

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

SCHEDULE 13D
UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 2)*

FLAMEL TECHNOLOGIES S.A.
(Name of Issuer)

ORDINARY SHARES, NOMINAL VALUE (EURO)0.122 PER SHARE
(Title of Class of Securities)

ISIN NO. FR0004018711 (ORDINARY SHARES)

CUSIP 338488109 (ADSs)
(CUSIP Number)(1)

OSCAR S. SCHAFER
O.S.S. CAPITAL MANAGEMENT LP
598 MADISON AVENUE
NEW YORK, NY 10022
(212) 756-8700

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

MAY 10, 2005

(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 which 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. []

(1) The Ordinary Shares have no CUSIP number. The ISIN number for the Ordinary Shares is FR0004018711. The CUSIP number for the ADSs is 338488109.

CUSIP No. 338488109
ISIN No. FR0004018711

13D

(PAGE 2 OF 14 PAGES)

1 NAME OF REPORTING PERSONS
O.S.S. Capital Management LP

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [X]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware, USA

NUMBER OF SHARES 7 SOLE VOTING POWER

0

BENEFICIALLY OWNED BY	8	SHARED VOTING POWER 2,565,947
EACH REPORTING	9	SOLE DISPOSITIVE POWER 0
PERSON WITH	10	SHARED DISPOSITIVE POWER 2,565,947

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,565,947

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES* []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
11.9%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 338488109
ISIN No. FR0004018711

13D

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1 NAME OF REPORTING PERSONS
Oscar S. Schafer & Partners I LP

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware, USA

NUMBER OF SHARES 7 SOLE VOTING POWER
0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER
120,090

EACH REPORTING 9 SOLE DISPOSITIVE POWER
0

PERSON WITH 10 SHARED DISPOSITIVE POWER
120,090

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
120,090

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.6%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 338488109
ISIN No. FR0004018711

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1 NAME OF REPORTING PERSONS
Oscar S. Schafer & Partners II LP

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware, USA

NUMBER OF SHARES 7 SOLE VOTING POWER
0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER
1,193,487

EACH REPORTING 9 SOLE DISPOSITIVE POWER
0

PERSON WITH 10 SHARED DISPOSITIVE POWER
1,193,487

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,193,487

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.5%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 338488109
ISIN No. FR0004018711

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(PAGE 5 OF 14 PAGES)

1 NAME OF REPORTING PERSONS
O.S.S. Overseas Fund Ltd

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands

NUMBER OF SHARES 7 SOLE VOTING POWER
0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER
1,252,370

EACH REPORTING 9 SOLE DISPOSITIVE POWER
0

PERSON WITH 10 SHARED DISPOSITIVE POWER
1,252,370

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,252,370

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.8%

14 TYPE OF REPORTING PERSON*
CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 338488109
ISIN No. FR0004018711

13D

(PAGE 6 OF 14 PAGES)

1 NAME OF REPORTING PERSONS
O.S.S. Advisors LLC

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware, USA

NUMBER OF SHARES 7 SOLE VOTING POWER
0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER
1,313,577

EACH REPORTING 9 SOLE DISPOSITIVE POWER
0

PERSON WITH 10 SHARED DISPOSITIVE POWER
1,313,577

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,313,577

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
6.1%

14 TYPE OF REPORTING PERSON*
00

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 338488109
ISIN No. FR0004018711

13D

(PAGE 7 OF 14 PAGES)

1 NAME OF REPORTING PERSONS
Schafer Brothers LLC

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware, USA

NUMBER OF SHARES 7 SOLE VOTING POWER
0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER
2,565,947

EACH REPORTING 9 SOLE DISPOSITIVE POWER
0

PERSON WITH 10 SHARED DISPOSITIVE POWER
2,565,947

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,565,947

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
11.9%

14 TYPE OF REPORTING PERSON*
00

*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 338488109
ISIN No. FR0004018711

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1 NAME OF REPORTING PERSONS
Oscar S. Schafer

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware, USA

NUMBER OF SHARES 7 SOLE VOTING POWER
0

BENEFICIALLY OWNED BY 8 SHARED VOTING POWER
2,565,947

EACH REPORTING 9 SOLE DISPOSITIVE POWER
0

PERSON WITH 10 SHARED DISPOSITIVE POWER
2,565,947

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,565,947

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
11.9%

14 TYPE OF REPORTING PERSON*
IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

EXPLANATORY NOTE

This Amendment No. 2 to Schedule 13D ("Amendment No. 2") is being filed on behalf of Oscar S. Schafer & Partners I LP, a Delaware limited partnership ("OSS I LP"), Oscar S. Schafer & Partners II LP, a Delaware limited partnership ("OSS II LP" and together with OSS I LP, the "Limited Partnerships"), O.S.S. Advisors LLC, a Delaware limited liability company (the "General Partner"), O.S.S. Overseas Fund Ltd., a Cayman Islands exempted company ("OSS Overseas"), O.S.S. Capital Management LP, a Delaware limited partnership, (the "Investment Manager"), Schafer Brothers LLC, a Delaware limited liability company ("SB LLC"), and Mr. Oscar S. Schafer ("Mr. Schafer", and together with the Limited Partnerships, the General Partner, OSS Overseas, the Investment Manager and SB LLC, the "Reporting Persons"), who serves as the senior managing member of the General Partner and SB LLC. This Amendment No. 2 relates to the ordinary shares, nominal value (euro)0.122 per share ("Ordinary Shares"), of Flamel Technologies S.A., a SOCIETE ANONYME organized under the laws of the Republic of France (the "Issuer"), and amends the Schedule 13D filed with the United States Securities and Exchange Commission (the "SEC") on April 18, 2005, as amended by Amendment No. 1, filed with the SEC on April 29, 2005 (as so amended, the "Original Schedule 13D"). Capitalized terms used in this Amendment No.2 but not otherwise defined herein shall have the meanings ascribed to them in the Original Schedule 13D. Except as amended hereby the Original Schedule 13D remains in effect.

ITEM 1. SECURITY AND ISSUER

Item 1 of the Original Schedule 13D is amended and supplemented by adding at the end thereof following paragraph:

As set forth more fully in Item 5, on May 10, 2005, the Limited Partnerships and OSS Overseas acquired, in aggregate, an additional 500,000 ADSs. As of that date, the Reporting Persons beneficially own, in aggregate, 2,565,947 Ordinary Shares, of which, in aggregate, 500,000 are owned in the form of ADSs and, in aggregate, 2,065,947 are owned in the form of Ordinary Shares held in accounts registered in the names of the Limited Partnerships and OSS Overseas in the share registry of the Issuer.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 of the Original Schedule 13D is amended and restated in its entirety to read as follows:

The total amount of funds used by each of the Limited Partnerships and OSS Overseas to purchase the securities of the Issuer as described herein was furnished from the investment capital of the Limited Partnerships and OSS Overseas, as applicable.

The aggregate purchase price of the 120,090 Ordinary Shares beneficially owned by OSS I was \$1,797,879, inclusive of brokerage commissions.

The aggregate purchase price of the 1,193,487 Ordinary Shares beneficially owned by OSS II was \$18,020,911, inclusive of brokerage commissions.

The aggregate purchase price of the 1,252,370 Ordinary Shares beneficially owned by OSS Overseas was \$21,292,103, inclusive of brokerage commissions.

The Depositary charged a fee of \$5.00 per 100 ADSs (or portion thereof) in connection with the surrender of the ADSs and the withdrawal of the underlying Ordinary Shares. The total amount of funds used by each of the Partnerships and OSS Overseas to pay such fees of the Depositary was furnished from the investment capital of the Limited Partnerships and OSS Overseas, as applicable.

The aggregate fees paid to the Depositary in respect of the withdrawal of the 100,190 Ordinary Shares owned by OSS I were \$5,010.

The aggregate fees paid to the Depositary in respect of the withdrawal of the 963,387 Ordinary Shares owned by OSS II were \$48,170.

The aggregate fees paid to the Depositary in respect of the withdrawal of the 1,002,370 Ordinary Shares owned by OSS Overseas were \$50,120.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 of the Original Schedule 13D is amended and supplemented by adding between the fifth and the sixth paragraph thereof, the following text:

On May 11, 2005, pursuant to and in accordance with Article L. 233-7 of the French Commercial Code (CODE DE COMMERCE), the Reporting Persons caused a notice (the "10% Notice") to be sent to the Issuer disclosing that in concert (within the meaning of Article L. 233-10 of the French Commercial Code (CODE DE COMMERCE)) the Reporting Persons may be deemed to hold more than 10% of the outstanding share capital and voting rights of the Issuer. The 10% Notice also requested, pursuant to Art. 129 of Decret No. 67-238 dated as of March 23, 1967, that the Issuer inform the Limited Partners and OSS Overseas of the address to which they should deliver certificates (ATTESTATIONS D'INSCRIPTION EN COMPTE) attesting the number of Ordinary Shares that they hold, in the event that they wish to exercise their right as holders of more than 5% of the Ordinary Shares to require the Issuer to include a draft resolution on the agenda of the 2005 AGM. The 10% Notice also requested that the Issuer inform the Reporting Persons of the expected date of the 2005 AGM. A copy of the Notice is filed as Exhibit 3 to this Amendment No. 2 and is incorporated herein by reference.

On May 11, 2005, Gerard Soula, Chairman and Chief Executive Officer of the Issuer, telephoned Mr. Schafer in New York. Mr. Soula and Mr. Schafer discussed the effectiveness of the current board of directors of the Issuer in general terms during a conversation that lasted approximately 15 minutes. However, no decisions were taken on any particular course of action during this conversation.

ITEM 5. INTERESTS IN SECURITIES OF THE ISSUER

Item 5 of the Original Schedule 13D is amended and restated in its entirety to read as

follows:

(a),(b) The following table sets forth the aggregate number and percentage of the outstanding Ordinary Shares beneficially owned by each of the Reporting Persons named in Item 2, as of the date hereof. The percentage of the outstanding Ordinary Shares beneficially owned is based on the 21,651,590 Ordinary Shares outstanding as September 30, 2004, as reported by the Issuer in its unaudited consolidated financial statements for the nine months then ended, as filed with the United States Securities and Exchange Commission on the Issuer's Form 6-K dated December 30, 2004. The table also sets forth the number of Ordinary Shares with respect to which each Reporting Person has the sole power to vote or to direct the vote, shared power to vote or direct the vote, sole power to dispose or to direct the disposition, or shared power to dispose or direct the disposition, in each case as of the date hereof.

Reporting Person	Aggregate Number of Ordinary Shares Beneficially Owned	Approximate Percentage	Number of Ordinary Shares: Sole Power to Vote or to Dispose	Number of Ordinary Shares: Shared Power to Vote or to Dispose
Investment Manager	2,565,947	11.9%	0	2,565,947
OSS I LP	120,090	0.6%	0	120,090
OSS II LP	1,193,487	5.5%	0	1,193,487
OSS Overseas	1,252,370	5.8%	0	1,252,370
General Partner	1,313,577	6.1%	0	1,313,577
SB LLC	2,565,947	11.9%	0	2,565,947
Mr. Schafer	2,565,947	11.9%	0	2,565,947

(c) Except for the transactions set forth below, during the last sixty days the Reporting Persons have effected no transactions with respect to the Ordinary Shares or ADSs.

Reporting Person	Date	Buy or Sell	Number of Ordinary Shares/ ADSs	Price Per Share/ ADS
OSS I	3/14/2005	Buy	4,160	\$14.50
OSS I	5/10/2005	Buy	19,900	\$17.43
OSS II	3/14/2005	Buy	46,520	\$14.50
OSS I	5/10/2005	Buy	230,100	\$17.43
OSS Overseas	3/14/2005	Buy	49,320	\$14.50
OSS I	5/10/2005	Buy	250,000	\$17.43

All of the transactions listed above were effected in the open market.

On April 29, 2005, in connection with the surrender of the ADSs and the withdrawal of the underlying Ordinary Shares, the Bank of New York caused 100,190, 963,387, and 1,002,370 Ordinary Shares to be transferred to accounts registered in the names of OSS I LP, OSS II LP and OSS Overseas, respectively, in the share registry of the Issuer. This transaction did not involve any change in the number of Ordinary Shares beneficially owned by the Reporting

Persons.

(d) The (i) limited partners and the General Partner of the Partnerships and (ii) the shareholders and the advisor of OSS Overseas have the right to participate in the receipt of dividends from, and the proceeds from the sale of, the securities held for the Partnerships and OSS Overseas, respectively.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SECURITIES OF THE ISSUER

Item 6 of the Original Schedule 13D is amended and restated in its entirety to read as follows:

Except as otherwise set forth in this Statement on Schedule 13D, including the Deposit Agreement, none of the Reporting Persons has any contract, arrangement, understanding or relationship (legal or otherwise) with any person with respect to the Ordinary Shares, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 of the Original Schedule 13D is amended and restated in its entirety to read as follows:

The following are filed as exhibits to this statement on Schedule 13D:

- Exhibit 1 Joint Filing Agreement (previously filed with the Original Schedule 13D on April 18, 2005).
- Exhibit 2 Notice of Ownership of More than 5% of Share Capital and Voting Rights Delivered to the Issuer pursuant to Article 233-7 of the French Commercial Code (CODE DE COMMERCE) (previously filed with Amendment No. 1 to Schedule 13D on April 29, 2005).
- Exhibit 3 Notice of Ownership of More than 10% of Share Capital and Voting Rights Delivered to the Issuer pursuant to Article 233-7 of the French Commercial Code (CODE DE COMMERCE).

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.

Dated: May 11, 2005

/s/ Oscar S. Schafer

Oscar S. Schafer, individually

O.S.S. CAPITAL MANAGEMENT LP

By: Schafer Brothers LLC
as General Partner

By: /s/ Oscar S. Schafer

Name: Oscar S. Schafer
Title: Senior Managing Member

OSCAR S. SCHAFFER & PARTNERS I LLP

By: O.S.S. Advisors LLC
as General Partner

By: /s/ Oscar S. Schafer

Name: Oscar S. Schafer
Title: Senior Managing Member

OSCAR S. SCHAFFER & PARTNERS II LLP

By: O.S.S. Advisors LLC
as General Partner

By: /s/ Oscar S. Schafer

Name: Oscar S. Schafer
Title: Senior Managing Member

O.S.S. OVERSEAS FUND LTD

By: /s/ Oscar S. Schafer

Name: Oscar S. Schafer
Title: Director

O.S.S. ADVISORS LLC

By: /s/ Oscar S. Schafer

Name: Oscar S. Schafer
Title: Senior Managing Member

SCHAFFER BROTHERS LLC

By: /s/ Oscar S. Schafer

Name: Oscar S. Schafer
Title: Senior Managing Member

[LETTERHEAD OF O.S.S. CAPITAL MANAGEMENT LP]

May 11, 2005

BY FACSIMILE AND FEDERAL EXPRESS

Gerard Soula
 President Directeur General
 Flamel Technologies S.A.
 Parc Club du Moulin a Vent
 33 avenue du Dr. Georges Levy
 69693 Venissieux cedex France

Re: Notice of Ownership of More than 10% of Share Capital and Voting Rights of
 Flamel Technologies S.A. pursuant to Article L. 233-7 of the CODE DE
 COMMERCE.

Monsieur le President:

Reference is made to that certain letter, dated April 29, 2005, giving Notice of Ownership of More than 5% of Share Capital and Voting Rights of Flamel Technologies S.A. pursuant to Article L. 233-7 of the CODE DE COMMERCE (the "5% Notice"). Capitalized terms used in this letter but not otherwise defined herein shall have the meanings ascribed thereto in the 5% Notice.

The 5% Notice advised you that Oscar S. Schafer & Partners I LP, a Delaware limited partnership, Oscar S. Schafer & Partners II LP, a Delaware limited partnership, and O.S.S. Overseas Fund Ltd., a Cayman Islands exempted company, acting in concert (DE CONCERT) within the meaning of Art. L. 233-10 of the French Commercial Code (CODE DE COMMERCE) held as of April 29, 2005, an aggregate of 2,065,947 Ordinary Shares, representing approximately 9.54 % of the share capital and voting rights of Flamel, based on the 21,651,590 Ordinary Shares outstanding as September 30, 2004, as reported by the Issuer in its unaudited consolidated financial statements for the nine months then ended, as filed with the United States Securities and Exchange Commission on the Issuer's Form 6-K dated December 30, 2004. These Ordinary Shares are held in registered accounts in the names of the foregoing entities as follows:

REGISTERED HOLDER	NUMBER OF ORDINARY SHARES	PERCENTAGE OF FLAMEL SHARE CAPITAL AND VOTING RIGHTS
Oscar S. Schafer & Partners I LP	100,190	0.46%
Oscar S. Schafer & Partners II LP	963,387	4.45%
O.S.S. Overseas Fund Ltd.	1,002,370	4.63%
TOTAL	2,065,947	9.54%

This letter is to advise you that on May 10, 2005, Oscar S. Schafer & Partners I LP, Oscar S. Schafer & Partners II LP, and O.S.S. Overseas Fund Ltd. purchased an aggregate of 500,000 Flamel ADSs, giving rise to beneficial ownership of 500,000 underlying Ordinary Shares deposited with the Depository. Accordingly, as of that date, Oscar S. Schafer & Partners I LP, Oscar S. Schafer & Partners II LP, and O.S.S. Overseas Fund Ltd., acting DE CONCERT, may be deemed to beneficially own an aggregate of 2,565,947 Ordinary Shares, representing approximately 11.85% of the share capital and voting rights of Flamel. The ADSs and Ordinary Shares are held by the foregoing entities as follows:

REGISTERED HOLDER	NUMBER OF ORDINARY SHARES	NUMBER OF ADS	TOTAL NUMBER OF ORDINARY SHARES & ADSs	PERCENTAGE OF FLAMEL SHARE CAPITAL AND VOTING RIGHTS
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Oscar S. Schafer & Partners I LP	100,190	19,900	120,090	0.55%
Oscar S. Schafer & Partners II LP	963,387	230,100	1,193,487	5.51%
O.S.S. Overseas Fund Ltd.	1,002,370	250,000	1,252,370	5.78%
TOTAL	2,065,947	500,000	2,565,947	11.85%

Accordingly, as of May 10, 2005, Oscar S. Schafer & Partners I LP, Oscar S. Schafer & Partners II LP, and O.S.S. Overseas Fund Ltd. may be deemed to hold, DE CONCERT, more than 10% of the outstanding share capital and voting rights of Flamel. This notice of ownership of share capital and voting rights is, therefore, being delivered to Flamel in accordance with the provisions of Article L.233-7 of the French Commercial Code (CODE DE COMMERCE).

In addition, O.S.S. Advisors LLC, a Delaware limited liability company, O.S.S. Capital Management LP, a Delaware limited partnership, and Schafer Brothers LLC, a Delaware limited liability company, none of which hold any Ordinary Shares registered in their own names, may also be deemed to be acting DE CONCERT with Oscar S. Schafer & Partners I LP, Oscar S. Schafer & Partners II LP, and O.S.S. Overseas Fund Ltd. because these entities are under common control and may have shared power to direct the disposition or the voting of the Ordinary Shares set forth above that are held by and registered in the names of Oscar S. Schafer & Partners I LP, Oscar S. Schafer & Partners II LP, and O.S.S. Overseas Fund Ltd.

Your attention is drawn to the request for certain information set forth in the final paragraph of the 5% Notice. We note that you have still not complied with that request. Accordingly, by this notice, pursuant to and in accordance with Art. 129 of DECRET NO. 67-238, DATED AS OF MARCH 23, 1967, Flamel is again requested on behalf of Oscar S. Schafer & Partners I LP, Oscar S. Schafer & Partners II LP, and O.S.S. Overseas Fund Ltd., to advise them of (i) the place where they should deliver certificates (ATTESTATIONS D'INSCRIPTION EN COMPTE) attesting that the 2,065,947 Ordinary Shares set forth above are held in registered accounts in their respective names, and (ii) the proposed date of the forthcoming annual general meeting of the shareholders of Flamel. The foregoing information should be sent as soon as possible by e-mail to the following address: oschafer@osscapital.com. Pursuant to Art. 120-1 of DECRET NO. 67-238, DATED AS OF MARCH 23, 1967, this notice constitutes the express written agreement of the undersigned parties to be notified by e-mail at the foregoing e-mail address. In addition, Flamel

is requested to confirm the foregoing information in writing by registered mail (PAR LETTRE RECOMMANDE AVEC DEMAND D'AVIS DE RECEPTION).

Sincerely,

/s/ Oscar S. Schafer

Oscar S. Schafer, individually and

(a) as Director, for O.S.S. Overseas Fund Ltd.;

and

(b) as Senior Managing Member of:

- (1) O.S.S. Advisors LLC, for itself and as the general partner of
 - (A) Oscar S. Schafer & Partners I LP;
 - and
 - (B) Oscar S. Schafer & Partners II LP;

and

- (2) Schafer Brothers LLC, for itself and as the general partner of
O.S.S. Capital Management LP