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

FORM 10-KSB/A
Amendment No. 1

[X]  ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 FOR THE FISCAL YEAR ENDED JUNE 30, 1998

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Commission file number 0-22686

PALATIN TECHNOLOGIES, INC.
(Name of small business issuer in its charter)

DELAWARE 95-4078884
(State or other jurisdiction of incorporation or organization)

214 CARNEGIE CENTER - SUITE 100
PRINCETON, NEW JERSEY 08540
Issuer telephone number: (609) 520-1911

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

COMMON STOCK, PAR VALUE $.01 PER SHARE
(Title of class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or by any amendment to this Form 10-KSB. [ ]

The issuer's revenues for the period ended June 30, 1998 were $33,967.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of September 17, 1998, was $12,636,874.

As of September 17, 1998, 4,577,300 shares of the registrant's common stock, par value $.01 per share, were outstanding.

Documents incorporated by reference: None.

Transitional Small Business Disclosure Format: Yes [] No [X]

The undersigned Registrant hereby amends Item 11 of its Annual Report on Form 10-KSB for the fiscal year ended June 30, 1998 as set forth below:

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Set forth below is information, as of September 17, 1998, concerning the stock ownership and voting power of all persons (or groups of persons) known by the Company to be the beneficial owners of more than five percent of the Common Stock or Series A Preferred Stock, each director of the Company, each of the executive officers included in the Summary Compensation Table and all directors and executive officers of the Company as a group.
<table>
<thead>
<tr>
<th>CLASS</th>
<th>TITLE OF</th>
<th>AMOUNT AND NATURE</th>
<th>PERCENT OF CLASS</th>
<th>VOTING POWER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NAME OF BENEFICIAL OWNER (1)</td>
<td>OWNERSHIP (2)(3)</td>
<td>Ownership (2)(3)</td>
<td>Class</td>
</tr>
<tr>
<td></td>
<td>Edward J. Quilty</td>
<td>364,154(4)</td>
<td>7.4%</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>Carl Spana, Ph.D.</td>
<td>118,713(5)</td>
<td>2.5%</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>Charles L. Putnam</td>
<td>82,308(6)</td>
<td>1.8%</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>Michael S. Weiss</td>
<td>52,914(7)</td>
<td>1.1%</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>James T. O’Brien</td>
<td>11,981(8)</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>John K.A. Prendergast, Ph.D.</td>
<td>61,672(9)</td>
<td>1.3%</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>Robert G. Moussa</td>
<td>2,133(10)</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Common</td>
<td>Lindsay A. Rosenwald, M.D.(11)</td>
<td>1,118,475(12)</td>
<td>22.3%</td>
<td>14.2%</td>
</tr>
<tr>
<td>Common</td>
<td>RAQ, LLC(11)</td>
<td>358,245(13)</td>
<td>7.8%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Common</td>
<td>Paramount Capital Asset Management, Inc.(11)</td>
<td>606,547(14)</td>
<td>12.5%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Common</td>
<td>The Aries Trust, a Cayman Islands trust(15)</td>
<td>414,425(16)</td>
<td>8.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Common</td>
<td>Aries Domestic Fund, L.P.(11)</td>
<td>192,454(17)</td>
<td>4.1%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Common</td>
<td>Essex Woodlands Health Ventures, L.P. Fund III(18)</td>
<td>309,278</td>
<td>6.8%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Common</td>
<td>TheraTech, Inc.(19)</td>
<td>363,636</td>
<td>7.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Series A</td>
<td>Michael S. Weiss</td>
<td>770(7)</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A</td>
<td>Lindsay A. Rosenwald, M.D.(11)</td>
<td>15,079(20)</td>
<td>18.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Preferred</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Series A</td>
<td>Paramount Capital Asset Management, Inc.(11)</td>
<td>11,090(21)</td>
<td>13.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Preferred</td>
<td>All directors and executive officers as a group</td>
<td>745,958(22)</td>
<td>14.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td></td>
<td>(eight (8) persons)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Less than one percent.

(1) The address for all beneficial owners is c/o Palatin Technologies, Inc., 214 Carnegie Center, Suite 100, Princeton, NJ 08540 unless otherwise noted.

(2) With respect to Common Stock, this column includes shares of Common Stock.
Stock issuable upon conversion of Series A Preferred Stock. With respect to both Common Stock and Series A Preferred Stock, this column includes shares of Common Stock or Series A Preferred Stock issuable upon exercise of options or warrants currently exercisable or exercisable within 60 days following September 17, 1998. Beneficial ownership includes direct or indirect voting or investment power. All shares listed in the table are beneficially owned and sole voting and investment power is held by the persons named, except as otherwise noted. Beneficial ownership assumes no adjustment within the next 60 days due to anti-dilution, price protection or conversion price adjustment provisions of any convertible security issued by the Company, including without limitation outstanding warrants and Series A Preferred Stock, as a result of the issuance or sale of securities of the Company on or after the date hereof.

(3) The Common Stock has one vote for each share and the Series A Preferred Stock has approximately 20.5 votes for each share, subject to adjustment upon the occurrence of certain events. Voting power is calculated based on the aggregate of Common Stock and Series A Preferred Stock outstanding as of September 17, 1998. On September 17, 1998 there were 4,577,300 shares of Common Stock outstanding and 82,796 shares of Series A Preferred Stock outstanding, entitled to a maximum of 1,700,123 votes in the aggregate. In the case of Series A Preferred Stock voting separately as a class, voting power is equal to the percent of the class owned.

(4) Includes (i) 59,898 shares of Common Stock issuable upon exercise of options granted pursuant to RhoMed’s 1995 Employee Incentive Stock Option Plan, of which options with respect to 53,908 shares of Common Stock are currently exercisable and options with respect to 5,990 shares of Common Stock will become exercisable within 60 days following September 17, 1998; (ii) 30,000 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan; (iii) 176,866 shares of Common Stock issuable upon exercise of anti-dilution options granted by the Company, of which options with respect to 156,831 shares of Common Stock are currently exercisable and options with respect to 20,035 shares of Common Stock will become exercisable within 60 days following September 17, 1998; and (iv) 49,472 shares of Common Stock issuable upon exercise of options granted pursuant to the 1997 Executive Officers Stock Option Agreement, of which options with respect to 43,651 shares of Common Stock are currently exercisable and options with respect to 5,821 shares of Common Stock will become exercisable within 60 days following September 17, 1998.

(5) Includes (i) 74,196 shares of Common Stock issuable upon exercise of currently exercisable options granted pursuant to the Carl Spana Stock Option Agreement; (ii) 15,000 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan; and (iii) 17,844 shares of Common Stock issuable upon exercise of options granted pursuant to the 1997 Executive Officers Stock Option Agreement. Does not include 8,922 shares of Common Stock issuable upon exercise of options not exercisable within 60 days following September 17, 1998.

(6) Includes (i) 49,464 shares of Common Stock issuable upon exercise of currently exercisable options granted pursuant to the Charles L. Putnam Stock Option Agreement; (ii) 15,000 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan; and (iii) 17,844 shares of Common Stock issuable upon
(7) Includes (i) 12,196 shares of Common Stock issuable upon exercise of currently exercisable warrants; (ii) 15,812 shares of Common Stock issuable upon conversion of 770 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants; and (iii) 11,981 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan, of which options with respect to 11,270 shares of Common Stock are currently exercisable and options with respect to 711 shares of Common Stock will become exercisable within 60 days following September 17, 1998. Does not include 18,213 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan not exercisable within 60 days following September 17, 1998.

(8) Represents 11,981 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan, of which options with respect to 11,270 shares of Common Stock are currently exercisable and options with respect to 711 shares of Common Stock will become exercisable within 60 days following September 17, 1998. Does not include 18,213 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan not exercisable within 60 days following September 17, 1998.

(9) Includes (i) 45,833 shares of Common Stock issuable upon exercise of options granted to Summercloud pursuant to the 1996 Stock Option Plan, of which options with respect to 37,500 shares of Common Stock are currently exercisable and options with respect to 8,333 shares of Common Stock will become exercisable within 60 days following September 17, 1998; and (ii) 4,166 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan. Does not include 21,668 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan not exercisable within 60 days following September 17, 1998, of which 4,167 shares of Common Stock are issuable upon exercise of options granted to Summercloud.

(10) Represents 2,133 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan, of which options with respect to 1,422 shares of Common Stock are currently exercisable and options with respect to 711 shares of Common Stock will become exercisable within 60 days following September 17, 1998. Does not include 10,711 shares of Common Stock issuable upon exercise of options granted pursuant to the 1996 Stock Option Plan not exercisable within 60 days following September 17, 1998.

(11) Address is c/o Paramount Capital, Inc., 787 Seventh Avenue, New York, NY 10019.

(12) Includes (i) 69,592 shares of Common Stock issuable upon exercise of currently exercisable warrants held by Dr. Rosenwald; (ii) 83,759 shares of Common Stock issuable upon conversion of 4,079 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by Dr. Rosenwald; (iii) 358,245 shares of
Common Stock owned by RAQ, LLC, of which Dr. Rosenwald is President; (iv) 232,734 shares of Common Stock outstanding and 133,470 shares of Common Stock issuable upon conversion of 6,500 shares of Series A Preferred Stock, owned by The Aries Trust, a Cayman Islands trust ("The Aries Trust"); (v) 93,189 shares of Common Stock outstanding and 71,868 shares of Common Stock issuable upon conversion of 3,500 shares of Series A Preferred Stock, owned by Aries Domestic Fund, L.P. ("Aries Domestic Fund"); (vi) 20,211 shares of Common Stock issuable upon exercise of currently exercisable warrants held by Aries Domestic Fund; (vii) 34,874 shares of Common Stock issuable upon exercise of currently exercisable warrants held by The Aries Trust; (viii) 7,186 shares of Common Stock issuable upon conversion of 350 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by Aries Domestic Fund; and (ix) 13,347 shares of Common Stock issuable upon conversion of 650 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by The Aries Trust. Dr. Rosenwald shares voting and investment power as to the foregoing shares. Dr. Rosenwald is the Chairman of the Board and sole stockholder of Paramount Capital and is the President, Chairman of the Board and sole shareholder of Paramount Capital Asset Management, Inc., the general partner of Aries Domestic Fund and the investment manager of The Aries Trust. Paramount Capital Asset Management, Inc. and Dr. Rosenwald disclaim beneficial ownership of the securities held by Aries Domestic Fund and The Aries Trust, except to the extent of their pecuniary interest therein, if any. Does not include any shares of Common Stock owned or issuable upon exercise of currently exercisable warrants by employees of Paramount Capital or Paramount Capital Investments of which Dr. Rosenwald is the Chairman of the Board and President.

(13) RAQ, LLC shares voting and investment power as to these shares. All of the shares of Common Stock owned by RAQ, LLC are also included in the beneficial ownership of Lindsay A. Rosenwald, M.D., as explained in note (12) above.

(14) Includes (i) 232,734 shares of Common Stock outstanding and 133,470 shares of Common Stock issuable upon conversion of 6,500 shares of Series A Preferred Stock, owned by The Aries Trust; (ii) 93,189 shares of Common Stock outstanding and 71,868 shares of Common Stock issuable upon conversion of 3,500 shares of Series A Preferred Stock, owned by Aries Domestic Fund; (iii) 20,211 shares of Common Stock issuable upon exercise of currently exercisable warrants held by Aries Domestic Fund; (iv) 34,874 shares of Common Stock issuable upon exercise of currently exercisable warrants held by The Aries Trust; (v) 7,186 shares of Common Stock issuable upon conversion of 350 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by Aries Domestic Fund; and (vi) 13,347 shares of Common Stock issuable upon conversion of 650 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by The Aries Trust. Dr. Rosenwald and Paramount Capital Asset Management, Inc. share voting and investment power as to the foregoing shares. Paramount Capital Asset Management,
Inc. and Dr. Rosenwald disclaim beneficial ownership of the securities held by Aries Domestic Fund and The Aries Trust, except to the extent of their pecuniary interest therein, if any. All of the shares owned or purchasable by Paramount Capital Asset Management, Inc. are also included in the beneficial ownership of Lindsay A. Rosenwald, M.D., as explained in note (12) above.

(15) Address is c/o MeesPierson (Cayman) Limited, P.O. Box 2003, British American Centre, Phase 3, Dr. Roy’s Drive, George Town, Grand Cayman.

(16) Includes (i) 133,470 shares of Common Stock issuable upon conversion of 6,500 shares of Series A Preferred Stock; (ii) 34,874 shares of Common Stock issuable upon exercise of currently exercisable warrants; and (iii) 13,347 shares of Common Stock issuable upon conversion of 650 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants. The Aries Trust shares voting and investment power as to the foregoing shares. All of the shares owned or purchasable by The Aries Trust are also included in the beneficial ownership of Lindsay A. Rosenwald, M.D. and of Paramount Capital Asset Management, Inc., as explained in notes (12) and (14) above.

(17) Includes (i) 71,868 shares of Common Stock issuable upon conversion of 3,500 shares of Series A Preferred Stock; (ii) 20,211 shares of Common Stock issuable upon exercise of currently exercisable warrants; and (iii) 7,186 shares of Common Stock issuable upon conversion of 350 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants. Aries Domestic Fund shares voting and investment power as to the foregoing shares. All of the shares owned or purchasable by Aries Domestic Fund are also included in the beneficial ownership of Lindsay A. Rosenwald, M.D. and of Paramount Capital Asset Management, Inc., as explained in notes (12) and (14) above.

(18) Address is 2170 Buckthorne, Suite 170, The Woodlands, TX 77380.

(19) Address is 417 Wakara Way, Salt Lake City, UT 84198.

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(20) Includes (i) 6,500 shares of Series A Preferred Stock owned by The Aries Trust; (ii) 3,500 shares of Series A Preferred Stock owned by Aries Domestic Fund; (iii) 650 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by The Aries Trust; and (iv) 350 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by Aries Domestic Fund. Dr. Rosenwald shares voting and investment power as to the foregoing shares. See note (12) above.

(21) Includes (i) 6,500 shares of Series A Preferred Stock owned by The Aries Trust (ii) 3,500 shares of Series A Preferred Stock owned by Aries Domestic Fund; (iii) 650 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by The Aries Trust; and (iv) 350 shares of Series A Preferred Stock issuable upon exercise of currently exercisable warrants held by Aries Domestic Fund. Paramount Capital Asset Management, Inc. shares voting and investment power as to the foregoing shares. See note (14) above.

(22) Includes 661,769 shares of Common Stock issuable on exercise of options and warrants, of which 615,290 are currently exercisable and 46,479 will become exercisable within 60 days following September 17,
1998. Does not include 115,548 shares of Common Stock issuable upon exercise of options not exercisable within 60 days following September 17, 1998.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PALATIN TECHNOLOGIES, INC.

Date: October 2, 1998

By: /s/ Stephen T. Wills

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Stephen T. Wills
Vice President and Chief Financial Officer (principal financial and accounting officer)