

METABASIS THERAPEUTICS INC
 Form 4
 April 18, 2008

FORM 4 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).

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 INTERWEST PARTNERS VII L P

2. Issuer Name and Ticker or Trading Symbol
 METABASIS THERAPEUTICS INC [MBRX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 04/16/2008

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

2710 SAND HILL ROAD, SECOND FLOOR

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

____ Form filed by One Reporting Person
 Form filed by More than One Reporting Person

MENLO PARK, CA 94025

(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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common | 04/16/2008 | | P | | 945,577 | A | \$ 2.34 |
| | | | | | | | 3,456,030 |
| | | | | | | | D ⁽¹⁾ |
| Common | 04/16/2008 | | P | | 45,239 | A | \$ 2.34 |
| | | | | | | | 165,459 |
| | | | | | | | I ⁽²⁾ |
| Common | 04/16/2008 | | X | | 118,759 | A | \$ 2.34 |
| | | | | | | | 3,574,789 |
| | | | | | | | D ⁽¹⁾ |
| Common | 04/16/2008 | | X | | 142,493 | A | \$ 2.34 |
| | | | | | | | 3,717,282 |
| | | | | | | | D ⁽¹⁾ |

By
 InterWest
 Investors
 VII, L.P.

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| | | | | | | | | | |
|--------|------------|--|---|-------|---|------------|---------|------------------|---|
| Common | 04/16/2008 | | X | 5,687 | A | \$ 2.34 | 171,146 | I ⁽²⁾ | By InterWest Investors VII, L.P. |
| Common | 04/16/2008 | | X | 6,824 | A | \$ 2.34 | 177,970 | I ⁽²⁾ | By InterWest Investors VII, L.P. |
| Common | | | | | | | 50,000 | I | See Footnote 3 <u>(3)</u> |

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

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 control number.

SEC 1474
(9-02)

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

| 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|
| | | | | | | Date Exercisable | Expiration Date | |
| Common Stock Warrant (Right to Buy) | \$ 8.694 | 04/16/2008 | | H ⁽⁴⁾ | 118,759 | 06/16/2004 | 04/16/2008 | Common Stock |
| Common Stock Warrant (Right to Buy) | \$ 6.74 | 04/16/2008 | | H ⁽⁴⁾ | 142,493 | 03/29/2006 | 04/16/2008 | Common Stock |
| Common Stock Warrant (Right to Buy) | \$ 8.694 | 04/16/2008 | | H ⁽⁴⁾ | 5,687 | 06/16/2004 | 04/16/2008 | Common Stock |
| Common Stock Warrant (Right to Buy) | \$ 6.74 | 04/16/2008 | | H ⁽⁴⁾ | 6,824 | 03/29/2006 | 04/16/2008 | Common Stock |

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Buy)

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>P</u> ⁽⁴⁾ | 118,759 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>P</u> ⁽⁴⁾ | 142,493 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>P</u> ⁽⁴⁾ | 5,687 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>P</u> ⁽⁴⁾ | 6,824 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>X</u> ⁽⁴⁾ | 118,759 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>X</u> ⁽⁴⁾ | 142,493 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|---------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>X</u> ⁽⁴⁾ | 5,687 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.34 | 04/16/2008 | <u>X</u> ⁽⁴⁾ | 6,824 | 04/16/2008 | 04/16/2008 | Common Stock |
|------------------------------|---------|------------|-------------------------|-------|------------|------------|-----------------|

Common
Stock

| | | | | | | | |
|------------------------------|---------|------------|---|---------|------------|------------|-----------------|
| Warrant (Right to Buy) | \$ 2.69 | 04/16/2008 | P | 312,173 | 10/16/2008 | 04/16/2013 | Common Stock |
|------------------------------|---------|------------|---|---------|------------|------------|-----------------|

| | | | | | | | |
|---|---------|------------|---|--------|------------|------------|-----------------|
| Common Stock Warrant (Right to Buy) | \$ 2.69 | 04/16/2008 | P | 14,937 | 10/16/2008 | 04/16/2013 | Common Stock |
|---|---------|------------|---|--------|------------|------------|-----------------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| INTERWEST PARTNERS VII L P 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| InterWest Investors VII, LP 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| INTERWEST MANAGEMENT PARTNERS VII LLC 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| CASH HARVEY B 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| GIANOS PHILIP T 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| HEDRICK W SCOTT 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| Holmes W Stephen 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| Kliman Gilbert H 2710 SAND HILL ROAD SECOND FLOOR MENLO PARK, CA 94025 | | X | | |
| Rosch Thomas L 2710 SAND HILL ROAD SECOND FLOOR | | X | | |

MENLO PARK, CA 94025

Signatures

| | |
|---|------------|
| /s/ W. Stephen Holmes, Managing Director | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ W. Stephen Holmes, Managing Director | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ W. Stephen Holmes, Managing Director | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ Harvey B. Cash by Karen A. Wilson Power of Attorney | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ Philip T. Gianos | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ W. Scott Hedrick by Karen A. Wilson Power of Attorney | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ W. Stephen Holmes | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ W. Gilbert H. Kliman | 04/18/2008 |
| __Signature of Reporting Person | Date |
| /s/ Thomas L. Rosch | 04/18/2008 |
| __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 shares are owned by InterWest Partners VII, L.P. ("IW7"). InterWest Management Partners VII, LLC ("IMP7") is the general partner of IW7. Harvey B. Cash, Philip T. Gianos, W. Scott Hedrick, W. Stephen Holmes, Gilbert H. Kliman, Arnold L. Oronsky, and Thomas L. Rosch are Managing Directors of IMP7. Each of the reporting persons disclaims ownership of the shares reported, except to the extent of their pecuniary interest therein.

(2) The shares are owned by InterWest Investors VII, L.P. ("II7"). InterWest Management Partners VII, LLC ("IMP7") is the general partner of II7. Harvey B. Cash, Philip T. Gianos, W. Scott Hedrick, W. Stephen Holmes, Gilbert H. Kliman, Arnold L. Oronsky, and Thomas L. Rosch are Managing Directors of IMP7. Each of the reporting persons disclaims ownership of the shares reported, except to the extent of their pecuniary interest therein.

(3) The shares are owned by InterWest Venture Management Co PSRP fbo Harvey B. Cash.

(4) In connection with a private placement of shares of the Company's common stock, the Company agreed to lower the exercise price of certain outstanding warrants in exchange for the immediate exercise of those warrants.

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

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