

Sirgo Mark A  
 Form 5  
 February 14, 2007

**FORM 5**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
 Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
 Sirgo Mark A

2. Issuer Name and Ticker or Trading Symbol  
 BIODELIVERY SCIENCES INTERNATIONAL INC [BDSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
 12/31/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 President and CEO

2501 AERIAL CENTER PARKWAY, SUITE 206

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

RALEIGH, NC 27560

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Price	20,300	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount of Underlying Shares
					(A)	(D)	Date Exercisable	Expiration Date		
Option	\$ 2.05	07/26/2006	Â	A	20,000	Â	07/27/2006	07/27/2016	Common Stock	20,000
Option	\$ 2.94	07/28/2006	Â	A	2,976	Â	07/28/2006	07/28/2015	Common Stock	2,976
Option	\$ 3.4	10/21/2006	Â	A	1,716	Â	10/21/2006	10/21/2014	Common Stock	1,716
Option	\$ 3.03	12/01/2006	Â	A	16,333	Â	12/01/2006	12/01/2015	Common Stock	16,333
Series A Preferred	\$ 4.25 <sup>(1)</sup>	Â	Â	Â	Â	Â	Â <sup>(1)</sup>	Â <sup>(3)</sup>	Common Stock	797,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sirgo Mark A 2501 AERIAL CENTER PARKWAY SUITE 206 RALEIGH, NC 27560	Â X	Â	Â President and CEO	Â

## Signatures

/s/ Mark A.  
Sirgo

02/14/2007

    Signature of  
Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Series A Preferred will be convertible into shares of the Company's common stock (the "Common Stock") on a one for one basis. The Series A Preferred is eligible for conversion upon the earlier to occur of: (i) FDA approval of Arius' first proposed product (ii) 30 days notice to the Company of a Conversion Event (hereinafter defined) or (iii) five years from the closing date of the Transaction. The term "Conversion Event" is defined in the Certificate of Designations of the Series A Preferred to mean the failure of the Company to provide at least \$3,000,000 to Arius as required to: (i) pay Atrix Laboratories, Inc. (Atrix) \$1,000,000 by August as pursuant to the terms of the license agreement between Arius and Atrix and (ii) fund, in a total amount of no less than \$2,000,000 the operations of Arius.

(2) Grant of stock options

(3) Not applicable

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