

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL

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or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* BARRETT M JAMES	2. Date of Event Requiring Statement (Month/Day/Year) 04/11/2006	3. Issuer Name and Ticker or Trading Symbol TARGACEPT INC [TRGT]	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year)
(Last) (First) (Middle) 1119 ST. PAUL STREET			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
(Street) BALTIMORE MD 21202			
(City) (State) (Zip)			

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series C Preferred Stock	(1)	(1)	Common Stock	2,913,512	(1)	I	See Footnote⁽²⁾

Explanation of Responses:

- The Series C Preferred Stock is convertible at any time, at the holder's election, and will convert automatically into Common Stock immediately upon the closing of the Issuer's initial public offering for no consideration.
- The Reporting Person is a general partner of NEA Partners 10, Limited Partnership, which is the sole general partner of New Enterprise Associates 10, Limited Partnership ("NEA 10"), the beneficial owner of the securities. The Reporting Person disclaims beneficial ownership, within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, of the securities held by NEA 10, except to the extent of his pecuniary interest therein.

Remarks:

In addition to the shares reported herein, NEA Ventures 2002, L.P. owns Series C Preferred shares convertible into 3,154 shares of Common Stock of the Issuer. The Reporting Person does not have voting nor dispositive powers over such shares. The Reporting Person disclaims beneficial ownership, within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, of such portion of those shares in which the Reporting Person has no actual pecuniary interest therein.

/s/ Louis S. Citron by Power of Attorney 04/11/2006

** Signature of Reporting Person Date

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

* If the form is filed by more than one reporting person, see Instruction 5 (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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.