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Ardea Biosciences, Inc./DE
Form SC 13D/A
February 14, 2007

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934

(Amendment No. 3)

ARDEA BIOSCIENCES, INC.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

46116T 506

(CUSIP Number)

Leo Kirby
667 Madison Avenue, 17th Floor
New York, NY 10021
(212) 339-5633

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

December 31, 2006

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for other parties to whom copies are to be sent.

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

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

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SCHEDULE 13D

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1 NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

Julian C. Baker

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2 (d) OR 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF 7 SOLE VOTING POWER
SHARES
BENEFICIALLY 0
OWNED BY

EACH
REPORTING 8 SHARED VOTING POWER
PERSON
WITH 2,926,610

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

2,926,610

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,926,610

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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.9%

TYPE OF REPORTING PERSON (See Instructions)

14

IN

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SCHEDULE 13D

CUSIP No. 46116T 506 Page 3 of 7 Pages

1 NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

Felix J. Baker

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

2,926,610

9 SOLE DISPOSITIVE POWER

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0

 10 SHARED DISPOSITIVE POWER

2,926,610

 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,926,610

 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 (See Instructions)

 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

27.9%

 TYPE OF REPORTING PERSON (See Instructions)

14

IN

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This Amendment No. 3 to Schedule 13D is being filed by Julian C. Baker and Felix J. Baker (the "Reporting Persons") to supplement the statements on Schedule 13D previously filed by them, as heretofore amended. Except as supplemented herein, such statements, as heretofore amended and supplemented, remain in full force and effect.

Item 5. Interest in Securities of the Issuer.

Set forth below is the aggregate number of shares of Common Stock held, including shares that maybe acquired upon conversion of Preferred Stock and shares that maybe acquired upon the exercise of Warrants and Options, as of the date hereof by each of the following, together with the percentage of outstanding shares of Common Stock that such number represents based upon 10,501,000 shares outstanding as reported on the Company's Form 10Q filed on November 7, 2006. Such percentage figures are calculated on the basis that the shares of Preferred Stock and Warrants owned by the Reporting Persons are deemed converted into or exercised for shares of Common Stock but other outstanding shares of Preferred Stock and Warrants are not deemed converted or exercised.

| Name ----- | Number of Shares ----- | Percent of class Outstanding ----- |
|------------------------------------|---------------------------|--|
| Baker Bros. Investments, L.P. | 91,337 | 0.9% |
| Baker Bros. Investments II, L.P. | 105,250 | 1.0% |
| Baker Biotech Fund I , L.P. | 1,099,807 | 10.5% |
| Baker Brothers Life Sciences, L.P. | 1,532,569 | 14.6% |
| 14159, L.P. | 19,140 | 0.1% |
| Baker Tisch Investments, L.P. | 78,507 | 0.8% |
| Total | 2,926,610 | 27.9% |

By virtue of their ownership of entities that have the power to control the

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investment decisions of the limited partnerships listed in the table above, Julian C. Baker and Felix J. Baker may each be deemed to be beneficial owners of shares owned by such entities and may be deemed to have shared power to vote or direct the vote of and shared power to dispose or direct the disposition of such securities.

The following transactions in Common Stock were effected by the entities noted below during the sixty days preceding the filing of this statement. None of the reporting Persons has effected any other transactions in Common Stock during this period.

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| Name | Date | Number of Shares | Transaction | Price/Share |
|------------------------------------|------------|------------------|-------------|-------------|
| Baker Tisch Investments, L.P. | 12/22/2006 | 2,904 | Purchase | 3.8511 |
| Baker Biotech Fund I, L.P. | 12/22/2006 | 55,378 | Purchase | 3.8511 |
| Baker Brothers Life Sciences, L.P. | 12/22/2006 | 154,646 | Purchase | 3.8511 |
| 14159, L.P. | 12/22/2006 | 5,072 | Purchase | 3.8511 |
| Baker Tisch Investments, L.P. | 12/26/2006 | 1,558 | Purchase | 4.0000 |
| Baker Biotech Fund I, L.P. | 12/26/2006 | 29,722 | Purchase | 4.0000 |
| Baker Brothers Life Sciences, L.P. | 12/26/2006 | 82,998 | Purchase | 4.0000 |
| 14159, L.P. | 12/26/2006 | 2,722 | Purchase | 4.0000 |
| Baker Tisch Investments, L.P. | 1/9/2007 | 467 | Purchase | 4.7686 |
| Baker Biotech Fund I, L.P. | 1/9/2007 | 8,917 | Purchase | 4.7686 |
| Baker Brothers Life Sciences, L.P. | 1/9/2007 | 24,899 | Purchase | 4.7686 |
| 14159, L.P. | 1/9/2007 | 817 | Purchase | 4.7686 |
| Baker Tisch Investments, L.P. | 1/10/2007 | 333 | Purchase | 4.8300 |
| Baker Biotech Fund I, L.P. | 1/10/2007 | 6,351 | Purchase | 4.8300 |
| Baker Brothers Life Sciences, L.P. | 1/10/2007 | 17,735 | Purchase | 4.8300 |
| 14159, L.P. | 1/10/2007 | 581 | Purchase | 4.8300 |
| Baker Tisch Investments, L.P. | 1/11/2007 | 1,067 | Purchase | 5.2767 |

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| | | | | |
|------------------------------------|-----------|--------|----------|---------|
| Baker Biotech Fund I, L.P. | 1/11/2007 | 20,347 | Purchase | 5.2767 |
| Baker Brothers Life Sciences, L.P. | 1/11/2007 | 56,822 | Purchase | 5.2767 |
| 14159, L.P. | 1/11/2007 | 1,864 | Purchase | 5.2767 |
| Baker Tisch Investments, L.P. | 1/24/2007 | 223 | Purchase | 5.98440 |
| Baker Biotech Fund I, L.P. | 1/24/2007 | 4,242 | Purchase | 5.98440 |
| Baker Brothers Life Sciences, L.P. | 1/24/2007 | 11,847 | Purchase | 5.98440 |
| 14159, L.P. | 1/24/2007 | 388 | Purchase | 5.98440 |
| Baker Tisch Investments, L.P. | 1/25/2007 | 666 | Purchase | 6.0000 |
| Baker Biotech Fund I, L.P. | 1/25/2007 | 12,701 | Purchase | 6.0000 |
| Baker Brothers Life Sciences, L.P. | 1/25/2007 | 35,469 | Purchase | 6.0000 |
| 14159, L.P. | 1/25/2007 | 1,164 | Purchase | 6.0000 |

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Exhibit 4. Agreement regarding the joint filing of this statement.

SIGNATURE

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

February 14, 2007

By: /s/ Julian C. Baker

Julian C. Baker

By: /s/ Felix J. Baker

Felix J. Baker

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EXHIBIT 4

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AGREEMENT

In accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree that this Statement on Schedule 13D relating to the Common Stock, \$0.001 par value, of Ardea Biosciences, Inc. is being filed with the Securities and Exchange Commission on behalf of each of them.

February 14, 2007

By: /s/ Julian C. Baker

Julian C. Baker

By: /s/ Felix J. Baker

Felix J. Baker

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