

Hallam Trevor
Form 4
October 11, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Hallam Trevor

(Last) (First) (Middle)

PALATIN TECHNOLOGIES,
INC., 4C CEDAR BROOK DRIVE

(Street)

CRANBURY, NJ 08512

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

PALATIN TECHNOLOGIES INC
[PTN]

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

10/06/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify below)
Exec. VP Research & Dev.

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

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)
				(A) or (D)			
			Code	V	Amount		Price

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

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information contained in this form are not
required to respond unless the form
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(9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
stock option (right to buy)	\$ 2.49	10/06/2006	A		100,000		10/06/2007 ⁽¹⁾	10/06/2016	common stock	100,000
restricted stock unit	\$ 0	10/06/2006	A		300,000		⁽²⁾	10/06/2010	common stock	300,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hallam Trevor PALATIN TECHNOLOGIES, INC. 4C CEDAR BROOK DRIVE CRANBURY, NJ 08512			Exec. VP Research & Dev.	

Signatures

Trevor J. Hallam
10/11/2006

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 options vest as to 25% of the shares per year, starting October 6, 2007.

(2) Restricted stock units will automatically convert into common stock without further payment upon attainment of the following vesting conditions: one third of the shares upon attainment of a \$4.00 common stock trading price for twenty consecutive trading days; one third of the shares upon attainment of a \$6.00 common stock trading price for twenty consecutive trading days; and one third of the shares upon attainment of an \$8.00 common stock trading price for twenty consecutive trading days.

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.