 1995) and may make an annual contribution to the ESOP as determined by the Board, with a maximum contribution not to exceed the amount deductible under the Internal Revenue Code. Contributions to the ESOP can be made in cash, mutual funds or in common stock of the Company. During the years ended December 31, 1995, 1994 and 1993, the Company contributed 41,427, 151,608 and 116,202 shares of common stock to the ESOP valued at $18,460, $98,006 and $158,064, respectively. Employee contributions to the ESOP during the year ended December 31, 1993 totalled $71,645, of which $2,744 was used to purchase 1,561 shares and $68,901 was invested in mutual funds; during the year ended December 31, 1994, contributions totalled $73,222 of which $2,535 was used to purchase 2,972 shares, and $70,687 was invested in mutual funds; and during the year ended December 31, 1995, contributions totalled $36,921 of which $1,354 was used to purchase 2,898 shares and $35,567 was invested in mutual funds. The Company intends to terminate the Plan and no Company contributions are anticipated in 1996.

(d) Stock Award Amortization/Cancellation

The Company amortizes stock award compensation expense for the difference between the issuance or exercise price of stock options granted and the fair market value of the common stock on the date of the grant, over the period benefitted. SARs are treated in the same manner, however, for SARs that were payable in cash, a further amortization expense (or credit to expense) was recorded for the difference between the fair market value of the common stock at the current period end and the fair market value on the grant date or the last fiscal period, whichever is later. In addition, forfeited stock options for employees that terminate from the Company prior to full vesting of their stock options are recorded as a reduction to stock awards expense, representing the original

difference between fair market value of the common stock and the exercise price of the stock option on the grant date, for any forfeited unvested options.

In 1992, the Board of Directors passed a resolution that no SARs were to be paid in cash. During 1993, 50,000 SARs were exercised. The difference between the fair market value of the stock as originally recorded and the market value as of the date the SARs were exercised was recorded as a reduction of stock award amortization of $161,000. In 1994, bonuses were paid to employees in the form of SARs totalling 35,210 options. In addition, 223,829 SARs were awarded to the three former corporate officers contingent on operational milestones. The difference between the fair market value of the SARs as of the date of the grant and the zero exercise price was recorded as stock award expense of $122,000 in 1994. In 1995, no SARs were awarded. In 1995, the difference between the fair market value of the stock as originally recorded and the market value as of the date the SARs were exercised was recorded as a reduction of stock award amortization expense of $3,000.

(4) Income Taxes

The Company follows Statement of Financial Accounting Standards Number 109 - Accounting for Income Taxes ("FASB 109"). No provision for federal income taxes has been made since inception due to the operating losses incurred for income tax purposes. At December 31, 1995, 1994 and 1993, the Company had deferred tax assets primarily comprised of the tax benefits of net operating loss carry-forwards and temporary differences relating to compensation expense. Because the Company has a history of losses, a 100% provision against the deferred tax assets was recorded. At December 31, 1995, the Company's regular and alternative minimum tax net operating loss carry-forwards for federal income tax purposes approximate $34 million, which, if not utilized, will expire in varying amounts through the year 2009. However, as a result of the merger on January 25, 1996, (see note 9), a change in control occurred for federal income tax purposes which limited the utilization of net operating loss carry-forwards to approximately $530,000 per year.

(5) Commitments and Contingencies

The Company is not currently a party to any material legal proceedings.

Rent expense was $217,551, $201,552 and $202,028 for the years ended December 31, 1995, 1994 and 1993 respectively. Effective as of November 2, 1995 the Company terminated its lease agreement for

its former principal office space in Fort Lee, New Jersey. Pursuant to the settlement agreement, approximately $79,000 in consideration of the termination of the lease has been expensed of which $30,000 remains as an accrual at December 31, 1995. Limited temporary office space was leased in Tarrytown, New York, until the merger.

Effective January 25, 1996 the Company relocated to API's corporate offices in Dallas, Texas. API's office lease annual minimum rental for 1996 is $58,767 and for 1997 is $17,046.

(6) Related Party Transactions

The following is a table of related party transactions for the years ended December 31, 1995, 1994 and 1993.

<TABLE>
<CAPTION>

	Year ended December 31,		
	1995	1994	1993
<S>	<C>	<C>	<C>
Legal fees-Company's former law firm of which a Partner was also a Director		$44,228	
Consulting fees-Director	$13,000	$26,950	54,132
Consulting fees-Director			10,000

</TABLE>

An attorney for the Company's former law firm was, and two consultants were members of the Company's Board of Directors. As of July 29, 1993, the attorney did not stand for reelection to the Board and his law firm is no longer retained by the Company.

Pursuant to the terms of the merger agreement, the Company was obligated to loan, at any time prior to the closing of the transaction, an aggregate amount of up to $250,000 to API, upon request of API. On October 4, 1995, the Company made an unsecured loan to API of $100,000 which is evidenced by a 7% promissory note (see note 9).

(7) Sale of Actinex(R) Technology

On June 29, 1990, the Company signed a definitive agreement to sell Actinex(R), a product developed by the Company for the treatment and prevention of actinic keratoses to Block. As of December 31, 1990, the Company received a total of $2 million in non-refundable payments from Block for the sale of Actinex(R). The Company received from Block during fiscal 1992 the following additional milestone payments: $1 million upon receipt of the "approvable" letter from the FDA, $3 million upon receipt of the "approval" letter from the FDA, $2 million upon first sale of the product by Block. An additional milestone of $2 million to be paid on the first two anniversaries of the first sale was waived

since the FDA did not grant the approval of the drug by June 29, 1992. In its place, Block has agreed to pay a 2.5% royalty on the fist $40 million of cumulative sales of Actinex(R) (equivalent to $1 million). The Company is also entitled to receive royalties on the sale of the product worldwide (5% on sales in countries where the patent is protected and 2.5% on sales in countries where the patent is not protected) after the first $40 million of cumulative sales are achieved. The Company recorded royalties of $1,000 in 1995, $26,000 in 1994 and $49,000 in 1993.

(8) Block Joint Venture and Subsequent Dissolution

On June 20, 1991 the Company and Block entered into a Joint Venture and for such purpose established an equally-owned New Jersey general partnership. The objective of the Joint Venture was to develop, manufacture and market products developed by the Joint Venture. Both Companies were to share equally in the profits of the Joint Venture.

The Company contributed all of its dermatological products to the Joint Venture and agreed to dedicate its current research staff to the performance of the Joint Venture research and development of up to $17 million during the five years of the research and development agreement. The initial $3 million of research and development funding was paid for by Block after which each partner was obligated to contribute 50% of research and development cost up to an aggregate of $14 million. Each party was obligated to offer all of their respective new dermatological products to the Joint Venture during the five year period. In addition, under the terms of the agreement, Block paid the Company $2 million for certain of its proprietary assets and Block contributed such assets to the Joint Venture.

As a result of entering into the Joint Venture, the Company's research and development staff activities were then directed almost exclusively to the Joint Venture effort. The Joint Venture was developing Amlexanox (aphthous ulcers), EPC-K (inflammation of the skin), CHX-100 (anti-wrinkling), and CHX-108 (mild/moderate psoriasis).

In June 1994, Block purchased an additional 10% of the Joint Venture from the Company (20% of the Company's share) for $1,700,000, thereby changing the Joint Venture ownership to a 60/40 split in favor of Block. The Company retained the right to re-purchase the 10% interest for up to eighteen months after the purchase by Block.

As of December 31, 1994, by mutual consent, Block and the Company agreed to terminate the Joint Venture. As part of the dissolution, the Company returned to Block for $1,700,000, the 10% Joint Venture ownership purchased by Block in June 1994 in return for the sale of certain proprietary rights for Amlexanox to Block for a like amount; Block returned its 50% share of all of the Joint Venture dermatology drug portfolio (except Amlexanox); the Company returned its ownership share of Penderm's Acticin to Block; and Block and the Company entered into separate joint ownership agreements for Amlexanox.

Block and the Company have concluded several agreements as part of the Joint Venture dissolution: (1) Asset Distribution Agreement ("ADA") which effectively dissolves the Joint Venture and specifies the distribution of assets of the Joint Venture; (2) Product Development Agreement ("PDA") and Manufacturing, Marketing and Distribution Agreement ("MMS") which established the joint ownership

of Amlexanox and the responsibilities of each party; and (3) a separate agreement giving the Company an option to transfer its share of the ownership rights to Amlexanox to Block for a non-refundable upfront royalty payment plus future royalties, subject to consent by Takeda Chemicals (the licensor of Amlexanox) and the Company shareholder approval.

The ADA distributes the following rights to products: the Company received Block's share of the rights to EPC- K1 a drug under license from Senju Pharmaceuticals for atopic dermatitis; CEDE- 108- potentially for psoriasis; and CHX-100 for the treatment of photoaging of the skin; and Block received the Company's share to the rights for Penederm's retinoic acid product.

The PDA and MMS Agreements outline the responsibilities of the parties in terms of the development and commercialization of any Amlexanox product for all oral use. The Company was responsible for all development and regulatory activities and Block was responsible for manufacturing, marketing and distribution of any Amlexanox products. The MMS Agreement also defines the sharing of any profits or losses of any Amlexanox product and further allows the Company the option, on a country by country basis, to agree to a profit and loss arrangement or a royalty.

On June 7, 1995, the Company entered into an agreement with Block to sell its rights to Amlexanox for a non- refundable upfront royalty payment of $2.5 million plus future royalties, if any, which was approved by the Company shareholders on September 14, 1995.

(9) Subsequent Events

On January 25, 1996, the Company's Shareholders, at a Special Shareholders Meeting, approved the merger with API. Under the terms of the agreement, API was merged into Chemex with Chemex as the surviving legal entity. Chemex acquired all of the outstanding shares of API in exchange for 13,919,979 shares of registered common stock of Chemex. Chemex also changed its name to ACCESS Pharmaceuticals, Inc. and the operations of the merged company are now based in Dallas, Texas. Shareholders of both companies approved the merger. As of December 31, 1995, the Company had incurred $140,000 in connection with the merger.

As a result of the merger, the former API Stockholders own approximately 60% of the issued and outstanding shares of Chemex. Generally accepted accounting principles require that a company whose stockholders retain the controlling interest in a combined business be treated as the acquiror for accounting purposes. As a consequence, the merger is being accounted for as a "reverse acquisition" for financial reporting purposes and API has been deemed to have acquired an approximate 60% interest in Chemex. Despite the financial reporting requirement to account for the acquisition as a "reverse acquisition," Chemex remains the continuing legal entity and registrant for Securities and Exchange Commission reporting purposes.

The following summarizes API's results of operations for the years indicated:

<TABLE>
<CAPTION>

	Year Ended December 31,	
	1995	1994
<S>	<C>	<C>
Revenues	$ 690,000	$ 1,039,000

Other income	5,000	9,000
	695,000	1,048,000
Expenses		
Research and development	675,000	714,000
Other expenses	752,000	695,000
Depreciation	367,000	115,000
	1,794,000	1,524,000
Net loss	$ (1,099,000)	$ (476,000)

</TABLE>

- ----------
x Estimates

In March 1996 the Company concluded a $6 million Private Placement of 8.57 million shares of common stock. The cash infusion will be used to continue the advancement of the product portfolio which focuses on increasing the therapeutic benefit and improving the efficiency of oncology therapeutics and diagnostic agents by selectively targeting sites of disease and accelerating drug clearance. The shares issued in the private placement have not been registered, however the company has agreed to file a registration statement within 90 days of the issuance covering such shares. The investors have agreed not to sell any of the shares purchased in the offering until 180 days after the closing.

As of January 29, 1996, ACCESS retained Mr. David Blech, the income beneficiary of the Sentinel Charitable Remainder Trust (see Note 2(b)), as a consultant to the Company for one year to advise on structuring transactions including equity placements, licensing agreements and research and development collaborations. Under the terms of the agreement Mr. Blech was paid $480,000 in 1996 and received immediately exercisable warrants to purchase 600,000 shares of Common Stock at an exercise price of $1.00 per share, which warrants expire in the year 2000.

==========

No person has been authorized in connection with the offering made hereby to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby to any person or by anyone in any jurisdiction in which it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information contained herein is correct as of any date subsequent to the date hereof.

TABLE OF CONTENTS

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9,171,415 Shares

[LOGO]

ACCESS PHARMACEUTICALS, INC.

COMMON STOCK

PROSPECTUS

June 12, 1996

==========

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

Estimated expenses (other than underwriting discounts and commissions) payable in connection with the sale of the Common Stock offer hereby are as follows:

<TABLE>

<S>	<C>
SEC registration fee	$ 6,325
Printing and engraving expenses	2,500
Legal fees and expenses	20,000
Accounting fees and expenses	8,400
Blue Sky fees and expenses (including legal fees)	15,000
Transfer agent and registrar fees and expenses	11,000
Miscellaneous	0
Total	$63,225

</TABLE>

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law (the "DGCL") empowers a Delaware corporation to indemnify any person who was or is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, provided that such person acted in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, such person had no reasonable cause to believe his conduct was unlawful. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding. A Delaware corporation may also indemnify such persons against expenses (including attorneys' fees) in actions brought by or in the right of the corporation to procure a judgement in its favor, subject to the same conditions set forth in the immediately preceding sentences, except that no indemnification is permitted in respect of any claim issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and to the extent the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Chancery or other such court shall deem proper. To the extent such person has been successful on the merits or otherwise in defense of any action to above, or in defense of any claim, issue or matter therein, the corporation must indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person connection therewith. The indemnification and advancement of expenses provided for in, or granted pursuant to, Section 145 is not exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 145 of the DGCL also provides that a corporation may maintain insurance against liabilities for which indemnification is not expressly provided by the statute. The Registrant is insured against liabilities which it may incur by reason of its indemnification obligations under its Certificate of Incorporation, Bylaws and indemnification agreements.

Article X of the Registrant's Certificate of Incorporation provides that the Registrant will indemnify, defend and hold harmless directors, officers, employees and agents or the Registrant to the fullest extent currently permitted under the DGCL.

In addition, Article X of the Registrant's Certificate of Incorporation, provides that neither the Registrant

nor its stockholders may recover monetary damages from the Registrant's directors for a breach of their fiduciary duty in the performance of their duties as directors of the Registrant, unless such breach relates to (i) the director's duty of loyalty, (ii) acts or omissions not in good faith or which

involve intentional misconduct or a knowing violation of law, (iii) unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL of (iv) any transactions for which the director derived an improper personal benefit. The By-Laws of the Registrant provide for indemnification of the Registrant's directors, officers, employees and agents on the terms permitted under Section 145 of the DGCL described above.

The Registrant has entered into indemnification agreements with certain of its directors and executive officers. These agreements provide rights of indemnification to the full extent allowed and provided for by Section 145 of the DGCL and the Certificate of Incorporation and Bylaws of Chemex.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

In the three years preceding the filing of this registration statement, the Company has issued the following securities that were not registered under the Securities Act:

In connection with the Private Placement Offering in March 1996, the Company issued 8,571,415 shares of Common Stock and warrants to purchase 600,000 shares of Common Stock.

No underwriters were involved in the foregoing sales of securities. Such sales were made in reliance upon an exemption from the registration provisions of the Securities Act set forth in Section 4(2) thereof relative to sales by an issuer not involving any public offering or the rules and regulations thereunder. All of the purchasers of securities in the transactions described above represented to the Company that they were accredited investors as defined in Rule 501(a) of Regulation D promulgated under the Securities Act and that their intentions were to acquire the securities for investment only and under the Securities Act and that their intentions were to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the securities issued in such transactions. All recipients had adequate access to information about the Company. All of the foregoing securities are deemed restricted securities for the purpose of the Securities Act.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULE.

(a) Exhibits:

4. Exhibit Number

2.1 Amended and Restated Agreement of Merger and Plan of Reorganization between ACCESS Pharmaceuticals, Inc and Chemex Pharmaceuticals, Inc., dated as of October 31, 1995 (Incorporated by reference to Exhibit A of the Company's Registration Statement on Form S-4 dated December 21, 1995, Commission File No. 33-64031)

3.0 Articles of incorporation and bylaws:

3.1 Certificate of Incorporation (Incorporated by Reference to Exhibit 3(a) of the Chemex Form 8-B dated July 12, 1989, Commission File Number 9-9134)

3.2 Bylaws (Incorporated by referenced to Exhibit 3(b) of the Chemex Form 8-B dated July 12, 1989, Commission File Number 0-9314)

3.3 Certificate of Amendment of Certificate of Incorporation filed August 21, 1992

3.4 Certificate of Merger filed January 25, 1996. (Incorporated by reference to Exhibit E of the Company's Registration Statement on Form S-4 dated December 21, 1995, Commission File No. 33-64031)

3.5 Certificate of Amendment of Certificate of Incorporation filed January 25, 1996. (Incorporated by reference to Exhibit E of the Company's Registration Statement on Form S-4 dated December 21, 1995, Commission File No. 33-64031)

5.1 Opinion of Bingham, Dana & Gould LLP

10.0 Material contracts:

* 10.1 Employee Stock Ownership Plan (Incorporated by the reference to Exhibit 10 of the Company's Form 10-K for the year ended December 31, 1986, commission File Number 0-9314)

* 10.2 Employee Stock Ownership Trust (Incorporated by reference to Exhibit 10 of the Company's form 10-K for the year ended December 31, 1986, commission File Number 0-9314)

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* 10.3(b) First Amendment to Employment Agreement of Mr. Herbert H. McDade, Jr. Dated July 31, 1989 (Incorporated by reference to Exhibit 10.5(b) of the Company's Form S-1 dated November 7, 1989, Commission

File Number 33-30685)

* 10.3 (c)Second Amendment to Employment Agreement of Mr. Herbert H. McDade, Jr. dated December 13, 1989 (Incorporated by reference to Exhibit 10.3(a) of the Company's form 10-K for the year ended December 31, 1990)

* 10.3(d) Third Amendment to Employment Agreement of Mr. Herbert H. McDade, Jr. dated July 11, 1990 (Incorporated by reference to Exhibit 10.3(a) of the Company's Form 10-K for the year ended December 31, 1990)

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* 10.3(f) Fifth Amendment to Employment Agreement of Mr. Herbert H. McDade, Jr. Dated December 31, 1991 (Incorporated by reference to Exhibit 6 of the Company's Form 10-Q for the quarter ended June 30, 1994)

* 10.3(g) Sixth Amendment to Employment Agreement of Mr. Herbert H. McDade, Jr. dated April 29, 1994 (Incorporated by reference to Exhibit 6 of the Company's Form 10-Q for the quarter ended June 30, 1994)

10.4 Joint Venture and General Partnership Agreement between Block Drug Company and Chemex Pharmaceuticals, Inc., dated June 20, 1990, (Incorporated by reference to Exhibit 28.1 of the Company's Form S-3 dated August 5, 1991, Commission File Number 33-42052)

10.5 Products Development Agreement between Block/Chemex,

G.P. and Chemex Pharmaceuticals, Inc. dated June 20, 1991, Incorporated by reference to Exhibit 28.2 of the Company's Form S-3 dated August 5, 1991, Commission File Number 33-42052)

10.6 Patent Purchase Agreement between Block Drug Company, Inc. and ACCESS Pharmaceuticals, Inc. dated June 20, 1992, (Incorporated by reference to Exhibit 28.2 of the Company's Form S-3 dated August 5, 1991, Commission File Number 33-42052)

10.7 Irrevocable Assignment of Proprietary Information with Dr. Charles G. Smith (Incorporated by reference to Exhibit 10.6 of the ACCESS Form 10-K for the year ended December 31, 1991)

* 10.8 Option Agreement with Mr. Vernon Taylor III dated September 25, 1990 (Incorporated by reference to Exhibit 10 of the Company's Form 10-K for the year ended December 31, 1990)

10.9 Conversion Agreement with Sentinel Charitable Remainder Trust dated June 18, 1990 (Incorporated by reference to Exhibit 10 of the Company's Form 10-K for the year ended December 31, 1990)

10.10 Advisory Agreement with D. Blech & Company, Inc. dated November 8, 1990 (Incorporated by reference to Exhibit 10 of the Company's Form 10-K for the year ended December 31, 1990)

10.11 Asset Purchase Agreement with Block Drug Company dated June 29, 1990 (Incorporated by reference to Exhibit 10 of the Company's Form 10-K for the year ended December 31, 1990)

10.12 Assignment by Block Drug to Joint Venture of Block/Penederm, Inc. Agreement dated March 24, 1993 (Incorporated by reference to Exhibit 10 of the Company's Form 10-K for the year ended December 31, 1993)

10.13 Sale of 10% interest in the Block/Chemex Joint Venture by Chemex Pharmaceuticals, Inc. to the Block Drug Company, Inc. (Incorporated by reference to Exhibit 6 of the Chemex Form 10-Q for the quarter ended June 30, 1994)

10.14 1995 Stock Option Plan (Incorporated by reference to Exhibit F of the Company's Registration Statement on Form S-4 dated December 21, 1995, Commission File No. 33-64031)

10.15 Stockholder's Agreement dated October 1995 between ACCESS Pharmaceuticals, Inc. and Dr. David F. Ranney (Incorporated by reference to Exhibit A of the Company's Registration Statement on Form S-4 dated December 21, 1995, Commission File No. 33-64031).

10.16 Patent Purchase Agreement dated April 5, 1994 between David F. Ranney and ACCESS Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 10.16 of the Company's Form 10-K for the year ended December 31, 1995)

10.17 First Amendment to Patent Purchase Agreement dated

January 23, 1996 between David F. Ranney and ACCESS Pharmaceuticals, Inc. (Incorporated by reference to Exhibit 10.17 of the Company's Form 10-K for the year ended December 31, 1995)

23(a) Consent of Bingham, Dana & Gould LLP (included in Exhibit 5.1)

23(b) Consent of KPMG Peat Marwick LLP

23(c) Consent of KPMG Peat Marwick LLP

23(d) Consent of Smith, Anglin & Co.

26 Power of Attorney (See page II-5)

* Management contract or compensatory plan required to be filed as an Exhibit to this Form pursuant to Item 14(c) of the report

(b) Financial Statement Schedules:

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto.

ITEM 17. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions described in Item 14 above, 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 Securities Act and is, therefore, unenforceable. In the event that claim of 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 Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a from 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 this 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.

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 to

(i) Include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in the 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 and 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 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, Texas, on this 10th day of June, 1996.

ACCESS PHARMACEUTICALS, INC.

By /s/ Kerry P. Gray

Kerry P. Gray
President and Chief Executive
Officer, Treasurer

POWER OF ATTORNEY AND SIGNATURES

Each person whose signature appears below hereby constitutes and appoints Kerry P. Gray, as his or her attorney- in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, (i) to sign any and all amendments (including post-effective amendments) to this Registration Statement, (ii) to sign any registration statement to be filed pursuant to Rule 462(b) under the Securities Act of 1933 for the purpose of registering additional shares of Common Stock for the same offering covered by this Registration Statement, and (iii) to file any of the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-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 and about the premises, as fully to all intents and purposes as her or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

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

<TABLE>
<CAPTION>

Signature	Title	Date
<S>	<C>	<C>
/s/ KERRY P. GRAY Kerry P. Gray	President and Chief Executive Officer, Treasurer	June 10, 1996
/s/ HERBERT H. MCDADE, JR. Herbert H. McDade, Jr.	Director	June 10, 1996
David F. Ranney	Director	June 10, 1996
/s/ MICHAEL J. FLINN Michael J. Flinn	Director	June 10, 1996
/s/ ELIZABETH M. GREETHAM Elizabeth M. Greetham	Director	June 10, 1996

</TABLE>

Exhibit Index

Exhibit No.	Description
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23(a) Consent of Bingham, Dana & Gould LLP (included in Exhibit 5.1)

23(b) Consent of KPMG Peat Marwick LLP

23(c) Consent of KPMG Peat Marwick LLP

23(d) Consent of Smith, Anglin & Co.

EXHIBIT 5.1

BINGHAM, DANA & GOULD LLP
150 Federal Street
Boston, Massachusetts 02110

June 12, 1996

ACCESS Pharmaceuticals, Inc.
2600 Stemmons Freeway, Suite 210
Dallas, TX 75207

Re: Registration Statement on Form SB-2
Under the Securities Act of 1933, as Amended

Ladies and Gentlemen:

We have acted as counsel to ACCESS Pharmaceuticals, Inc., a Delaware corporation (the "Company"), in connection with the registration under the Securities Act of 1933, as amended (the "Act"), of 8,571,415 shares (the "Shares") of the common stock, $.04 par value per shares (the "Common Stock"), of the Company, and 600,000 shares of Common Stock (the "Warrant Shares"), issuable upon the exercise of Warrants to purchase shares of Common Stock (the "Warrants"), to be offered by certain stockholders of the Company pursuant to a Registration Statement on Form SB-2, filed by the Company with the Securities and Exchange Commission (the "Commission") on June 12, 1996.

As such counsel, we have reviewed the corporate proceedings taken by the Company with respect to the authorization of the Warrant and the issuance of the Shares and the Warrant Shares upon exercise of the Warrant. We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of the Warrants and such corporate records, documents, agreements and other instruments, and certificates of officers of the Company as to certain factual matters, and have made such investigation of law, and have discussed with officers and representatives of the Company such questions of fact, as we have deemed necessary or appropriate to enable us to express the opinion rendered hereby.

We have assumed without any investigation the genuineness of all signatures, the conformity to the originals of all documents reviewed by us as copies, the authenticity and completeness of all original documents reviewed by us in original or copy form, and the legal competence of each individual executing a document.

In rendering our opinion below regarding the shares, we have assumed, without investigation, that the Company has received the consideration called for by the resolutions of the Board of Directors of the Company authorizing the issuance of the Shares.

We have also assumed that the registration requirements of the Act and all applicable requirements of state laws regulating the sale of securities will have been duly satisfied.

This opinion is limited solely to the General Corporation Law of the State of Delaware as applied by courts located in Delaware.

Based upon the foregoing, we are of the opinion that the Shares are validly issued, fully paid, and non-assessable and that the Warrant Shares, when issued upon exercise of the warrants in accordance with the terms of the warrants will be validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,
/s/ Bingham, Dana & Gould LLP

BINGHAM, DANA & GOULD LLP

EXHIBIT 23(b)

INDEPENDENT AUDITORS' CONSENT

The Board of Directors of
ACCESS Pharmaceuticals, Inc.

We consent to the use of our report on the 1995 financial statements of ACCESS Pharmaceuticals, Inc. (a development stage enterprise) included herein and to the reference to our Firm under the heading "Experts" in the prospectus.

/s/ KPMG Peat Marwick LLP

KPMG Peat Marwick LLP

Dallas, Texas
June 11, 1996

EXHIBIT 23(c)

INDEPENDENT AUDITORS' CONSENT

The Board of Directors of
ACCESS Pharmaceuticals, Inc.

We consent to the use of our report on the financial statements of ACCESS Pharmaceuticals, Inc. (formerly Chemex Pharmaceuticals, Inc.) included herein and to the reference to our Firm under the heading "Experts" in the prospectus.

/s/ KPMG Peat Marwick LLP

KPMG Peat Marwick LLP

Dallas, Texas
June 11, 1996

EXHIBIT 23(d)

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
ACCESS Pharmaceuticals, Inc.

We consent to the use of our report included herein and to the reference to our Firm under the heading "Experts" in the prospectus.

/s/ Smith Anglin & Co.

Smith Anglin & Co.

Dallas, Texas
June 11, 1996