REGISTRATION STATEMENT ON FORM S-8

Registration No. 333-____

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

================================================================================================
FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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PALATIN TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE 95-4078884
(State of incorporation or organization) (I.R.S. Employer Identification No.)

214 CARNEGIE CENTER, SUITE 100
PRINCETON, NEW JERSEY 08540
(Address of principal executive offices) (Zip Code)

Rhomed Incorporated 1987 Employee Incentive Stock Option Plan
Rhomed Incorporated 1987 Nonqualified Stock Option Plan
Rhomed Incorporated 1995 Employee Incentive Stock Option Plan
Rhomed Incorporated 1995 Nonqualified Stock Option Plan
Palatin Technologies, Inc. 1996 Stock Option Plan
Edward J. Quilty Employment Agreement
Carl Spana Stock Option Agreement
Charles L. Putnam Stock Option Agreement
Richard J. Murphy Stock Option Agreement
1997 Executive Officers Stock Option Agreement
(Full titles of the plans)

Stephen T. Wills, Vice President
Palatin Technologies, Inc., 214 Carnegie Center, Suite 100,
Princeton, NJ 08540
(Name and address of agent for service)

(609) 520-1911
(Telephone number, including area code, of agent for service)

Please send copies of all communications to:

Faith L. Charles, Esq.
Rubin Baum Levin Constant & Friedman
30 Rockefeller Plaza, 29th Floor, New York, NY 10112
Telephone: (212) 698-7700
CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Proposed Title of securities to be registered</th>
<th>Proposed Amount to be registered</th>
<th>Maximum price per share (1)</th>
<th>Maximum offering price (2)</th>
<th>Aggregate offering price</th>
<th>Amount of registration fee</th>
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<tbody>
<tr>
<td>Common Stock</td>
<td>1,271,341</td>
<td>$21.70</td>
<td>$6,385,916.69</td>
<td>$1,883.85</td>
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</table>

NOTES TO FEE TABLE:

1. The proposed maximum offering price per share is the actual maximum offering price per share for any option currently outstanding under any of the plans. The offering price per share is fixed for all options under all plans except the Palatin Technologies, Inc. 1996 Stock Option Plan (the "1996 Plan"). The proposed maximum offering price per share under the 1996 Plan, calculated pursuant to Rules 457(c) and 457(h) under the Securities Act of 1993 and based on the average of the high and low prices of the registrant's common stock reported on the Nasdaq SmallCap Market on June 12, 1998, is less than the $21.70 per share maximum among the other plans.

2. The proposed maximum aggregate offering price is the sum of (a) the actual maximum aggregate offering prices for all outstanding options ($5,704,798.96) plus (b) the proposed maximum aggregate offering price for options which may be granted under the 1996 Plan, calculated pursuant to Rules 457(c) and 457(h) under the Securities Act of 1993 and based on the average of the high and low prices of Common Stock reported on the Nasdaq SmallCap Market on June 12, 1998 ($6.09).

PART I. INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The information required by Part I is included in documents sent or given to participants in each of the plans listed on the cover page of this registration statement (this "Registration Statement"), pursuant to Rule 428(b)(1) of the Securities Act of 1933, as amended (the "Securities Act").

PART II. INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE. The following documents are incorporated in this Registration Statement by reference:

(a) The registrant's latest annual report, filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the latest prospectus filed pursuant to Rule 424(b) under the
Securities Act that contains audited financial statements for the registrant’s latest fiscal year for which such statements have been filed.

(b) All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the registrant document referred to in (a) above.

(c) The description of common stock contained in the registrant’s Registration Statement on Form 8-A filed under the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents subsequently filed by the registrant pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment which indicates that all shares of common stock offered hereby have been sold or which deregisters all shares of common stock then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be part thereof from the date of the filing of such documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated herein modifies or replaces such statement. Any statement so modified or superseded shall not be deemed, in its unmodified form, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES.

Not applicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Certain legal matters relating to the issuance of shares of Common Stock covered by this Registration Statement will be passed upon for the Company by Rubin Baum Levin Constant & Friedman, New York, New York, counsel to the Company. Members of Rubin Baum Levin Constant & Friedman have been granted options under the Palatin Technologies, Inc. 1996 Stock Option Plan to purchase an aggregate of 12,500 shares of Common Stock at an exercise price of $8.00 per share, and 5,000 shares of Common Stock at an exercise price of $6.00 per share. The options are immediately exercisable and will expire on dates ranging from January 3, 2007 to January 21, 2008.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or
proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or serving at the request of the corporation in similar capacities, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. In the case of an action or suit by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court having jurisdiction shall determine that such person is fairly and reasonably entitled to indemnity.

Article V, Section 3 of the registrant's Certificate of Incorporation provides that to the fullest extent permitted by the Delaware General Corporation Law, no director of the registrant shall be personally liable to the registrant or its stockholders for monetary damages for breach of a fiduciary duty as a director.

Article VI of the registrant's Certificate of Incorporation provides that the registrant shall make the indemnification permitted under Section 145 of the Delaware General Corporation Law, as summarized above, but only (unless ordered by a court) upon a determination by a majority of a quorum of disinterested directors, by independent legal counsel in a written opinion, or by the stockholders, that the indemnified person has met the applicable standard of conduct. Article VI further provides that the registering actions, suits or proceedings upon such terms and conditions as the registrant's Board of Directors deems appropriate, and that the registrant may purchase insurance on behalf of indemnified persons whether or not the registrant would have the power to indemnify such persons under Section 145 the Delaware General Corporation Law.

The registrant's Bylaws contain substantially the same indemnification provisions as the registrant's Certificate of Incorporation, summarized above.

The Edward J. Quilty Employment Agreement requires the registrant to indemnify and advance expenses to Edward J. Quilty, the registrant's Chairman of the Board, President and Chief Executive Officer, to the fullest extent permitted under Section 145 of the Delaware General Corporation Law.

The registrant has obtained a directors' and officers' liability insurance policy which covers, among other things, certain liabilities arising under the Securities Act.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.
ITEM 8. EXHIBITS. The following exhibits are filed with this Registration Statement, or incorporated by reference as noted:

4.1 Restated Certificate of Incorporation of the registrant, as filed with the Delaware Secretary of State on November 3, 1993; incorporated by reference to Exhibit 3.1 of the registrant's Form 8-K dated July 19, 1996, filed with the Securities and Exchange Commission (the "Commission") on August 9, 1996.

4.2 Amendment to the Restated Certificate of Incorporation of the registrant, as filed with the Delaware Secretary of State on July 19, 1996; incorporated by reference to Exhibit 3.2 of the registrant's Form 8-K dated July 19, 1996, filed with the Commission on August 9, 1996.

4.3 Certificate of Designation of Series A Convertible Preferred Stock of the registrant, as filed with the Delaware Secretary of State on February 21, 1997; incorporated by reference to Exhibit 3.6 of the registrant's Form 10-QSB/A dated March 31, 1997, filed with the Commission on July 17, 1997.

4.4 Amendment to the Restated Certificate of Incorporation of the registrant, as filed with the Delaware Secretary of State on September 5, 1997; incorporated by reference to Exhibit 3.7 of the registrant's Form 10-KSB dated June 30, 1997, filed with the Commission on September 26, 1997.

4.5 Certificate of Designations of Series B Convertible Preferred Stock of the registrant, as filed with the Delaware Secretary of State on April 27, 1998; incorporated by reference to Exhibit 3.8 of the registrant's Form 8-K dated April 28, 1998, filed with the Commission on May 8, 1998.

4.6 Bylaws of the registrant; incorporated by reference to Exhibit 3.2 of the registrant's Form 10-QSB dated December 31, 1997, filed with the Commission on February 13, 1998.

4.7 Agreement and Plan of Reorganization dated as of April 12, 1996 by and between Interfilm, Inc., Interfilm Acquisition Corp. and RhoMed Incorporated; incorporated by reference to Exhibit 2.1 of the registrant's Form 8-K dated June 25, 1996, filed with the Commission on July 10, 1996.

4.8 RhoMed Incorporated 1987 Employee Incentive Stock Option Plan.


incorporated by reference to Exhibit 10.04 of the registrant’s Form 10-KSB dated June 30, 1996, filed with the Commission on September 30, 1996.

4.11 RhoMed Incorporated 1995 Nonqualified Stock Option Plan; incorporated by reference to Exhibit 10.05 of the registrant’s Form 10-KSB dated June 30, 1996, filed with the Commission on September 30, 1996.


4.15 Carl Spana Stock Option Agreement.

4.16 Charles L. Putnam Stock Option Agreement.

4.17 Richard J. Murphy Stock Option Agreement.

4.18 1997 Executive Officers Stock Option Agreement.

5.1 Opinion of Rubin Baum Levin Constant & Friedman, counsel to the registrant.

23.1 Consent of Rubin Baum Levin Constant & Friedman (included in Exhibit 5.1).

23.2 Consent of Arthur Andersen LLP.

24.1 Power of Attorney (included on the signature page of this Registration Statement).

ITEM 9. UNDERTAKINGS. The registrant will:

(1) File, during any period in which it offers or sells securities, a post-effective amendment to this Registration Statement to:

(i) include any prospectus required by Section 10(a)(3) of the Securities Act;
(ii) reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement; and

(iii) include any additional or changed material information on the plan of distribution;

provided, however, that paragraphs (1)(i) and (1)(ii) will not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

(2) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of such securities at that time to be the initial bona fide offering thereof.

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on June 17, 1998.

PALATIN TECHNOLOGIES, INC.

By: /s/ Edward J. Quilty

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Edward J. Quilty
Chairman of the Board, President and Chief Executive Officer

POWER OF ATTORNEY

We, the undersigned officers and directors of Palatin Technologies, Inc., severally constitute Edward J. Quilty and Stephen T. Wills and each of them singly, our true and lawful attorneys with full power to them, and each of them singly, to sign for us and in our names in the capacities indicated below, the Registration Statement on Form S-8 filed herewith and any and all subsequent amendments to said Registration Statement, and generally to do all such things in our names and behalf in our capacities as officers and directors to enable Palatin Technologies, Inc. to comply with all requirements of the Commission.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

SIGNATURE                        TITLES                        DATE

/s/ Edward J. Quilty
                         Chairman of the Board, President and      June 17, 1998
                       Edward J. Quilty     Chief Executive Officer (principal
                                                                       executive officer)

/s/ Carl Spana
                        Executive Vice President and Director      June 17, 1998
                       Carl Spana
INDEX TO EXHIBITS

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.8</td>
<td>RhoMed Incorporated 1987 Employee Incentive Stock Option Plan.</td>
</tr>
</tbody>
</table>
Article 1 - Purpose

The Employee Incentive Stock Option Plan (the "Employee Plan") is intended to advance the interests of RhoMed Incorporated (the "Company") and its shareholders by providing an employment incentive, to retain in the employ of the Company persons of training, experience, and ability, to attract new employees whose services are considered unusually valuable, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company.

Article 2 - Definitions

As used in this document, the following terms have the meanings stated unless the context clearly indicates to the contrary:

2.1 "Board" shall mean the Board of Directors of the Company.

2.2 "Committee" shall mean the body administering the Employee Plan, which shall be the Compensation Committee of the Board, and if no Compensation Committee has been established, it shall mean the Board.

2.3 "Company" shall mean RhoMed Incorporated.

2.4 "Option" shall mean an option to purchase Stock granted pursuant to the provisions of this Employee Plan.

2.5 "Optionee" shall mean an employee to whom an Option has been granted under this Employee Plan.

2.6 "Employee Plan" shall mean this Employee Incentive Stock Option Plan, the terms of which are set forth herein.

2.7 "Stock" shall mean the Common Stock of the Company.

2.8 "Stock Option Agreement" shall mean the agreement between the Company and an employee pursuant to the Employee Plan.

2.9 "Eligible Employee" shall mean any full time employee of the Company.
Article 3 - Administration of Employee Plan

The Employee Plan shall be administered by the Board or by the Committee, being a committee appointed by the Board. If the Employee Plan is administered by the Committee, it shall report all action taken by it to the Board. The Committee shall have full and final authority in its discretion, subject to the provisions of the Employee Plan, to determine the individuals to whom and the time or times at which options shall be granted and the number of shares and purchase price of Common Stock covered by each option; to construe and interpret the Employee Plan; to determine the terms and provisions of the Stock Option Agreements, which need not be identical, including, but without limitation, terms covering the payment of the option price; and to make all other determinations and take all other actions deemed necessary or advisable for the proper administration of the plan. All such actions and determinations shall be conclusively binding for all purposes and upon all persons.

Article 4 - Grant of Options

The Committee is hereby authorized by majority vote of its members to issue Options from time to time on the Company's behalf to any one or more persons who at the date of such grant are full-time employees of the Company. Any Option granted under this Employee Plan shall be granted within ten years from the date hereof.

Article 5 - Amount of Stock

The aggregate amount of Stock which may be purchased pursuant to options granted under this Employee Plan shall be 750,000 shares of the Company's Stock, which is Common Stock, no par value.

Article 6 - Limitation

Options shall not be granted under this Employee Plan, which first become exercisable in any calendar year and which permit the optionee to purchase Stock of the Company having an aggregate value in excess of one hundred thousand dollars ($100,000), determined at the time of the grant of the Options. No optionee may exercise options during a calendar year for the purchase of shares having an aggregate fair market value (determined at the time of the grant of the options) exceeding one hundred thousand dollars ($100,000), except and to the extent that such options were first exercisable in preceding calendar years.

Article 7 - Nontransferability

The terms of any Option granted under this Employee Plan shall include a provision making such Option nontransferable by the Optionee, except upon death, and exercisable during the Optionee's lifetime only by the Optionee.

Article 8 - Terms and Conditions of Options

Any Option granted pursuant to this Employee Plan shall contain provisions, established by the Committee, setting forth the manner of exercise
of such Option. Such Stock Option Agreement shall be in writing, executed by the Company and the applicable officer or independent contractor, and be in such form as the Committee may from time to time approve, subject to the following limitations and conditions:

8.1 Option Price. The purchase price for a share of the Stock subject to any Option granted hereunder shall be not less than the fair market value of the Stock on the date of the grant of the Option, said fair market value to be determined in good faith at the time of grant of such Option by decision of the Committee; provided, however, that in the case of an Option granted to any person then owning more than ten percent (10%) of the voting power of all classes of the Company's Stock, the purchase price per share of the stock subject to Option shall be not less than one hundred ten percent (110%) of the fair market value of the stock on the date of grant of the Option, determined in good faith as aforesaid.

8.2 Period of Option. The expiration date of each option shall be fixed by the Committee, but, notwithstanding any provision of the Employee Plan to the contrary, such expiration date shall not be more than ten years from the date of grant. In no event, however, shall any Option granted to a person then owning more than ten percent (10%) of the voting power of all classes of the Company's Stock be exercisable by its terms after the expiration of five years from the date of the grant thereof.

8.3 Vesting of Shareholder Rights. Neither an optionee nor his successor shall have any of the rights of a shareholder of the Company until the certificates evidencing the shares purchased are properly delivered to such optionee or his successor.

8.4 Exercise of Option. An option shall not be exercisable in whole or in part prior to the date of shareholder approval of the Plan.

8.5 Nontransferability of Option. No option shall be transferable or assignable by an optionee, otherwise than by will or the laws of descent and distribution and each option shall be exercisable, during the optionee's lifetime, only by him. No option shall be pledged or hypothecated in any way and no option shall be subject to execution, attachment, or similar process except with the express consent of the Committee.

8.6 Limitations on Exercise of Option Rights. The optionee must remain in the continuous employment of the Company for one year from the date the option is granted before any part thereof or right thereunder may be exercised. Thereafter, the option may be exercisable in whole or installments, as determined by the Committee at the time the option is granted.

8.7 Termination of Employment or Contractual Arrangement. Upon termination of an optionee's employment with the Company or with any of its subsidiaries (except if such termination be by reason of death or permanent and total disability), his option privileges shall be limited to the shares which were immediately purchasable by him at the date of such termination. The granting of an option to an eligible person does not alter in any way the Company's existing rights to terminate such person's employment at any time for any reason, nor does it confer upon such person any rights or privileges except as specifically provided for in the Employee Plan.

8.8 Termination by Permanent and Total Disability. Upon termination of an optionee's employment with the Company or with any of its subsidiaries by
reason of permanent and total disability, his option privileges shall be limited to the shares which were immediately purchasable by him at the date of such termination.

8.9 Death of Optionee. If an optionee dies while in the employ of the Company, his option privileges shall be limited to the shares which were immediately purchasable by him at the date of death.

Article 9 - Adjustments

9.1 In the event that the outstanding shares of Common Stock of the Company are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation, by reason of a recapitalization, reclassification, stock split-up, combination of shares or dividend or other distribution payable in capital stock, appropriate adjustment shall be made by the Committee in the number and kind of shares for the purchase of which options may be granted under the Plan. In addition, the Committee shall make appropriate adjustment in the number and kind of shares as to which outstanding options, or portions thereof then unexercised, shall be exercisable, to the end that the proportionate interest of the holder of the option shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustment in outstanding options shall be made without change in the total price applicable to the unexercised portion of the option but with a corresponding adjustment in the option price per share.

9.2 In the event of the dissolution or liquidation of the Company, any option granted under the Employee Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each optionee and each optionee shall have the right during such period to exercise his option as to all or any part of the shares covered thereby including shares as to which such option would not otherwise be exercisable by reason of an insufficient lapse of time.

9.3 In the event of a Reorganization (as hereafter defined) in which the Company is not the surviving or acquiring company, or in which the Company is or becomes a wholly owned subsidiary of another company after the effective date of the Reorganization, then:

9.3.1 If there is no plan or agreement respecting the Reorganization ("Reorganization Agreement") or if the Reorganization Agreement does not specifically provide for the change, conversion or exchange of the shares under outstanding and unexercised stock options for securities of another corporation, then the Committee shall take such action, and the options shall terminate, as provided in Article 9.2; or

9.3.2 If there is a Reorganization Agreement and if the Reorganization Agreement specifically provides for the change, conversion, or exchange of the shares under outstanding and unexercised stock options for securities of another corporation, then the Committee shall adjust the shares under such outstanding and unexercised stock options (and shall adjust the shares remaining under the Employee Plan which are then available to be optioned under the Employee Plan, if the Reorganization Agreement makes specific provision therefor) in an manner not inconsistent with the provisions of the Reorganization Agreement for the adjust change, conversion or exchange of such
9.3.3 The term "Reorganization" as used in Article 9.3 and its subparts shall mean any statutory merger, statutory consolidation, sale of all or substantially all of the assets of the Company, or sale, pursuant to an agreement with the Company, of securities of the Company pursuant to which the Company is or becomes a wholly owned subsidiary of another company after the effective date of the Reorganization.

9.4 Adjusts and determinations made under this Article 9 shall be made by the Committee, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.

Article 10 - Restrictions on Issuing Shares

The exercise of each option shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration, or qualification of any shares otherwise deliverable upon such exercise upon any securities exchange or under any state or federal law, or that the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company. The Committee may also impose such restrictions on any shares sold pursuant to this Employee Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act of 1933, as amended, under the requirements of any stock exchange upon which such shares or shares of the same class are then listed, and under any blue sky or securities laws applicable to such shares.

Article 11 - Amendment, Suspension, or Termination of Employee Plan

11.1 The Board may at any time suspend or terminate the Employee Plan or may amend it from time to time in such respects as the Board may deem advisable in order that the options granted thereunder may conform to any changes in the law or in any other respect which the Board may deem to be in the best interests of the Company; provided, however, that without approval by the shareholders of the Company representing a majority of the voting power, no such amendment shall:

11.1.1 Except as specified in Article 9, increase the maximum number of shares for which options may be granted under the Employee Plan;
11.1.2 Change the provisions of Article 8.1 relating to the establishment of the option price;
11.1.3 Change the provisions of Article 8.2 relating to the expiration date of each option; or,
11.1.4 Change the provisions of Article 11 and its subparts, relating to amendment, suspension and termination of the Employee Plan.

11.2 Unless the Employee Plan shall theretofore have been terminated by the Board or as provided in Article 14, the Employee Plan shall terminate ten years after the effective date of the Employee Plan. No option may be granted during any suspension or after termination of the Employee Plan. Except as
provided in Article 14, no amendment, suspension, or termination of the Employee Plan shall, without an optionee's consent, alter or impair any of the rights or obligations under any option theretofore granted to such optionee under the Employee Plan.

Article 12 - Stock Reserve

The Company shall at all times during the terms of the Employee Plan reserve and keep available such number of shares of its Stock as will be sufficient to satisfy the requirements of this Employee Plan, and shall pay all fees and expenses necessarily incurred by the Company in connection with the exercise of Options granted hereunder.

Article 13 - Other Terms

Any Option granted hereunder shall contain such other and additional terms, not inconsistent with the terms of this Employee Plan, which are deemed necessary or desirable by the Board, the Committee or by legal counsel to the Company, and such other terms shall include those which, together with the terms of this Employee Plan, shall constitute such option as an "Incentive Stock Option" within the meaning of Section 422 of the Internal Revenue Code.

Page 5

Article 14 - Effective Date of Employee Plan and Shareholder Approval

The effective date of the Employee Plan is November 5, 1987; provided, however, if the Employee Plan is not approved by the shareholders of the Company representing a majority of the voting power at the next shareholders meeting or if the Employee Plan is not approved by such shareholders before October 30, 1988, the Employee Plan shall terminate and any options granted thereunder shall be void and have no force or effect.

I hereby certify that the foregoing is a true and accurate copy of the Employee Incentive Stock Option Plan as adopted by the Board of Directors of RhoMed Incorporated at its meeting of November 5, 1987, and as approved by the Shareholders at the regular Annual Meeting held on December 30, 1987; as amended by the Board of Directors at its meetings of February 3, 1990 and November 9, 1993; and as amended by Consent to Action dated January 14, 1994, which amendment was subsequently approved by the Shareholders at the regular Annual Meeting held on February 23, 1994.

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Secretary-Treasurer

Page 6

EX-4.9
3
1987 NONQUALIFIED STOCK OPTION PLAN

RHOME INCORPORATED

Article 1 - Purpose
The Nonqualified Stock Option Plan (the "Plan") is intended to advance the interests of RhoMed Incorporated (the "Company") and its shareholders by encouraging and enabling selected officers and key independent contractors, including consultants, directors and members of the scientific advisory board, upon whose judgment, initiative and effort the Company is largely dependent for the successful conduct of its business, to acquire and retain a proprietary interest in the Company by ownership of its stock. Options granted under the Plan are intended to be options which do not meet the requirements of Section 422A of the Internal Revenue Code of 1986 (the "Code").

Article 2 - Definitions
As used in this document, the following terms have the meanings stated unless the context clearly indicates to the contrary:

2.1 "Board" shall mean the Board of Directors of the Company.
2.2 "Committee" shall mean the body administering the Plan, which shall be the Compensation Committee of the Board, and if no Compensation Committee has been established, it shall mean the Board.
2.3 "Company" shall mean RhoMed Incorporated.
2.4 "Option" shall mean an option to purchase Stock granted pursuant to the provisions of this Plan.
2.5 "Optionee" shall mean an employee or independent contractor to whom an Option has been granted under this Plan.
2.6 "Plan" shall mean this Nonqualified Stock Option Plan, the terms of which are set forth herein.
2.7 "Stock" shall mean the Common Stock of the Company.
2.8 "Stock Option Agreement" shall mean the agreement between the Company and an employee pursuant to the Plan.

Article 3 - Administration of Plan
The Plan shall be administered by the Board or by the Committee, being a committee appointed by the Board. If the Plan is administered by the Committee, it shall report all action taken by it to the Board. Options to members of the Committee may be granted only a majority of the disinterested members of the Board. The Committee shall have full and final authority in its discretion, subject to the provisions of the Plan, to determine the individuals to whom and the time or times at which options shall be granted and the number of shares and purchase price of Common Stock covered by each option; to construe and interpret the Plan; to determine the terms and provisions of the Stock Option Agreements, which need not be identical, including, but without limitation, terms covering the payment of the option price; and to make all other determinations and
take all other actions deemed necessary or advisable for the proper administration of the plan. All such actions and determinations shall be conclusively binding for all purposes and upon all persons.

Article 4 - Participants
Options may be granted under the Plan to any person who is or who agrees to become an officer or independent contractor to the Company, and who thereby qualifies under Section 83 of the Code. In this context, "independent contractor" shall include, without limitation, persons serving as members of the Board who are not employees of the Company, persons serving as members of such scientific advisory boards as may be, from time to time, constituted by the Company, and consultants.

Article 5 - Grant of Options
The Committee is hereby authorized by majority vote of its members to issue Options from time to time on the Company's behalf to any one or more persons who are qualified participants as defined in Article 4. Any Option granted under this Plan shall be granted within ten years from the date hereof.

Article 6 - Amount of Stock
The aggregate amount of Stock which may be purchased pursuant to options granted under this Plan shall be 1,250,000 shares of the Company's Stock, which is Common Stock, no par value.

Article 7 - Terms and Conditions of Options
Any Option granted pursuant to this Plan shall contain provisions, established by the Committee, setting forth the manner of exercise of such Option. Such Stock Option Agreement shall be in writing, executed by the Company and the applicable officer or independent contractor, and be in such form as the Committee may from time to time approve, subject to the following limitations and conditions:

7.1 Option Price. The Option price per share with respect to each option shall be determined by the Committee but shall in no instance be less than 85 percent of the fair market value of a share of the Stock on the date of grant. For the purposes hereof, fair market value shall be as determined by the Committee and such determination shall be binding upon the Company and the optionee.

7.2 Period of Option. The expiration date of each option shall be fixed by the Committee, but, notwithstanding any provision of the Plan to the contrary, such expiration date shall not be more than ten years from the date of grant.

7.3 Vesting of Shareholder Rights. Neither an optionee nor his successor shall have any of the rights of a shareholder of the Company until the certificates evidencing the shares purchased are properly delivered to such optionee or his successor.

7.4 Exercise of Option. Each option shall be exercisable from time to time over a period commencing on the date of grant and ending upon the expiration or termination of the option; provided, however, the Committee may, by the provisions of any option agreement, limit the number of shares purchased thereunder in any period or periods of time during which the option is exercisable. An option shall not be exercisable in whole or in part prior to the date of shareholder approval of the Plan.

7.5 Nontransferability of Option. No option shall be transferable or assignable by an optionee, otherwise than by will or the laws of descent and distribution and each option shall be exercisable, during the optionee's lifetime, only by him. No option shall be pledged or hypothecated.
in any way and no option shall be subject to execution, attachment, or similar process except with the express consent of the Committee.

7.6 Limitations on Exercise of Option Rights. The optionee, unless otherwise determined by the Committee at the time the option is granted, must remain in the continuous employment of, or a continuous contractual relationship with, the Company for one year from the date the option is granted before any part thereof or right thereunder may be exercised. Thereafter, the option may be exercisable in whole or installments, as determined by the Committee at the time the option is granted.

7.7 Termination of Employment or Contractual Arrangement. Upon termination of an optionee's employment with the Company or with any of its subsidiaries, his option privileges shall be limited to the shares which were immediately purchasable by him at the date of such termination. The granting of an option to an eligible person does not alter in any way the Company's existing rights to terminate such person's employment at any time for any reason, nor does it confer upon such person any rights or privileges except as specifically provided for in the Plan.

7.8 Death of Optionee. If an optionee dies while in the employ of the Company, his option privileges shall be limited to the shares which were immediately purchasable by him at the date of death.

Article 8 - Adjustments

8.1 In the event that the outstanding shares of Common Stock of the Company are hereafter increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation, by reason of a recapitalization, reclassification, stock split-up, combination of shares or dividend or other distribution payable in capital stock, appropriate adjustment shall be made by the Committee in the number and kind of shares for the purchase of which options may be granted under the Plan. In addition, the Committee shall make appropriate adjustment in the number and kind of shares as to which outstanding options, or portions thereof unexercised, shall be exercisable, to the end that the proportionate interest of the holder of the option shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustment in outstanding options shall be made without change in the total price applicable to the unexercised portion of the option but with a corresponding adjustment in the option price per share.

8.2 In the event of the dissolution or liquidation of the Company, any option granted under the Plan shall terminate as of a date to be fixed by the Committee, provided that not less than 30 days' written notice of the date so fixed shall be given to each optionee and each optionee shall have the right during such period to exercise his option as to all or any part of the shares covered thereby including shares as to which such option would not otherwise be exercisable by reason of an insufficient lapse of time.

8.3 In the event of a Reorganization (as hereafter defined) in which the Company is not the surviving or acquiring company, or in which the Company is or becomes a wholly owned subsidiary of another company after the effective date of the Reorganization, then:

8.3.1 If there is no plan or agreement respecting the
Reorganization ("Reorganization Agreement") or if the Reorganization Agreement does not specifically provide for the change, conversion or exchange of the shares under outstanding and unexercised stock options

-3-

for securities of another corporation, then the Committee shall take such action, and the options shall terminate, as provided in Article 8.2; or

8.3.2 If there is a Reorganization Agreement and if the Reorganization Agreement specifically provides for the change, conversion, or exchange of the shares under outstanding and unexercised stock options for securities of another corporation, then the Committee shall adjust the shares under such outstanding and unexercised stock options (and shall adjust the shares remaining under the Plan which are then available to be optioned under the Plan, if the Reorganization Agreement makes specific provision therefor) in a manner not inconsistent with the provisions of the Reorganization Agreement for the adjusted change, conversion or exchange of such stock and such options.

8.3.3 The term "Reorganization" as used in Article 8.3 and its subparts shall mean any statutory merger, statutory consolidation, sale of all or substantially all of the assets of the Company, or sale, pursuant to an agreement with the Company, of securities of the Company pursuant to which the Company is or becomes a wholly owned subsidiary of another company after the effective date of the Reorganization.

8.4 Adjusts and determinations made under this Article 8 shall be made by the Committee, whose decisions as to what adjustments or determinations shall be made, and the extent thereof, shall be final, binding and conclusive.

Article 9 - Restrictions on Issuing Shares

The exercise of each option shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration, or qualification of any shares otherwise deliverable upon such exercise upon any securities exchange or under any state or federal law, or that the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise or the delivery or purchase of shares pursuant thereto, then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company. The Committee may also impose such restrictions on any shares sold pursuant to this Plan as it may deem advisable, including, without limitation, restrictions under the Securities Act of 1933, as amended, under the requirements of any stock exchange upon which such shares or shares of the same class are then listed, and under any blue sky or securities laws applicable to such shares.

Article 10 - Amendment, Suspension, and Termination of Plan

10.1 The Board may at any time suspend or terminate the Plan or may amend it from time to time in such respects as the Board may deem advisable in order that the options granted thereunder may conform to any changes in the law or in any other respect which the Board may deem to be in the best interests of the Company; provided, however, that without approval by the shareholders of the Company representing a majority of the voting power, no such amendment shall:
10.1.1 Except as specified in Article 8, increase the maximum number of shares for which options may be granted under the Plan;

10.1.2 Change the provisions of Article 7.1 relating to the establishment of the option price;

10.1.3 Change the provisions of Article 7.2 relating to the expiration date of each option; or,

10.1.4 Change the provisions of Article 10 and its subparts, relating to amendment, suspension and termination of the Plan.

10.2 Unless the Plan shall theretofore have been terminated by the Board or as provided in Article 12, the Plan shall terminate ten years after the effective date of the Plan. No option may be granted during any suspension or after termination of the Plan. Except as provided in Article 12, no amendment, suspension, or termination of the Plan shall, without an optionee's consent, alter or impair any of the rights or obligations under any option theretofore granted to such optionee under the Plan.

Article 11 - Stock Reserve

The Company shall at all times during the terms of the Plan reserve and keep available such number of shares of its Stock as will be sufficient to satisfy the requirements of this Plan, and shall pay all fees and expenses necessarily incurred by the Company in connection with the exercise of Options granted hereunder.

Article 12 - Effective Date of Plan and Shareholder Approval

The effective date of the Plan is November 5, 1987; provided, however, if the Plan is not approved by the shareholders of the Company representing a majority of the voting power at the next shareholders' meeting or if the Plan is not approved by such shareholders before October 30, 1988, the Plan shall terminate and any options granted thereunder shall be void and have no force or effect.

I hereby certify that the foregoing is a true and accurate copy of the Nonqualified Stock Option Plan as adopted by the Board of Directors of RhoMed Incorporated at its meeting of November 5, 1987, and as approved by the Shareholders at the regular Annual Meeting held on December 30, 1987; and as amended by the Board of Directors at its meeting of September 17, 1988; and as amended by the Board of Directors by Consent to Action dated December 4, 1991 and subsequently approved by the Shareholders at the regular Annual Meeting held on December 15, 1991; and as amended by the Board of Directors at its meeting of November 9, 1993 and subsequently approved by the Shareholders at the regular Annual Meeting held on February 23, 1994.

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Secretary-Treasurer
1. PURPOSE.

The purposes of the 1996 Stock Option Plan (the "Plan") are to induce certain employees, consultants and directors to remain in the employ or service, or to continue to serve as directors, of Palatin Technologies, Inc. (the "Company") and its present and future subsidiary corporations (each a "Subsidiary"), as defined in Section 424(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to attract new individuals to enter into such employment or service and to encourage such individuals to secure or increase on reasonable terms their stock ownership in the Company. The Board of Directors of the Company (the "Board") believes that the granting of stock options (the "Options") under the Plan will promote continuity of management and increased incentive and personal interest in the welfare of the Company by those who are or may become primarily responsible for shaping and carrying out the long range plans of the Company and securing its continued growth and financial success. Options granted hereunder are intended to be either (a) "incentive stock options" (which term, when used herein, shall have the meaning ascribed thereto by the provisions of Section 422(b) of the Code) or (b) options which are not incentive stock options ("non-incentive stock options") or (c) a combination thereof, as determined by the Committee (the "Committee") referred to in Section 4 hereof at the time of the grant thereof.

2. EFFECTIVE DATE OF THE PLAN.

The Plan became effective on August 28, 1996, by action of the Board, subject to ratification by stockholders of the Company.

3. STOCK SUBJECT TO PLAN.

625,000 of the authorized but unissued shares of the Common Stock, $0.01 par value, of the Company (the "Common Stock") are hereby reserved for issue upon the exercise of Options granted under the Plan; provided, however, that the number of shares so reserved may from time to time be reduced to the extent that a corresponding number of issued and outstanding shares of the Common Stock are purchased by the Company and set aside for issue upon the exercise of Options. If any Options expire or terminate for any reason without having been exercised in full, the unpurchased shares subject thereto shall
again be available for the purposes of the Plan.

Page 1

4. COMMITTEE.

The Committee shall consist of two or more members of the Board both or all of whom shall be "non-employee directors" within the meaning of Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and "outside directors" within the contemplation of Section 162(m)(4)(C)(i) of the Code. The President of the Company shall also be a member of the Committee, ex-officio, whether or not he or she is otherwise eligible to be a member of the Committee. The Committee shall be appointed annually by the Board, which may at any time and from time to time remove any members of the Committee, with or without cause, appoint additional members to the Committee and fill vacancies, however caused, in the Committee. In the event that no Committee shall have been appointed, the Board shall serve as the Committee. A majority of the members of the Committee shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held. Any decision or determination of the Committee reduced to writing and signed by all of the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held.

5. ADMINISTRATION.

Subject to the express provisions of the Plan, the Committee shall have complete authority, in its discretion, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective option agreements or certificates (which need not be identical), to determine the individuals (each a "Participant") to whom and the times and the prices at which Options shall be granted, the periods during which each Option shall be exercisable, the number of shares of the Common Stock to be subject to each Option and whether such Option shall be an incentive stock option or a non-incentive stock option and to make all other determinations necessary or advisable for the administration of the Plan. In making such determinations, the Committee may take into account the nature of the services rendered by the respective employees and consultants, their present and potential contributions to the success of the Company and the Subsidiaries and such other factors as the Committee in its discretion shall deem relevant. The Committee's determination on the matters referred to in this Section 5 shall be conclusive. Any dispute or disagreement which may arise under or as a result of or with respect to any Option shall be determined by the Committee, in its sole discretion, and any interpretations by the Committee of the terms of any Option shall be final, binding and conclusive.
6. ELIGIBILITY.

A. An Option may be granted only to (i) an employee or consultant of the Company or a Subsidiary, (ii) a director of the Company who is not employed by the Company or any of the Subsidiaries (a "Non-Employee Director") and (iii) employees of a corporation or other business enterprise which has been acquired by the Company or a Subsidiary, whether by exchange or purchase of stock, purchase of assets, merger or reverse merger or otherwise, who hold options with respect to the stock of such corporation which the Company has agreed to assume or for which the Company has agreed to provide substitute options.

B. (i) On August 28, 1996, each Non-Employee Director shall be granted an Option (a "Non-Employee Director's Formula Option") to purchase 20,000 shares of the Common Stock at the initial per share option price of $1.36 per share.

(ii) At the first meeting of the Board immediately following the annual meeting of the Stockholders of the Company held following the effective date of the Plan, and at the first meeting of the Board immediately following each subsequent annual meeting of the Stockholders of the Company, each Non-Employee Director shall be granted an Option (a "Non-Employee Director's Formula Option") to purchase 10,000 shares (after giving effect to the reverse stock split effected on September 5, 1997) of the Common Stock at the initial per share option price equal to the fair market value of a share of the Common Stock on the date of grant.

(iii) Each Non-Employee Director who becomes a director subsequent to the adoption date of the Plan, and prior to the date of any annual meeting of the Stockholders of the Company, shall be granted, on the date he or she becomes a director, an Option (a "Non-Employee Director's Formula Option") to purchase the number of shares (after giving effect to the reverse stock split effected on September 5, 1997) of the Common Stock equal to the product of (i) 10,000 and (ii) a fraction, the numerator of which is the number of full calendar months prior to the next scheduled annual meeting of Stockholders and the denominator of which is 12, at the initial per share option price equal to the fair market value of a share of the Common Stock on the date of grant.

(iv) A Non-Employee Director may not exercise a Non-Employee Director's Formula Option during the period commencing on the date of the granting of such Option to him or her and ending on the day next preceding the first anniversary of such date. A Non-Employee Director may (i) during the period commencing on the first anniversary of the date of the granting of a Non-Employee Director's Formula Option to him or her and ending on the day next preceding the second anniversary of such date, exercise such Option with respect to one-fourth of the shares granted thereby, (ii) during the period commencing on such second anniversary and ending on the day next preceding the third anniversary of the date of the granting of such Option, exercise such Option with respect to one-half of the shares granted thereby, (iii) during the period commencing on such third anniversary and ending on the date next preceding the fourth anniversary of the date of the granting of such Option, exercise such Option...
with respect to three-fourths of the shares granted thereby and (iv) during the period commencing on such fourth anniversary and ending on the date of the expiration of such Option, exercise such Option with respect to all of the shares granted thereby.

7. OPTION PRICES.

A. Except as otherwise provided in Sections 6 and 17, the initial per share option price of any Option shall be the price determined by the Committee, but not less than the fair market value of a share of the Common Stock on the date of grant; provided, however, that, in the case of a Participant who owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of the Common Stock at the time an Option which is an incentive stock option is granted to him or her, the initial per share option price shall not be less than 110% of the fair market value of a share of the Common Stock on the date of grant.

B. For all purposes of the Plan, the fair market value of a share of the Common Stock on any date shall be determined by the Committee as follows:

(i) If the Common Stock is listed on the OTC Electronic Bulletin Board, its fair market value shall be the closing selling price on such date for the Common Stock as reported on the OTC Electronic Bulletin Board. If there are no sales of the Common Stock on that date, then the reported closing selling price for the Common Stock on the next preceding date for which such closing selling price is quoted shall be determinative of fair market value; or,

(ii) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation, the Nasdaq National Market System or the Nasdaq SmallCap Market System, its fair market value shall be the reported closing selling price for the Common Stock on the principal securities exchange or national market system on which the Common Stock is at such date listed for trading. If there are no sales of Common Stock on that date, then the reported closing selling price for the Common Stock on the next preceding day for which such closing selling price is quoted shall be determinative of fair market value; or,

(iii) If the Common Stock is not traded on the OTC Electronic Bulletin Board, an exchange, or a national market system, its fair market value shall be determined in good faith by the Committee, and such determination shall be conclusive and binding on all persons.

8. OPTION TERM.

Participants shall be granted Options for such term as the Committee shall determine, not in excess of ten years from the date of the granting thereof; provided, however, that, except as otherwise provided in Section 17, in
the case of a Participant who owns (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of the Common Stock of the Company at the time an Option which is an incentive stock option is granted to him or her, the term with respect to such Option shall not be in excess of five years from the date of the granting thereof; provided, further, however, that the term of each Non-Employee Director's Formula Option shall be ten years from the date of the granting thereof.

9. LIMITATIONS ON AMOUNT OF OPTIONS GRANTED.

A. Except as otherwise provided in Section 17, the aggregate fair market value of the shares of the Common Stock for which any Participant may be granted incentive stock options which are exercisable for the first time in any calendar year (whether under the terms of the Plan or any other stock option plan of the Company) shall not exceed $100,000.

B. Except as otherwise provided in Section 17, no Participant shall, during any fiscal year of the Company, be granted Options to purchase more than 500,000 shares of the Common Stock.

10. EXERCISE OF OPTIONS.

A. Except as otherwise provided in Section 17 and except as otherwise determined by the Committee at the time of the grant of an Option other than a Non-Employee Director's Formula Option, a Participant may not exercise an Option during the period commencing on the date of the granting of such Option to him or her and ending on the day next preceding the first anniversary of such date. Except as otherwise set forth in Sections 9A and 17 and in the preceding sentence, a Participant may (i) during the period commencing on the first anniversary of the date of the granting of an Option to him or her and ending on the day next preceding the second anniversary of such date, exercise such Option with respect to one-fourth of the shares granted thereby, (ii) during the period commencing on such second anniversary and ending on the day next preceding the third anniversary of the date of the granting of such Option, exercise such Option with respect to one-half of the shares granted thereby, (iii) during the period commencing on such third anniversary and ending on the date next preceding the fourth anniversary of the date of the granting of such Option, exercise such Option with respect to three-fourths of the shares granted thereby and (iv) during the period commencing on such fourth anniversary and ending on the date of the expiration of such Option, exercise such Option with respect to all of the shares granted thereby.

B. Except as hereinbefore otherwise set forth, an Option may be exercised either in whole at any time or in part from time to time.

C. An Option may be exercised only by a written notice of intent to
exercise such Option with respect to a specific number of shares of the Common Stock and payment to the Company of the amount of the option price for the number of shares of the Common Stock so specified.

D. Except in the case of a Non-Employee Director's Formula Option, the Board may, in its discretion, permit any Option to be exercised, in whole or in part, prior to the time when it would otherwise be exercisable.

E. Notwithstanding any other provision of the Plan to the contrary, including, but not limited to, the provisions of Section 10D, if any Participant shall have effected a "Hardship Withdrawal" from a "401(k) Plan" maintained by the Company and/or one or more of the Subsidiaries, then, during the period of one year commencing on the date of such Hardship Withdrawal, such Participant may not exercise any Option. For the purpose of this paragraph E, a Hardship Withdrawal shall mean a distribution to a Participant provided for in Reg. ss. 1.401(k)-1(d)(1)(ii) promulgated under Section 401(k)(2)(B)(i)(iv) of the Code and a 401(k) Plan shall mean a plan which is a "qualified plan" within the contemplation of section 401(a) of the Code which contains a "qualified cash or deferred arrangement" within the contemplation of section 401(k)(2) of the Code.

11. TRANSFERABILITY.

No Option shall be assignable or transferable except by will and/or by the laws of descent and distribution and, during the life of any Participant, each Option granted to him or her may be exercised only by him or her.

12. TERMINATION OF EMPLOYMENT.

A. In the event a Participant leaves the employ of the Company and the Subsidiaries or ceases to serve as a consultant to the Company and/or as a Non-Employee Director of the Company, whether voluntarily or otherwise, each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of 90 days after the date of such Participant's termination of employment or service and the date of termination specified in such Option. Notwithstanding the foregoing, if a Participant's employment by the Company and the Subsidiaries or service as a consultant and/or as a Non-Employee Director of the Company is terminated for "cause" (as defined herein), each Option theretofore granted to him or her which shall not have theretofore expired or otherwise been cancelled shall, to the extent not theretofore exercised, terminate forthwith.

B. For purposes of the foregoing, the term "cause" shall mean: (i) the commission by a Participant of any act or omission that would constitute a crime under federal, state or equivalent foreign law, (ii) the commission by a Participant of any act of moral turpitude, (iii) fraud, dishonesty or other acts or omissions that result in a breach of any fiduciary or other material duty to the Company and/or the Subsidiaries or (iv) continued alcohol or other substance
13. ADJUSTMENT OF NUMBER OF SHARES.

A. In the event that a dividend shall be declared upon the Common Stock payable in shares of the Common Stock, the number of shares of the Common Stock then subject to any Option and the number of shares of the Common Stock reserved for issuance in accordance with the provisions of the Plan but not yet covered by an Option and the number of shares set forth in Sections 6B and 9B shall be adjusted by adding to each share the number of shares which would be distributable thereon if such shares had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the outstanding shares of the Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, sale of assets, merger or consolidation in which the Company is the surviving corporation, then, there shall be substituted for each share of the Common Stock then subject to any Option and for each share of the Common Stock reserved for issuance in accordance with the provisions of the Plan but not yet covered by an Option and for each share of the Common Stock referred to in Sections 6B and 9B, the number and kind of shares of stock or other securities into which each outstanding share of the Common Stock shall be so changed or for which each such share shall be exchanged.

B. In the event that there shall be any change, other than as specified in Section 13, in the number or kind of outstanding shares of the Common Stock, or of any stock or other securities into which the Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the number or kind of shares then subject to any Option and the number or kind of shares reserved for issuance in accordance with the provisions of the Plan but not yet covered by an Option and the number of shares referred to in Sections 6B and 9B, such adjustment shall be made by the Committee and shall be effective and binding for all purposes of the Plan and of each stock option agreement or certificate entered into in accordance with the provisions of the Plan.

C. In the case of any substitution or adjustment in accordance with the provisions of this Section 13, the option price in each stock option agreement or certificate for each share covered thereby prior to such substitution or adjustment shall be the option price for all shares of stock or other securities which shall have been substituted for such share or to which such share shall have been adjusted in accordance with the provisions of this Section 13.

D. No adjustment or substitution provided for in this Section 13 shall
require the Company to sell a fractional share under any stock option agreement or certificate.

E. In the event of the dissolution or liquidation of the Company, or a merger, reorganization or consolidation in which the Company is not the surviving corporation, then, except as otherwise provided in the second sentence of Section 13A, each Option, to the extent not theretofore exercised, shall terminate forthwith.

14. PURCHASE FOR INVESTMENT, WITHHOLDING AND WAIVERS.

A. Unless the shares to be issued upon the exercise of an Option by a Participant shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, such Participant will, as a condition of the Company's obligation to issue such shares, be required to give a representation in writing that he or she is acquiring such shares for his or her own account as an investment and not with a view to, or for sale in connection with, the distribution of any thereof.

B. In the event of the death of a Participant, a condition of exercising any Option shall be the delivery to the Company of such tax waivers and other documents as the Committee shall determine.

C. In the case of each non-incentive stock option, a condition of exercising the same shall be the entry by the person exercising the same into such arrangements with the Company with respect to withholding as the Committee may determine.

15. NO STOCKHOLDER STATUS.

Neither any Participant nor his or her legal representatives, legatees or distributees shall be or be deemed to be the holder of any share of the Common Stock covered by an Option unless and until a certificate for such share has been issued. Upon payment of the purchase price thereof, a share issued upon exercise of an Option shall be fully paid and non-assessable.

16. NO RESTRICTIONS ON CORPORATE ACTS.

Neither the existence of the Plan nor any Option shall in any way affect the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or the rights thereof, or
dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding whether of a similar character or otherwise.

17. OPTIONS GRANTED IN CONNECTION WITH ACQUISITIONS.

In the event that the Committee determines that, in connection with the acquisition by the Company or a Subsidiary of another corporation which will become a Subsidiary or division of the Company or a Subsidiary (such corporation being hereafter referred to as an "Acquired Subsidiary"), Options may be granted hereunder to employees and other personnel of an Acquired Subsidiary in exchange for then outstanding options to purchase securities of the Acquired Subsidiary. Such Options may be granted at such option prices, may be exercisable immediately or at any time or times either in whole or in part, and may contain such other provisions not inconsistent with the Plan, or the requirements set forth in Section 19 that certain amendments to the Plan be approved by the stockholders of the Company, as the Committee, in its discretion, shall deem appropriate at the time of the granting of such Options.

18. NO EMPLOYMENT OR SERVICE RIGHT.

Neither the existence of the Plan nor the grant of any Option shall require the Company or any Subsidiary to continue any Participant in the employ of the Company or such Subsidiary or require the Company to continue any Participant as a director of the Company.

19. TERMINATION AND AMENDMENT OF THE PLAN.

The Board may at any time terminate the Plan or make such modifications of the Plan as it shall deem advisable; provided, however, that the Board may not without further approval of the holders of a majority of the shares of the Common Stock present in person or by proxy at any special or annual meeting of the stockholders, increase the number of shares as to which Options may be granted under the Plan (as adjusted in accordance with the provisions of Section 13), or change the manner of determining the option prices, or extend the period during which an Option may be granted or exercised; provided, however, the provisions of the Plan governing the grant of Non-Employee Director’s Formula Options may not be amended except by the vote of a majority of the members of the Board and by the vote of a majority of the members of the Board who are employees of the Company or a Subsidiary and shall not be amended more than once every six months, other than to comport with changes in the Code, the Employee Retirement Income Security Act of 1974 or the Rules of the Securities and Exchange Commission promulgated under Section 16 of the Exchange Act. Except as otherwise provided in Section 13, no termination or amendment of
the Plan may, without the consent of the Participant to whom any Option shall theretofore have been granted, adversely affect the rights of such Participant under such Option.

20. EXPIRATION AND TERMINATION OF THE PLAN.

The Plan shall terminate on August 27, 2006 or at such earlier time as the Board may determine. Options may be granted under the Plan at any time and from time to time prior to its termination. Any Option outstanding under the Plan at the time of the termination of the Plan shall remain in effect until such Option shall have been exercised or shall have expired in accordance with its terms.

CARL SPANA STOCK OPTION AGREEMENT

Palatin Technologies, Inc., a Delaware corporation (the "Company") and Carl Spana ("Optionee") agree:

1. Recitals. As of the date hereof, the Stockholders of the Company approved the grant of a nonqualified stock option to Optionee to purchase 74,196 shares of Palatin Common Stock (as defined in Section 2 below) at an exercise price of $1.00 per share (the "New Option") for the purpose of providing additional compensation to Optionee. This Carl Spana Stock Option Agreement (the "Agreement") sets forth the terms and conditions of such grant, and is effective as of March 24, 1998.
On December 4, 1997, the Board of Directors of the Company adopted, subject to stockholder approval, a resolution whereby certain options previously granted to Optionee (the "Original Options") under plans of RhoMed Incorporated ("RhoMed") would be replaced by the New Option. Upon stockholder approval of the New Option, the Original Options immediately terminated.

2. Definitions. In addition to capitalized terms defined in context, the following capitalized terms have the following meanings in this Agreement:

"Committee" means the Compensation Committee of the Company's Board of Directors, or if the Company's Board of Directors has not established a Compensation Committee, then it is the Company's Board of Directors.
"Employee" means an employee, as determined in accordance with the withholding tax rules under Code section 3401(c), of the Company, its parent, as defined in Code section 424(e), or subsidiary, as defined in Code section 424(f).
"Option Price" means the number of shares of Option Stock as to which the New Option is being exercised, multiplied by the Exercise Price per share.
"Option Stock" means Palatin Common Stock obtained upon exercise of the New Option.
"Palatin Common Stock" means the $.01 par value common stock of the Company, or any other stock issuable upon exercise of the New Option as adjusted pursuant to this Agreement, or as substituted or assumed as permitted by this Agreement.

3. Termination of Original Options. Effective as of March 24, 1998, the following Original Options set forth below at the purchase price indicated are terminated:

<table>
<thead>
<tr>
<th>PLAN</th>
<th>DATE OF GRANT</th>
<th>EXERCISE PRICE (AGGREGATE)</th>
<th>EXERCISE PRICE PER SHARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995 EISOP</td>
<td>6/21/96</td>
<td>73,732.99       $399,999.75        $5.42</td>
<td></td>
</tr>
<tr>
<td>1995 NQSOP</td>
<td>6/21/96</td>
<td>464.84          $2,521.75         $5.42</td>
<td></td>
</tr>
</tbody>
</table>

4. Grant of New Option. Effective as of March 24, 1998, the Company grants a nonqualified stock option to Optionee to purchase 74,196 shares of Palatin Common Stock of the Company at an exercise price of $1.00 per share (the "Exercise Price").

5. Exercisability of New Option. The New Option is immediately exercisable by Optionee as to two-thirds of the total number of shares, with the remaining one-third exercisable on June 21, 1998. The exercisability of the New
Option is cumulative, so that after any portion of the New Option becomes exercisable, that portion will remain exercisable until the Final Expiration Date (as defined in Section 7 below).

6. Exercise of Option; conditions on exercise. If the Company determines that exercise of the New Option or issuance of Option Stock will violate any tax, securities or other law or regulation, then the Optionee may not exercise the New Option until the Company determines that the exercise or issuance will comply with that law or regulation. Otherwise, the Optionee may exercise all or any part of the exercisable portion of the New Option by delivering written notice directed to the Vice President and Chief Financial Officer of the Company at the Company's principal place of business (214 Carnegie Center, Suite 100, Princeton, New Jersey, 08540, or such other address as the Company may specify in writing to the Optionee), stating the number of shares of Option Stock which the Optionee intends to purchase, along with payment in immediately available U.S. funds of the Option Price for the number of shares specified, and the entry by the Optionee into such arrangements with the Company with respect to federal income tax withholding as the Company may reasonably require. The Company will issue and deliver the shares promptly upon exercise. In lieu of issuing fractional shares of Palatin Common Stock, the Company will pay the Optionee cash for any fraction of a share exercised, at the rate of the closing market price per share of Palatin Common Stock on the date of exercise or last date preceding exercise on which Palatin Common Stock was traded, as quoted on any national securities exchange or automated quotation system, including the OTC Electronic Bulletin Board, on which the Palatin Common Stock is traded.

7. Period for exercise of New Option. The New Option will be exercisable until June 21, 2006 (the "Final Expiration Date"), subject to earlier termination as set forth in Section 8 below.

8. Termination of employment and New Option. The granting of the New Option does not grant any right to the Optionee to continue as an Employee. On the date when the Optionee ceases to be an Employee for any reason, the New Option will, to the extent that such New Option is not immediately exercisable, terminate, and to the extent that such New Option is immediately exercisable, terminate upon the earlier of 90 days after the date of termination of employment and the Final Expiration Date.

9. Accelerated exercisability and early expiration of New Option in certain corporate transactions. If the Company enters into an agreement to engage in a transaction to which Code section 424(a) would apply if the Option were an incentive option as defined in Code section 422 and the requirements of Code sections 424(a)(1) and 424(a)(2) were met, and no corporation either substitutes a new option for or assumes the New Option, or agrees in writing to do so upon consummation of the transaction, then thirty days before the agreed date of consummation of the transaction, the New Option will become exercisable as to the entire amount of Option Stock and will expire on the earlier of (i) consummation of the transaction or (ii) the New Option's original expiration date. The Committee will give the Optionee written notice of the accelerated
exercisability and potential early expiration of the New Option at least thirty days before its potential early expiration date.

10. Changes in Stock. If the Company’s stockholders approve an amendment to the Company’s certificate of incorporation which effects a change in the Palatin Common Stock or rights of Palatin Common Stock holders, or an exchange, recategorization or cancellation of the Palatin Common Stock or rights of Palatin Common Stock holders, then the Committee will immediately adjust the amount and/or class of Option Stock and/or the Option Price so that the New Option will be exercisable at the same aggregate curities which the Optionee would have been entitled to receive had the Optionee exercised the New Option in full before the amendment.

11. Transferability of New Option and Option Stock. The New Option is not transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the Optionee's lifetime, only by the Optionee. The Company may restrict transferability of Option Stock issued upon exercise, in order to comply, in the Company’s judgment, with federal and state securities laws and/or the requirements of any stock exchange on which the Palatin Common Stock is then traded.

12. Purchase for investment and withholding. Unless the Option Shares to be issued upon the exercise of the New Option shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, the Optionee will, as a condition of the Company's obligation to issue such Option Shares, be required to give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in connection with, the distribution of any thereof.

13. Stockholder rights. Neither the Optionee nor the Optionee's successor has any of the rights of a stockholder of the Company, with respect to any Option Stock, until the Company has received payment in full of the Option Price for that Option Stock upon exercise.

14. Miscellaneous. This Agreement benefits and is binding on the parties, their successors and assigns, represents the entire agreement of the parties as to its subject matter, may be modified only in writing signed by the parties (except as permitted under paragraph 10 of this Agreement), and is governed by the laws of the state of Delaware.

Dated as of March 24, 1998.

Palatin Technologies, Inc.                    Optionee:

by ___________________________                      ___________________________
Stephen T. Wills                      Carl Spana
Vice President and                          
Chief Financial Officer
CHARLES L. PUTNAM STOCK OPTION AGREEMENT

Palatin Technologies, Inc., a Delaware corporation (the "Company") and Charles L. Putnam ("Optionee") agree:

1. Recitals. As of the date hereof, the Stockholders of the Company approved the grant of a nonqualified stock option to Optionee to purchase 74,196 shares of Palatin Common Stock (as defined in Section 2 below) at an exercise price of $1.00 per share (the "New Option") for the purpose of providing additional compensation to Optionee. This Charles L. Putnam Stock Option Agreement (the "Agreement") sets forth the terms and conditions of such grant, and is effective as of March 24, 1998.

On December 4, 1997, the Board of Directors of the Company adopted, subject to stockholder approval, a resolution whereby certain options previously granted to Optionee (the "Original Options") under plans of RhoMed Incorporated ("RhoMed") would be replaced by the New Option. Upon stockholder approval of the New Option, the Original Options immediately terminated.

2. Definitions. In addition to capitalized terms defined in context, the following capitalized terms have the following meanings in this Agreement:

"Committee" means the Compensation Committee of the Company's Board of Directors, or if the Company's Board of Directors has not established a Compensation Committee, then it is the Company's Board of Directors.
"Employee" means an employee, as determined in accordance with the withholding tax rules under Code section 3401(c), of the Company, its parent, as defined in Code section 424(e), or subsidiary, as defined in Code section 424(f).
"Option Price" means the number of shares of Option Stock as to which the New Option is being exercised, multiplied by the Exercise Price per share.
"Option Stock" means Palatin Common Stock obtained upon exercise of the New Option.
"Palatin Common Stock" means the $.01 par value common stock of the Company, or any other stock issuable upon exercise of the New Option as adjusted pursuant to this Agreement, or as substituted or assumed as permitted by this Agreement.
3. Termination of Original Options. Effective as of March 24, 1998, the following Original Options set forth below at the purchase price indicated are terminated:

<table>
<thead>
<tr>
<th>PLAN</th>
<th>DATE OF GRANT</th>
<th>OPTION STOCK</th>
<th>EXERCISE PRICE (AGGREGATE)</th>
<th>EXERCISE PRICE (PER SHARE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995 EISOP</td>
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<td>73,732.99</td>
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<td>$5.42</td>
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<td>6/21/96</td>
<td>464.84</td>
<td>$2,521.75</td>
<td>$5.42</td>
</tr>
</tbody>
</table>

4. Grant of New Option. Effective as of March 24, 1998, the Company grants a nonqualified stock option to Optionee to purchase 74,196 shares of Palatin Common Stock of the Company at an exercise price of $1.00 per share (the “Exercise Price”).

5. Exercisability of New Option. The New Option is immediately exercisable by Optionee as to one-third of the total number of shares, with an additional one-third exercisable on June 21, 1998 and the remaining one-third exercisable on June 21, 1999. The exercisability of the New Option is cumulative, so that after any portion of the New Option becomes exercisable, that portion will remain exercisable until the Final Expiration Date (as defined in Section 7 below).

6. Exercise of Option; conditions on exercise. If the Company determines that exercise of the New Option or issuance of Option Stock will violate any tax, securities or other law or regulation, then the Optionee may not exercise the New Option until the Company determines that the exercise or issuance will comply with that law or regulation. Otherwise, the Optionee may exercise all or any part of the exercisable portion of the New Option by delivering written notice directed to the Vice President and Chief Financial Officer of the Company at the Company’s principal place of business (214 Carnegie Center, Suite 100, Princeton, New Jersey, 08540, or such other address as the Company may specify in writing to the Optionee), stating the number of shares of Option Stock which the Optionee intends to purchase, along with payment in immediately available U.S. funds of the Option Price for the number of shares specified, and the entry by the Optionee into such arrangements with the Company with respect to federal income tax withholding as the Company may reasonably require. The Company will issue and deliver the shares promptly upon exercise. In lieu of issuing fractional shares of Palatin Common Stock, the Company will pay the Optionee cash for any fraction of a share exercised, at the rate of the closing market price per share of Palatin Common Stock on the date of exercise or last date preceding exercise on which Palatin Common Stock was traded, as quoted on any national securities exchange or automated quotation system, including the OTC Electronic Bulletin Board, on which the Palatin Common Stock is traded.

7. Period for exercise of New Option. The New Option will be exercisable
8. Termination of employment and New Option. The granting of the New Option does not grant any right to the Optionee to continue as an Employee. On the date when the Optionee ceases to be an Employee for any reason, the New Option will, to the extent that such New Option is not immediately exercisable, terminate, and to the extent that such New Option is immediately exercisable, terminate upon the earlier of 90 days after the date of termination of employment and the Final Expiration Date.

9. Accelerated exercisability and early expiration of New Option in certain corporate transactions. If the Company enters into an agreement to engage in a transaction to which Code section 424(a) would apply if the Option were an incentive option as defined in Code section 422 and the requirements of Code sections 424(a)(1) and 424(a)(2) were met, and no corporation either substitutes a new option for or assumes the New Option, or agrees in writing to do so upon consummation of the transaction, then thirty days before the agreed date of consummation of the transaction, the New Option will become exercisable as to the entire amount of Option Stock and will expire on the earlier of (i) consummation of the transaction or (ii) the New Option's original expiration date. The Committee will give the Optionee written notice of the accelerated exercisability and potential early expiration of the New Option at least thirty days before its potential early expiration date.

10. Changes in Stock. If the Company's stockholders approve an amendment to the Company's certificate of incorporation which effects a change in the Palatin Common Stock or rights of Palatin Common Stock holders, or an exchange, reclassification or cancellation of the Palatin Common Stock or rights of Palatin Common Stock holders, then the Committee will immediately adjust the amount and/or class of Option Stock and/or the Option Price so that the New Option will be exercisable at the same aggregate curities which the Optionee would have been entitled to receive had the Optionee exercised the New Option in full before the amendment.

11. Transferability of New Option and Option Stock. The New Option is not transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the Optionee's lifetime, only by the Optionee. The Company may restrict transferability of Option Stock issued upon exercise, in order to comply, in the Company's judgment, with federal and state securities laws and/or the requirements of any stock exchange on which the Palatin Common Stock is then traded.

12. Purchase for investment and withholding. Unless the Option Shares to be issued upon the exercise of the New Option shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, the Optionee will, as a condition of the Company's obligation to issue such Option Shares, be required to give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in
13. Stockholder rights. Neither the Optionee nor the Optionee's successor has any of the rights of a stockholder of the Company, with respect to any Option Stock, until the Company has received payment in full of the Option Price for that Option Stock upon exercise.

14. Miscellaneous. This Agreement benefits and is binding on the parties, their successors and assigns, represents the entire agreement of the parties as to its subject matter, may be modified only in writing signed by the parties (except as permitted under paragraph 10 of this Agreement), and is governed by the laws of the state of Delaware.

Dated as of March 24, 1998.

Palatin Technologies, Inc.          Optionee:  

by ___________________________      ___________________________
    Stephen T. Wills                Charles L. Putnam
    Vice President and
    Chief Financial Officer

EX-4.17
RICHARD J. MURPHY STOCK OPTION AGREEMENT
compensation of $12,000 per annum due Optionee as a non-employee director for services as such, and in replacement of options heretofore granted to Optionee pursuant to the Company's 1996 Stock Option Plan which, by the terms thereof, had terminated following his resignation as a director, and to be in satisfaction of all such amounts as are due and owing Richard J. Murphy for services as a director of the Corporation. This Richard J. Murphy Stock Option Agreement (the "Option Agreement") sets forth the terms and conditions of such grant, and is effective as of December 4, 1997.

2. Definitions. In addition to capitalized terms defined in context, the following capitalized terms have the following meanings in this Agreement:


"Committee" means the Compensation Committee of the Company's Board of Directors, or if the Company's Board of Directors has not established a Compensation Committee, then it is the Company's Board of Directors.

"Option Price" means the number of shares of Option Stock as to which the Option is being exercised, multiplied by the Exercise Price per share.

"Option Stock" means Palatin Common Stock obtained upon exercise of the Option.

"Palatin Common Stock" means the $.01 par value common stock of the Company, or any other stock issuable upon exercise of the Option as adjusted pursuant to this Agreement, or as substituted or assumed as permitted by this Agreement.

3. Grant of Option. Effective as of December 4, 1997, the Company grants a nonqualified stock option to Optionee to purchase 5,000 shares of Palatin Common Stock at a per share price of $5.44 and 1,066 shares of Palatin Common Stock at a per share price of $7.50 (such grant collectively the "Option," and each such price an "Exercise Price").

4. Exercisability of Option. The Option is immediately exercisable by Optionee.

5. Exercise of Option; conditions on exercise. If the Company determines that exercise of the Option or issuance of Option Stock will violate any tax, securities or other law or regulation, then the Optionee may not exercise the Option until the Company determines that the exercise or issuance will comply with that law or regulation. Otherwise, the Optionee may exercise all or any part of the Option by delivering written notice directed to the Vice President and Chief Financial Officer of the Company at the Company's principal place of business (214 Carnegie Center, Suite 100, Princeton, New Jersey, 08540, or such other address as the Company may specify in writing to the Optionee), stating the number of shares of Option Stock which the Optionee intends to purchase, along with payment in immediately available U.S. funds of the Option Price for the number of shares specified, and the entry by the Optionee into such arrangements with the Company with respect to federal income tax withholding as the Company may reasonably require. The Company will issue and deliver the shares promptly upon exercise. In lieu of issuing fractional shares of Palatin
Common Stock, the Company will pay the Optionee cash for any fraction of a share exercised, at the rate of the closing market price per share of Palatin Common Stock on the date of exercise or last date preceding exercise on which Palatin Common Stock was traded, as quoted on any national securities exchange or automated quotation system, including the OTC Electronic Bulletin Board, on which the Palatin Common Stock is traded.

6. Period for exercise of Option. The Option will be exercisable until December 4, 2007 (the "Final Expiration Date").

7. Early expiration of Option in certain corporate transactions. If the Company enters into an agreement to engage in a transaction to which Code section 424(a) would apply if the Option were an incentive option as defined in Code section 422 and the requirements rporation either substitutes a Option for or assumes the Option, or agrees in writing to do so upon consummation of the transaction, then the Option will expire on the earlier of (i) consummation of the transaction or (ii) the Option's original expiration date. The Committee will give the Optionee written notice of potential early expiration of the Option at least thirty days before its potential early expiration date.

8. Changes in Stock. If the Company’s stockholders approve an amendment to the Company’s certificate of incorporation which effects a change in the Palatin Common Stock or rights of Palatin Common Stock holders, or an exchange, reclassification or cancellation of the Palatin Common Stock or rights of Palatin Common Stock holders, then the Committee will immediately adjust the amount and/or class of Option Stock and/or the Option Price so that the Option will be exercisable at the same aggregate price as before the amendment, for the kind and number of securities which the Optionee would have been entitled to receive had the Optionee exercised the Option in full before the amendment.

9. Transferability of Option and Option Stock. The Option is not transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the Optionee’s lifetime, only by the Optionee. The Company may restrict transferability of Option Stock issued upon exercise, in order to comply, in the Company’s judgment, with federal and state securities laws and/or the requirements of any stock exchange on which the Palatin Common Stock is then traded.

10. Stockholder rights. Neither the Optionee nor the Optionee's successor has any of the rights of a stockholder of the Company, with respect to any Option Stock, until the Company has received payment in full of the Option Price for that Option Stock upon exercise.

11. Purchase for investment and withholding. Unless the Option Shares to be issued upon the exercise of the Option shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, the Optionee will, as a condition of the Company’s obligation to issue such Option Shares, be required to give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in
connection with, the distribution of any thereof.

12. Miscellaneous. This Agreement benefits and is binding on the parties, their successors and assigns, represents the entire agreement of the parties as to its subject matter, may be modified only in writing signed by the parties (except as permitted under paragraph 8 of this Agreement), and is governed by the laws of the state of Delaware.

Dated as of December 4, 1997.

Palatin Technologies, Inc. Optionee:

by ____________________________ ____________________________

Stephen T. Wills Richard J. Murphy
Vice President and Chief Financial Officer

1997 EXECUTIVE OFFICERS STOCK OPTION AGREEMENT

Palatin Technologies, Inc., a Delaware corporation (the "Company") and Edward J. Quilty, Carl Spana and Charles L. Putnam (each individually an "Optionee" and together the "Optionees") agree:

1. Recitals. As of the date hereof, the Board of Directors of the Company approved the grant of nonqualified stock options (each individually an "Option" and together the "Options") to Optionees to purchase Palatin Common Stock (as defined in Section 2 below), for the purpose of providing additional compensation to Optionees and to induce Optionees, who are key executive officers of the Company, to remain in the employ and service of the Company. This 1997 Executive Officers Stock Option Agreement (the "Agreement") sets forth the terms and conditions of the grant of the Options, and is effective as of June 3, 1997.

2. Definitions. In addition to capitalized terms defined in context, the following capitalized terms have the following meanings in this Agreement:

"Committee" means the Compensation Committee of the Company's Board of
Directors, or if the Company's Board of Directors has not established a Compensation Committee, then it is the Company's Board of Directors. "Employee" means an employee or consultant of the Company or its present or future subsidiaries (the "Subsidiaries"). "Option Price" means the number of shares of Option Stock as to which an Option is being exercised, multiplied by the Exercise Price per share. "Option Stock" means Palatin Common Stock obtained upon exercise of an Option. "Palatin Common Stock" means the $.01 par value common stock of the Company, or any other stock issuable upon exercise of the Option as adjusted pursuant to this Agreement, or as substituted or assumed as permitted by this Agreement.

3. Grant of Options. Effective as of June 3, 1997, the Company grants nonqualified stock options as follows:

<table>
<thead>
<tr>
<th>OPTIONEE</th>
<th>NUMBER OF SHARES</th>
<th>EXERCISE PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edward J. Quilty</td>
<td>49,472</td>
<td>$4.96</td>
</tr>
<tr>
<td>Carl Spana</td>
<td>26,766</td>
<td>$4.96</td>
</tr>
<tr>
<td>Charles L. Putnam</td>
<td>26,766</td>
<td>$4.96</td>
</tr>
</tbody>
</table>

The foregoing number of shares of Palatin Common Stock and exercise price per share are stated after giving effect to the 1-for-4 reverse split of Palatin Common Stock effected on September 5, 1997.

4. Exercisability of Options. The Option is exercisable by each Optionee as follows:

Edward J. Quilty     In 17 equal monthly installments on the 16th day of each month following July 1, 1997

Carl Spana           As to one-third of the total number of shares on July 1, 1997, with an additional one-third exercisable on July 1, 1998 and the remaining one-third exercisable on July 1, 1999

Charles L. Putnam    As to one-third of the total number of shares on July 1, 1997, with an additional one-third exercisable on July 1, 1998 and the remaining one-third exercisable on July 1, 1999

The exercisability of each Option is cumulative, so that after any portion of an
Option becomes exercisable, that portion will remain exercisable until the Final Expiration Date (as defined in Section 6 below).

5. Exercise of Option; conditions on exercise. If the Company determines that exercise of an Option or issuance of Option Stock will violate any tax, securities or other law or regulation, then the Optionee may not exercise the Option until the Company determines that the exercise or issuance will comply with that law or regulation. Otherwise, the Optionee may exercise all or any part of the exercisable portion of an Option by delivering written notice directed to the Vice President and Chief Financial Officer of the Company at the Company's principal place of business (214 Carnegie Center, Suite 100, Princeton, New Jersey, 08540, or such other address as the Company may specify in writing to the Optionee), stating the number of shares of Option Stock which the Optionee intends to purchase, along with payment in immediately available U.S. funds of the Option Price for the number of shares specified, and the entry by the Optionee into such arrangements with the Company with respect to federal income tax withholding as the Company may reasonably require. The Company will issue and deliver the shares of Option Stock promptly upon exercise. In lieu of issuing fractional shares of Palatin Common Stock, the Company will pay the Optionee cash for any fraction of a share exercised, at the rate of the closing market price per share of Palatin Common Stock on the date of exercise or last date preceding exercise on which Palatin Common Stock was traded, as quoted on any national securities exchange or automated quotation system, including the OTC Electronic Bulletin Board, on which the Palatin Common Stock is traded.

6. Period for exercise of Options. Each Option will be exercisable until June 3, 2007 (the "Final Expiration Date"), subject to earlier termination as set forth in Section 7 below.

7. Termination of employment and Option. A. In the event an Optionee leaves the employ of the Company and the Subsidiaries or ceases to serve as a consultant to the Company, whether voluntarily or otherwise, each Option theretofore granted to him which shall not have theretofore expired or otherwise been canceled shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of 90 days after the date of such Optionee's termination of employment or service and the Final Expiration Date. Notwithstanding the foregoing, if a Optionee's employment by the Company and the Subsidiaries or service as a consultant is terminated for "cause" (as defined herein), each Option theretofore granted to him which shall not have theretofore expired or otherwise been canceled shall, to the extent not theretofore exercised, terminate upon the earlier to occur of the expiration of 90 days after the date of such Optionee's termination of employment or service and the Final Expiration Date.

B. For purposes of the foregoing, the term "cause" shall mean: (i) the commission by an Optionee of any act or omission that would constitute a crime under federal, state or equivalent foreign law, (ii) the commission by an Optionee of any act of moral turpitude, (iii) fraud, dishonesty or other acts or omissions that result in a breach of any fiduciary or other material duty to the Company and/or the Subsidiaries or (iv) continued alcohol or other substance abuse that renders an Optionee incapable of performing his material duties to
8. Adjustment of Number of Shares. A. In the event that a dividend shall be declared upon the Palatin Common Stock, payable in shares of Palatin Common Stock, the number of shares of Palatin Common Stock then subject to any Option shall be adjusted by adding to each share the number of shares which would be distributable thereon if such shares had been outstanding on the date fixed for determining the stockholders entitled to receive such stock dividend. In the event that the outstanding shares of Palatin Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, sale of assets, merger or consolidation in which the Company is the surviving corporation, then there shall be substituted for each share of Palatin Common Stock then subject to any Option the number and kind of shares of stock or other securities into which each outstanding share of Palatin Common Stock shall be so changed or for which each such share shall be exchanged.

B. In the event that there shall be any change, other than as specified in this section, in the number or kind of outstanding shares of Palatin Common Stock, or of any stock or other securities into which Palatin Common Stock shall have been changed, or for which it shall have been exchanged, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the number or kind of shares then subject to any Option, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.

C. No adjustment or substitution provided for in this section shall require the Company to sell a fractional share.

D. In the event of the dissolution or liquidation of the Company, or a merger, reorganization or consolidation in which the Company is not the surviving corporation, then, except as otherwise provided in the second sentence of subsection A above, each Option, to the extent not theretofore exercised, shall terminate forthwith.

9. Transferability of Option and Option Stock. The Option is not transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the Optionee's lifetime, only by the Optionee. The Company may restrict transferability of Option Stock issued upon exercise, in order to comply, in the Company's judgment, with federal and state securities laws and/or the requirements of any stock exchange on which the Palatin Common Stock is then traded.

10. Purchase for investment and withholding. Unless the Option Shares to be issued upon the exercise of the Option shall be registered prior to the issuance thereof under the Securities Act of 1933, as amended, the Optionee will, as a condition of the Company's obligation to issue such Option Shares, be required to give a representation in writing that he is acquiring such shares for his own account as an investment and not with a view to, or for sale in
connection with, the distribution of any thereof.

11. Stockholder rights. Neither the Optionee nor the Optionee's successor has any of the rights of a stockholder of the Company, with respect to any Option Stock, until the Company has received payment in full of the Option Price for that Option Stock upon exercise.

12. Miscellaneous. This Agreement benefits and is binding on the parties, their successors and assigns, represents the entire agreement of the parties as to its subject matter, may be modified only in writing signed by the parties (except as permitted under Section 8 of this Agreement), and is governed by the laws of the state of Delaware.

Dated as of June 3, 1997.

Palatin Technologies, Inc.                        Optionee:

by___________________________                     ___________________________
     Stephen T. Wills                          Edward J. Quilty
     Vice President and                          Chief Financial Officer
     _____________________________
     Carl Spana

     _____________________________
     Charles L. Putnam

EX-5.1
9
OPINION OF COUNSEL

[Letterhead of Rubin Baum Levin Constant & Friedman]

June 17, 1998

BY MAIL

Palatin Technologies, Inc.
214 Carnegie Center, Suite 100
Princeton, NJ 08540
Ladies and Gentlemen:

We have acted as counsel to Palatin Technologies, Inc., a Delaware corporation (the "Company"), in connection with the preparation of its Registration Statement on Form S-8 under the Securities Act of 1933, as amended, to be filed with the Securities and Exchange Commission (the "Registration Statement"), to which this opinion is to be filed as an exhibit. The Registration Statement relates to the issuance of up to an aggregate of 1,271,341 shares (the "Shares") of the Company's common stock, par value $.01 per share ("Common Stock"), pursuant to stock options granted or which may be granted under the following employee benefit plans (the "Plans"):

(1) RhoMed Incorporated 1987 Employee Incentive Stock Option Plan;
(2) RhoMed Incorporated 1987 Nonqualified Stock Option Plan;
(3) RhoMed Incorporated 1995 Employee Incentive Stock Option Plan;
(4) RhoMed Incorporated 1995 Nonqualified Stock Option Plan;
(5) Palatin Technologies, Inc. 1996 Stock Option Plan;
(6) Edward J. Quilty Employment Agreement;
(7) Carl Spana Stock Option Agreement;
(8) Charles L. Putnam Stock Option Agreement;
(9) Richard J. Murphy Stock Option Agreement; and
(10) 1997 Executive Officers Stock Option Agreement.

Based solely on the foregoing, and having regard for such legal considerations as we deem relevant, we are of the opinion that the Shares have been duly authorized for issuance under the Plans, and the Shares, when issued and paid for in accordance with the terms and conditions of the Plans, against payment therefor, will be legally issued, fully paid and nonassessable. This opinion is limited to matters of Federal and Delaware law, and we make no representations as to the effect of the laws of other jurisdictions.

We hereby consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission thereunder. Reference is made to the section of the Registration Statement entitled "Interests of Named Experts and Counsel" for a description of ownership of the Company's securities by certain attorneys of this firm.

Very truly yours
CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this registration statement of our report dated August 20, 1997 included in Palatin Technologies, Inc.’s Form 10-KSB for the year ended June 30, 1997 and to all references to our firm included in this registration statement.

Philadelphia, Pa.,
June 17, 1998

- -----END PRIVACY-ENHANCED MESSAGE----- -----END PRIVACY-ENHANCED MESSAGE-----