SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

As filed with the Securities and Exchange Commission on June 16, 1999

Registration No. 333-72873

===============================================================================

As filed privacy-enhanced message
-----BEGIN PRIVACY-ENHANCED MESSAGE-----
Proc-Type: 2001,MIC-CLEAR
Originator-Name: webmaster@www.sec.gov
Originator-Key-Asymmetric:
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ACCESSION NUMBER: 0001044808-99-000022
PUBLIC DOCUMENT COUNT: 2
FILED AS OF DATE: 19990616
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COMPANY DATA:
COMPANY CONFORMED NAME: PALATIN TECHNOLOGIES INC
CENTRAL INDEX KEY: 0000911216
STANDARD INDUSTRIAL CLASSIFICATION: IN VITRO & IN VIVO DIAGNOSTIC SUBSTANCES [2835]
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STATE OF INCORPORATION: DE
FISCAL YEAR END: 0630
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BUSINESS ADDRESS:
STREET 1: 214 CARNEGIE CENTER
STREET 2: SUITE 100
CITY: PRINCETON
STATE: NJ
ZIP: 08540
BUSINESS PHONE: 6095201911
MAIL ADDRESS:
STREET 1: 214 CARNEGIE CENTER
STREET 2: SUITE 100
CITY: PRINCETON
STATE: NJ
ZIP: 08540
FORMER COMPANY:
FORMER CONFORMED NAME: INTERFILM INC
DATE OF NAME CHANGE: 19930825
S-3/A
1

AMENDMENT NO. 2 TO FORM S-3

----END PRIVACY-ENHANCED MESSAGE----
APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: from time to time, following the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []
The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Subject to completion, dated June 15, 1999.

PROSPECTUS

[GRAPHIC OMITTED]

PALATIN TECHNOLOGIES, INC.

2,181,018 shares of common stock

Selling stockholders identified in this prospectus may sell up to 2,181,018 shares of common stock of Palatin Technologies, Inc.

Our common stock is listed on the Nasdaq SmallCap MarketSM under the symbol PLTN. On June 14, 1999, the closing price of the common stock was $4.3125.

Investing in our common stock involves a high degree of risk. You should purchase shares only if you can afford a complete loss of your investment. See "Risk Factors" beginning on page 4.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The information contained in this prospectus is not complete and may be changed.
These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

The date of this prospectus is June __, 1999.

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PROSPECTUS SUMMARY
This is a summary of our business and this offering. For a more complete understanding of our business and this offering, you should read the entire prospectus and the documents incorporated by reference.

PALATIN'S BUSINESS

We are in the early stages of developing pharmaceutical products and technologies. We are concentrating our efforts on the following:

- **LeuTech(TM)**, a diagnostic imaging product used to image and locate the site of infection or inflammation within the body. We have completed clinical trials with LeuTech for the diagnosis of appendicitis and expect to file an application with the United States Food and Drug Administration for approval to market LeuTech for diagnosis of appendicitis. We are conducting additional clinical trials with LeuTech to diagnose bone infections and infections of prostheses, or artificial body parts. We believe that LeuTech can also be used to diagnose a wide range of other infections, including infections of the intra-abdominal area, such as intestinal, spleen, liver or urinary tract infections.

- **PT-14**, a drug to treat sexual dysfunction, primarily male erectile dysfunction. PT-14 is a stabilized peptide that works like a natural hormone. A peptide is a short chain of amino acids. PT-14 is in the early stages of clinical trials.

- **MIDAS(TM)**, a peptide technology which may be useful to develop drugs to treat diseases or for diagnostic imaging. We are engaged in research and development of this technology to diagnose infections and to treat obesity, and believe that this technology may have applications in a variety of other areas as well, including immune disorders, cancers and cardiology.

In May 1999 we signed a letter of intent with Mallinckrodt Inc., a large international healthcare products company, concerning the development and marketing of LeuTech. Subject to negotiation and signing of definitive agreements, Mallinckrodt will:

- receive an exclusive worldwide license (excluding Europe) for sales, marketing and distribution of LeuTech;

- provide part of the funding for our continued development and testing of LeuTech;

- agree to pay us a royalty on future net sales of LeuTech by Mallinckrodt and purchase its requirements of LeuTech from us at an agreed-upon transfer price; and

- purchase for $13 million a restricted, unregistered, preferred stock issue that will be convertible after five years into 700,000 shares of our common stock.

We expect to sign a definitive agreement with Mallinckrodt by approximately
3

The address of our principal executive office is 214 Carnegie Center, Suite 100, Princeton, NJ 08540. Our telephone number is (609) 520-1911.

THE OFFERING

The selling stockholders may sell their shares according to the plan of distribution described on page 18. We will not receive any proceeds from the sale of these shares.

RISK FACTORS

Investing in Palatin's stock is highly speculative and risky. You should be able to bear a complete loss of your investment. Before making an investment decision, you should carefully consider the following risk factors. If any event or circumstance described in the following risk factors actually occurs, it could materially adversely affect our business, financial condition or results of operations. The risks and uncertainties described below are not the only ones which Palatin faces. There may be additional risks and uncertainties not presently known to us or that we currently believe are immaterial which could also have a negative impact on our business, financial condition, or results of operations.

DEVELOPMENT AND COMMERCIALIZATION OF OUR PROPOSED PRODUCTS AND TECHNOLOGIES INVOLVES A LENGTHY, COMPLEX AND COSTLY PROCESS AND WE MAY NEVER DEVELOP OR COMMERCIALIZING ANY PRODUCTS.

Our proposed products are at various stages of research and development and may never be successfully developed or commercialized. LeuTech will require final regulatory approval to market it for diagnosis of appendicitis, as well as additional clinical trials for other indications. PT-14 and MIDAS technology will require significant further research, development and testing. You should evaluate us in light of the uncertainties, delays, difficulties and expenses commonly experienced by early stage pharmaceutical companies, which generally include unanticipated problems and additional costs relating to:

- the development and testing of products in animals and humans
- product approval or clearance
WE EXPECT OUR LOSSES TO INCREASE OVER THE NEXT SEVERAL YEARS AND WE MAY NEVER BECOME PROFITABLE.

We have never been profitable and we may never become profitable. As of March 31, 1999, we had an accumulated deficit of $31,445,707. We anticipate substantial and increasing losses over the next several years as we begin to manufacture and market LeuTech, expand clinical trials for LeuTech’s other indications and for PT-14, and continue research and development of PT-14 and MIDAS technology.

IF WE DO NOT OBTAIN ADDITIONAL FUNDS QUICKLY OUR BUSINESS WILL SUFFER.

We are currently spending approximately $850,000 each month on research, development and administrative costs. Based on that expenditure level, we currently have enough money to continue operations through July 31, 1999. If adequate funds are not available when needed, we may be forced to cease operating, or limit the scope of our research and development.

WE EXPECT TO SELL ADDITIONAL EQUITY SECURITIES WHICH WOULD CAUSE DILUTION.

We expect to sell more equity securities in the future to obtain operating funds. We may sell these securities at a discount to the market price. Any future sales of equity securities will dilute the holdings of existing stockholders, possibly reducing the value of your investment.

WE COULD LOSE OUR RIGHTS TO LEUTECH AND PT-14, WHICH WOULD ADVERSELY AFFECT OUR POTENTIAL REVENUES AND COULD RESULT IN A LOSS OF YOUR INVESTMENT.

Our rights to a key antibody used in LeuTech are dependent upon an exclusive license agreement with The Wistar Institute of Biology and Anatomy. Our rights to PT-14 are dependent upon an exclusive license agreement with Competitive Technologies, Inc. These agreements contain specific performance
criteria and require us to pay royalties and make milestone payments. Failure to meet these requirements, or any other event of default under the license agreements, could lead to termination of the license agreements. If a license agreement is terminated we may be unable to make or market the covered product, in which case we may lose the value of our substantial investment in developing the product, as well as any future revenues from selling the product. If we were to lose rights to LeuTech, our lead product, the negative impact would be especially severe and could include loss of your investment.

THE FDA MAY NOT APPROVE THE MARKETING OF LEUTECH FOR DIAGNOSIS OF APPENDICITIS, WHICH WOULD ADVERSELY AFFECT OUR POTENTIAL REVENUES AND COULD RESULT IN A LOSS OF YOUR INVESTMENT.

We recently completed clinical trials with LeuTech for the diagnosis of appendicitis and expect to file an application with the FDA for approval to market LeuTech for diagnosis of appendicitis. Preparation of the LeuTech license application and subsequent FDA review can be a long, expensive and uncertain process. The application must demonstrate that LeuTech has met rigorous standards of safety, efficacy and manufacturing before it can be approved by the FDA for commercial use. Failure to obtain regulatory approval of LeuTech, or delays in obtaining regulatory approval of LeuTech, would eliminate or delay our potential revenues from sales of LeuTech. This could make it more difficult to attract investment capital for funding our other research and development projects, and could result in a loss of your investment.

WE DEPEND ON TWO CONTRACT MANUFACTURERS, DUTCH STATE MINES AND BEN VENUE LABORATORIES, FOR THE PRODUCTION OF LEUTECH, SO WE DO NOT HAVE CONTROL OVER WHAT WE EXPECT WILL BE A KEY PART OF OUR BUSINESS.

We have no ability or capacity to manufacture LeuTech. We are dependent on Dutch State Mines of the Netherlands for the manufacture of the antibody used in LeuTech, and on Ben Venue Laboratories of Cleveland, Ohio for the manufacture of LeuTech kits. The failure of either of these manufacturers to supply these key components of LeuTech on a timely basis or at all, could force us to seek alternative sources of supply and could interfere with our ability to deliver product on a timely basis. Establishing relationships with new suppliers, any of whom must be FDA-approved, can be a time-consuming and costly process.

WE HAVE LIMITED EXPERIENCE IN MARKETING, DISTRIBUTING AND SELLING PHARMACEUTICAL PRODUCTS AND WE MAY BE UNABLE TO ESTABLISH SUCCESSFUL MARKETING, DISTRIBUTION AND SELLING CAPABILITIES FOR LEUTECH.
If LeuTech is approved for marketing by the FDA, we expect to rely on arrangements with other companies, such as Mallinckrodt, to market, sell and distribute LeuTech. We may have difficulty establishing the necessary marketing capability, and in any event, we will have limited control over these activities. If we do not establish sufficient marketing capability with other companies, our potential revenues from the sale of LeuTech will be adversely affected.

COMPETING PRODUCTS AND TECHNOLOGIES MAY MAKE LEUTECH AND OUR OTHER POTENTIAL PRODUCTS NONCOMPETITIVE.

We are aware of one company developing an antibody-based product which may compete with LeuTech as to certain indications. The competing product is marketed in some European countries and regulatory approval is pending in the United States. We are also aware of at least one other company developing a peptide-based product which may also compete with LeuTech as to certain indications. In addition, other technologies may also be used to diagnose appendicitis, including computerized tomography or CT scan, and ultrasound technologies.

The pharmaceutical industry is highly competitive. We are likely to encounter significant competition with respect to LeuTech and our other potential products. Many of our competitors have substantially greater financial and technological resources than we do. Many of them also have significantly greater experience in research and development, marketing, distribution and sales than we do. Accordingly, our competitors may succeed in developing, marketing, distributing and selling products and underlying technologies more rapidly than we can. These competitive products or technologies may be more effective and useful and less costly than LeuTech or our other potential products. Academic institutions, hospitals, governmental agencies and other public and private research organizations are also conducting research and may develop competing products or technologies on their own or through strategic alliances or collaborative arrangements.

CONTAMINATION OR INJURY FROM HAZARDOUS MATERIALS USED IN THE DEVELOPMENT OF LEUTECH, PT-14 AND MIDAS COULD RESULT IN LIABILITY EXCEEDING OUR FINANCIAL RESOURCES.

Our research and development of LeuTech, PT-14 and MIDAS involves the use of hazardous materials and chemicals, including radioactive compounds. We cannot completely eliminate the risk of contamination or injury from these materials. In the event of contamination or injury, we may be responsible for any resulting damages. Damages could be significant and could exceed our financial resources, including the limits of our insurance.
CONFLICTS OF INTEREST MAY ARISE BECAUSE SOME OF OUR OFFICERS, DIRECTORS AND CONSULTANTS WORK FOR OTHER COMPANIES.

Some of our officers, directors and consultants currently serve and will continue to serve as officers, directors or consultants of other pharmaceutical or biotechnology companies, or investment banking, venture capital or similar companies. In particular, Edward J. Quilty, our principal executive officer and a director, and Stephen T. Wills, our chief financial officer, hold similar positions with Derma Sciences, Inc., a publicly traded company in the business of selling wound care devices. Carl Spana, Ph.D., our chief technology officer and a director, is a director of Avax Technologies, Inc., a publicly traded medical technology company. It is possible that such other companies will have interests which conflict with our interests, in which case we may lose business opportunities and/or the services of one or more officers, directors or consultants.

OUR STOCK PRICE HAS RANGED FROM $7.12 TO $1.37 OVER THE LAST 12 MONTHS, AND WE EXPECT IT TO REMAIN VOLATILE, WHICH COULD LIMIT INVESTORS' ABILITY TO SELL STOCK AT A PREMIUM.

The volatile price of our stock makes it difficult for investors to predict the value of their investment, to sell shares at a profit at any given time, or to plan purchases and sales in advance. A variety of factors may affect the market price of our common stock. These include, but are not limited to:

- continued operating losses
- announcements of technological innovations or new therapeutic products
- announcement or termination of collaborative relationships by us or our competitors
- FDA approval or disapproval for marketing LeuTech
- governmental regulation
- clinical trial results
- developments in patent or other proprietary rights
- public concern as to the safety of products developed by us
- general market conditions.
TRADING IN OUR STOCK OVER THE LAST TWELVE MONTHS HAS BEEN LIMITED, SO INVESTORS MAY NOT BE ABLE TO SELL AS MUCH STOCK AS THEY WANT AT PREVAILING PRICES.

The average daily trading volume in our common stock was approximately 55,000 shares and the average daily number of transactions was approximately 57 over the last twelve months. If limited trading in our stock continues, it may be difficult for investors to sell their shares in the public market at any given time at prevailing prices.

OUR MANAGEMENT AND PRINCIPAL STOCKHOLDERS TOGETHER CONTROL OVER A THIRD OF OUR VOTING SECURITIES, WHICH CONCENTRATION OF OWNERSHIP COULD DELAY OR PREVENT A CHANGE IN CONTROL.

Our executive officers, directors and 5% or greater stockholders together control approximately 38% of our voting securities. These stockholders, acting together, will be able to influence and possibly control most matters submitted for approval by our stockholders, including the election of directors, delaying or preventing a change of control, and the consideration of transactions in which stockholders might otherwise receive a premium for their shares over then current market prices.

INVESTORS IN THIS OFFERING WILL SUFFER IMMEDIATE AND SUBSTANTIAL DILUTION.

As of March 31, 1999, we had a net tangible book value of $3,170,612, or approximately $0.48 per share of common stock, assuming conversion of all outstanding preferred stock and no exercise of any warrants or options. The net tangible book value per share is substantially less than the current market price per share. If the purchase price per share paid by investors in this offering is greater than the net tangible book value per share, investors will suffer dilution.

THERE ARE IN EXCESS OF 5,000,000 SHARES OF COMMON STOCK UNDERLYING OUTSTANDING DERIVATIVE SECURITIES WHICH, IF EXERCISED OR CONVERTED, COULD DECREASE THE VALUE OF YOUR SHARES.

As of May 31, 1999, holders of our outstanding derivative securities have the right to acquire the following amounts of underlying common stock:

- 1,357,766 shares issuable on conversion of convertible preferred stock, for no further consideration
- 2,587,439 shares issuable on exercise of warrants, at exercise prices ranging from $3.75 to $8.68 per share
- 1,208,674 shares issuable on exercise of stock options, at exercise prices ranging from $.20 to $21.70 per share
If the holders convert or exercise those derivative securities, you may experience dilution in the net tangible book value of your common stock. In addition, the sale or availability for sale of the underlying shares in the marketplace could depress our stock price. We have registered or agreed to register for resale all of the underlying shares. As a result, the underlying shares could immediately be resold, resulting in significant downward pressure on our stock price.

INVESTORS SHOULD BE AWARE OF INDUSTRY-WIDE RISKS WHICH COULD ADVERSELY AFFECT OUR BUSINESS.

In addition to the risks associated specifically with Palatin described above, investors should also be aware of other general risks associated with drug development and the pharmaceutical industry. These include but are not limited to:

- success of clinical trials
- ability to secure patent protection
- patent disputes
- ability to attract and retain qualified management, scientific and technical personnel and/or consultants
- recall of products
- acceptance of products by the medical community
- availability of third party reimbursement
- insuring against product liability claims
- Year 2000 problems in computer systems.

NOTE CONCERNING FORWARD LOOKING STATEMENTS

We make forward-looking statements in this prospectus and the documents we incorporate by reference. Sometimes these statements contain words such as "anticipates," "plans," "intends," "expects" and similar expressions to identify forward-looking statements. These statements are not guarantees of our future performance. Our business involves known and unknown risks, uncertainties and
other factors which may cause our actual results, performance or achievements to be materially different from what we say in this prospectus and in the documents we incorporate by reference. Given these uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus. We will not revise these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission, commonly called the SEC. You can read and copy any document we file at the SEC’s public reference rooms in Washington, DC, New York, NY and Chicago, IL. You can request copies of these documents by writing to the SEC and paying a fee for the copying cost. Please call the SEC at 1-800-SEC-0330 for further information on public reference rooms. Our SEC filings are also available to the public from the SEC’s website at "http://www.sec.gov".

In addition, you can read and copy our SEC filings at the National Association of Securities Dealers, Inc. at 1735 K Street NW, Washington, DC 20006.

INCORPORATION BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings (File No. 0-22686) we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

- Our 1999 annual meeting proxy statement, filed on May 26, 1999;
- Our quarterly report on Form 10-QSB for the quarter ended March 31, 1999, filed on May 17, 1999;
- Our quarterly report on Form 10-QSB for the quarter ended December 31, 1998, filed on February 16, 1999;
- Our quarterly report on Form 10-QSB for the quarter ended September 30, 1998, filed on November 16, 1998;
Our amended annual report on Form 10-KSB/A for the year ended June 30, 1998, filed on October 2, 1998;

Our annual report on Form 10-KSB for the year ended June 30, 1998, filed on September 28, 1998; and

The description of our common stock contained in our registration statement on Form 8-A filed on October 22, 1993.

You may request a copy of these filings, at no cost, by writing or telephoning our vice president and chief financial officer at the following address:

Stephen T. Wills  
Vice President and CFO  
Palatin Technologies, Inc.  
214 Carnegie Center, Suite 100  
Princeton NJ 08540  
Telephone (609) 520-1911

USE OF PROCEEDS

We will not receive any proceeds from the sale of common stock by the selling stockholders. All proceeds from the resale of such shares will go to the selling stockholders. See "Selling Stockholders" and "Plan of Distribution" below.

SELLING STOCKHOLDERS

This prospectus covers offers and sales of the following shares of common stock:

- 939,250 shares sold in a private placement from December 31, 1998 through February 8, 1999, as well as an additional 939,250 shares underlying five-year warrants sold in the private placement;

- 254,600 shares underlying other five-year warrants issued in connection with the private placement; and

- 47,918 shares acquired by Edward J. Quilty, our chairman, president and CEO, on the exercise of stock options in November 1996 and April 1997.

The table below lists the selling stockholders and information regarding their beneficial ownership of common stock as of June 10, 1999. Beneficial ownership includes stock which the selling stockholder can acquire on conversion of Series A preferred stock or on exercise of warrants or options exercisable
currently or within 60 days after June 10, 1999. Each share of Series A preferred stock is convertible into approximately 21.4 shares of common stock.

The information provided in the table below is from the selling stockholders, reports furnished to us under rules of the SEC, and our stock ownership records.

Except as noted in the footnotes, no selling stockholder has had, within the past three years, any position, office or other material relationship with us or any of our predecessors or affiliates.

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<tr>
<th>Name of selling stockholder</th>
<th>Total shares owned before offering</th>
<th>Percent owned before offering</th>
<th>Total shares offered for resale</th>
<th>Percent offered for resale</th>
<th>Shares offered for resale</th>
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<td>J.F. Shea Co., Inc. (9)</td>
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<tr>
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<td>Percent Owned</td>
<td>Total Shares Offered</td>
<td>Percent Offered</td>
<td>Total Shares after Resale</td>
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<td>John Papadimitropoulos (10)</td>
<td>981 *</td>
<td>981</td>
<td>0</td>
<td>*</td>
<td></td>
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<tr>
<td>Porter Partners, L.P. (19)</td>
<td>242,000 3.4%</td>
<td>210,000</td>
<td>32,000</td>
<td>*</td>
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<tr>
<td>Edward J. Quilty (20)</td>
<td>325,254 4.4%</td>
<td>47,918</td>
<td>277,336</td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>Mark Rogers, M.D. (21)</td>
<td>6,000 *</td>
<td>6,000</td>
<td>0</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Lindsay A. Rosenwald, M.D. (10) (22)</td>
<td>1,219,165 16.1%</td>
<td>45,797</td>
<td>1,173,368</td>
<td>15.5%</td>
<td></td>
</tr>
<tr>
<td>Wayne Rothbaum</td>
<td>50,000 *</td>
<td>50,000</td>
<td>0</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Wayne L. Rubin (10) (23)</td>
<td>41,554 *</td>
<td>7,852</td>
<td>33,702</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>David W. Ruttenberg (24)</td>
<td>21,353 *</td>
<td>16,000</td>
<td>5,353</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>David Tanen (10)</td>
<td>981 *</td>
<td>981</td>
<td>0</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Techvest, LLC (25)</td>
<td>1,750 *</td>
<td>1,750</td>
<td>0</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

Total shares owned after offering shares (assumes sale of all shares owned before for resale after offering) reoffering shares before before for offered after

Lindsay A. Rosenwald, M.D. (10) (22) | 1,219,165 | 45,797 | 1,173,368 | 15.5%

Wayne Rothbaum | 50,000 | 0 *
Wayne L. Rubin (10) (23) | 41,554 | 7,852 | 33,702 | *
David W. Ruttenberg (24) | 21,353 | 16,000 | 5,353 | *
David Tanen (10) | 981 | 0 *
Techvest, LLC (25) | 1,750 | 0 *
(1) The general partner of Bios Equity Fund L.P. is Donaldson Capital Management Corporation, of which Judith Donaldson is the president and sole shareholder.

(2) The general partner of Clearwater Fund I L.P. is Clearwater Futures, of which Hans F. Heye is the general partner.

(3) Archibald Cox, Jr.—total ownership before offering is 142,826 shares, consisting of:
   — Shares offered under this prospectus:
     — 50,000 shares acquired on February 8, 1999
     — 50,000 shares issuable on exercise of warrants acquired on February 8, 1999;
   — Shares not offered under this prospectus:
     — 42,826 shares issuable on conversion of 2,000 shares of Series A preferred stock.

Ms. Fischer was formerly an employee of Paramount Capital, Inc. See note (10) below for information on Paramount Capital, Inc.

(4) Lauren Fischer—total ownership before offering is 2,218 shares, consisting of:
   — Shares offered under this prospectus:
     — 981 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 1,237 shares issuable on exercise of warrants.

(5) Albert Fried, Jr.—total ownership before offering is 874,239 shares, consisting of:
   — Shares offered under this prospectus:
     — 112,500 shares acquired on December 31, 1998
     — 112,500 shares acquired on February 8, 1999
     — 112,500 shares issuable on exercise of warrants acquired on December 31, 1998
     — 50,000 shares issuable on exercise of warrants acquired on January 4, 1999
     — 162,500 shares issuable on exercise of warrants acquired on February 8, 1999;
   — Shares not offered under this prospectus:
     — 100,000 shares
     — 160,000 shares issuable on exercise of warrants
     — 64,239 shares issuable on conversion of 3,000 shares of Series A preferred stock.
We have a consulting agreement with Mr. Fried to provide services, including financing related services. Pursuant to this agreement, Mr. Fried has received warrants to purchase 150,000 shares of common stock, of which 100,000 are included in this prospectus.

(6) The general partner of Greenlight Capital, L.P. is Greenlight Capital, LLC and the investment advisor of Greenlight Capital, L.P. is Greenlight Capital, Inc. The members of Greenlight Capital, LLC and the shareholders of Greenlight Capital, Inc. are Jeffrey Keswin and David Einhorn. Greenlight Capital, LLC has sole investment discretion with respect to the Greenlight Capital, L.P.

(7) The investment advisor of Greenlight Capital Offshore, Ltd. is Greenlight Capital, Inc. The shareholders of Greenlight Capital, Inc. are Jeffrey Keswin and David Einhorn. Greenlight Capital, Inc. has sole investment discretion with respect to Greenlight Capital Offshore, Ltd. The directors of Greenlight Capital Offshore, Ltd. are Jeffrey Keswin, Victor Pisante and CFS Company Ltd.

(8) The general partner of Greenlight Capital Qualified, L.P. is Greenlight Capital, LLC and the investment advisor of Greenlight Capital Qualified, L.P. is Greenlight Capital, Inc. Jeffrey Keswin and David Einhorn are the members of Greenlight Capital, LLC and the shareholders of Greenlight Capital, Inc. Greenlight Capital, LLC has sole investment discretion with respect to Greenlight Capital Qualified, L.P.

(9) J.F. Shea Co., Inc.—total ownership before offering is 257,066 shares, consisting of:
   — o Shares offered under this prospectus:
     —— 75,000 shares acquired on February 8, 1999
   — o Shares not offered under this prospectus:
     —— 75,000 shares issuable on exercise of warrants acquired on February 8, 1999.
     —— 107,066 shares issuable on conversion of 5,000 shares of Series A preferred stock.

John F. Shea is the president and Edmund H. Shea, Jr. and Peter O. Shea are vice presidents of J.F. Shea Co., Inc. They are also the beneficial owners of J.F. Shea Co., Inc. In addition, James G. Shontere serves as a secretary and director of J.F. Shea Co., Inc.

(10) Employee of Paramount Capital, Inc. Paramount Capital, Inc. has acted as finder or placement agent in connection with several of our financings. We also have an introduction agreement with Paramount Capital, Inc. to act as our non-exclusive financial advisor. Pursuant to the introduction agreement, we have agreed to issue warrants to purchase a total of 44,075 shares to Paramount Capital, Inc. or its designees in connection with a private placement which terminated on April 30, 1999.
(11) Scott Katzmann—total ownership before offering is 77,338 shares, consisting of:
   — Shares offered under this prospectus:
     — 32,050 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 45,288 shares issuable on exercise of warrants.

Mr. Katzmann is a managing director of Paramount Capital, Inc.

(12) Donald R. Kendall, Jr.—total ownership before offering is 55,353 shares, consisting of:
   — Shares offered under this prospectus:
     — 25,000 shares acquired on February 8, 1999
     — 25,000 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 5,353 shares issuable on conversion of 250 shares of Series A preferred stock.

(13) John Knox—total ownership before offering is 5,916 shares, consisting of:
   — Shares offered under this prospectus:
     — 981 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 1,250 shares
     — 3,685 shares issuable on exercise of warrants.

(14) The president, director, and sole shareholder of M.S.B. Research, Inc. is Mark S. Berg.

(15) Siegfried Mangels—total ownership before offering is 17,700 shares, consisting of:
   — Shares offered under this prospectus:
     — 6,250 shares acquired on February 8, 1999
     — 6,250 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 5,200 shares.

(16) Timothy McInerney—total ownership before offering is 153,469 shares, consisting of:
   — Shares offered under this prospectus:
     — 39,375 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 10,000 shares
     — 25,000 shares issuable to Mr. McInerney as compensation for services
     — 104,994 shares issuable on exercise of warrants.

(17) Osterweis Revocable Trust—total ownership before offering is 30,353 shares, consisting of:
— Shares offered under this prospectus:
   — 12,500 shares acquired on February 8, 1999
   — 12,500 shares issuable on exercise of warrants acquired on February 8, 1999.
— Shares not offered under this prospectus:
   — 5,353 shares issuable on conversion of 250 shares of Series A preferred stock.

The Osterweis Revocable Trust is a trust held by the Osterweis Fund. John S. Osterweis is the trustee for the Osterweis Revocable Trust. Osterweis Capital Management, LLC is the investment advisor to the fund. John S. Osterweis is the manager and president of the fund.

(18) The general partner and beneficial owner of Pace Partners, L.P. is Anthony J. Pace.

(19) Porter Partners, L.P. — total ownership before offering is 242,000 shares, consisting of:
   — Shares offered under this prospectus:
     — 100,000 shares acquired on December 31, 1998
     — 110,000 shares issuable on exercise of warrants acquired on December 31, 1998.
   — Shares not offered under this prospectus:
     — 32,000 shares.

The general partners and beneficial owners of Porter Partners, L.P. are Jeff Porter and Jerome Porter.

(20) Edward J. Quilty — total ownership before offering is 325,254 shares, consisting of:
   — Shares offered under this prospectus:
     — 47,918 shares acquired on exercise of stock options.
   — Shares not offered under this prospectus:
     — 31,357 shares
     — 245,979 shares issuable on exercise of stock options.

Mr. Quilty is our chairman, president and CEO.

(21) Dr. Rogers is the president of Paramount Capital, Inc.

(22) Lindsay A. Rosenwald, M.D. — total ownership before offering is 1,219,165 shares, consisting of:
   — Shares offered under this prospectus:
     — 45,797 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
     — 714,168 shares
     — 214,132 shares issuable on conversion of 10,000 shares of Series A preferred stock
     — 290,865 shares issuable on exercise of warrants.

Dr. Rosenwald is the chairman of the board and sole stockholder of Paramount Capital, Inc. See note (10) above for information on Paramount Capital, Inc. Dr. Rosenwald shares voting and investment power as to 1,009,302 of the 1,219,165 shares shown in the column “Total shares owned before the offering” with the following persons:
Dr. Rosenwald is the president of RAQ, LLC, and is the president, chairman of the board and sole shareholder of Paramount Capital Asset Management, Inc., which is the investment manager of The Aries Trust and the general partner of Aries Domestic Fund. Dr. Rosenwald and Paramount Capital Asset Management disclaim beneficial ownership of the securities held by The Aries Trust and Aries Domestic Fund, except to the extent of their pecuniary interest, if any.

(23) Wayne L. Rubin—total ownership before offering is 41,554 shares, consisting of:
   — Shares offered under this prospectus:
   — 7,852 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
   — 4,319 shares outstanding
   — 29,383 shares issuable on exercise of warrants.

(24) David W. Ruttenberg—total ownership before offering is 21,353 shares, consisting of:
   — Shares offered under this prospectus:
   — 8,000 shares acquired on February 8, 1999
   — 8,000 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
   — 5,353 shares issuable on conversion of 250 shares of Series A preferred stock.

(25) Represents shares underlying warrants issued to Techvest, LLC, pursuant to an introduction agreement. The owner and only officer of Techvest is Michael Ehrenreich.

(26) Michael S. Weiss—total ownership before offering is 63,694 shares, consisting of:
   — Shares offered under this prospectus:
   — 7,852 shares issuable on exercise of warrants acquired on February 8, 1999.
   — Shares not offered under this prospectus:
   — 12,925 shares
   — 30,051 shares issuable on exercise of warrants
   — 16,669 shares issuable on exercise of stock options.

Mr. Weiss was a member of our board of directors from June 1996 until April 1999. He was senior managing director of Paramount Capital, Inc. until April 1999. See note (10) above concerning Paramount Capital, Inc. All of Mr. Weiss’s stock options will expire on July 14, 1999, if not exercised before that date.

(27) Jonathan M. Young—total ownership before offering is 45,460 shares, consisting of:
PLAN OF DISTRIBUTION

We have registered the shares on behalf of the selling stockholders. We are bearing all costs relating to the registration of the shares, other than fees and expenses, if any, of counsel or other advisors to the selling stockholders. Any commissions, discounts, or other fees payable to broker-dealers in connection with any sale of the shares will be borne by the selling stockholders. The selling stockholders may offer their shares at various times in one or more of the following transactions, or in other kinds of transactions:

- transactions on the Nasdaq SmallCap Market;
- in private transactions other than through the Nasdaq SmallCap Market;
- in connection with short sales of Palatin shares;
- by pledge to secure debts and other obligations;
- in connection with the writing of non-traded and exchange-traded call options, in hedge transactions and in settlement of other transactions;
- in standardized or over-the-counter options; or
- in a combination of any of the above transactions.

The selling stockholders also may resell all or a portion of the shares in open market transactions in reliance on Rule 144 under the Securities Act, if they meet the criteria and conform to the requirements of that Rule.

The selling stockholders may sell their shares at quoted market prices, at prices based on quoted market prices, at negotiated prices or at fixed prices. The selling stockholders may use broker-dealers to sell their shares. If this happens, broker-dealers may either receive discounts or commissions from the selling stockholders, or they may receive commissions from purchasers of shares for whom they acted as agents.

The selling stockholders and any broker-dealers or agents that participate with the selling stockholders in the sale of shares may be "underwriters" within the meaning of the Securities Act. Any commissions received by broker-dealers or agents on the sales and any profit on the resale of shares purchased by
broker-dealers or agents may be deemed to be underwriting commissions or discounts under the Securities Act.

Under the rules and regulations of the SEC, any person engaged in the distribution or the resale of our shares may not simultaneously buy, bid for or attempt to induce any other person to buy or bid for our common stock in the open market for a period of two business days prior to the commencement of the distribution. The rules and regulations under the Securities Exchange Act of 1934 may limit the timing of purchases and sales of shares of our common stock by the selling securityholders.

LEGAL MATTERS

The legality of the shares of common stock offered in this prospectus has been passed upon by our counsel, Graham & James LLP, New York, New York. Certain members of Graham & James LLP have been granted options under our 1996 stock option plan to purchase an aggregate of 12,500 shares of common stock at an exercise price of $8.00 per share, which options are immediately exercisable and expire on January 3, 2007, and an option to purchase 5,000 shares of common stock at an exercise price of $6.00 per share, which option is partially exercisable and expires on January 21, 2008.

EXPERTS

The audited consolidated financial statements incorporated by reference in this prospectus and elsewhere in the registration statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are incorporated by reference in reliance upon the authority of said firm as experts in giving said reports. Reference is made to said report, which includes an explanatory paragraph with respect to the uncertainty regarding our ability to continue as a going concern as discussed in Note 2 to our financial statements.
ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The registrant will bear all expenses, estimated at $68,000, incurred in connection with the registration of the shares offered in this registration statement under the Securities Act of 1933 and qualification or exemption of the registered shares under state securities laws for the named selling stockholders. The selling stockholders will pay all underwriting discounts and selling commissions applicable to the sale of registered shares.

SEC registration fees $2,691
Blue sky fees and expenses* $10,000
Costs of printing and engraving* $3,000
Legal fees and expenses* $43,000
Accounting fees and expenses* $5,000
Miscellaneous* $4,309

TOTAL $68,000

*Estimated.

ITEM 15. 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.

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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 registrant may advance expenses for defending 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. The registrant's bylaws contain substantially the same indemnification provisions as the registrant's certificate of incorporation, summarized above.

The registrant's employment agreement with Edward J. Quilty 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 agreement with the selling stockholders pursuant to which the registrant has filed the registration statement provides that the registrant will indemnify each selling stockholder (including control persons, officers, directors and constituent partners of the selling stockholder), and each selling stockholder will indemnify the registrant (including control persons, officers and directors) against certain liabilities which might arise from the registration of the registered shares. The indemnifications may cover liabilities arising under the Securities Act. The obligation of each selling
stockholder to indemnify the registrant or its affiliates is limited to liabilities based on written information which the selling stockholder provides to the registrant for inclusion in the registration statement.

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

ITEM 16. EXHIBITS.

EXHIBITS

The following exhibits are filed with this registration statement, or incorporated by reference as noted:

2.1 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.

2.2 Waiver and Consent dated as of June 24, 1996, between Interfilm, Inc., Interfilm Acquisition Corp. and RhoMed Incorporated; incorporated by reference to Exhibit 2.2 of the registrant's Form 10-KSB annual report for the period ended June 30, 1996, filed with the Commission on September 27, 1996.

4.1 Specimen certificate for common stock; incorporated by reference to Exhibit 4.1 of the registrant's Form 8-K dated July 19, 1996, filed with the Commission on August 9, 1996.

5.1 Opinion of Graham & James LLP, counsel to the registrant, re legality.*


ITEM 17. 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 Securities Exchange Act of 1934 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.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 2 to the 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 15, 1999.

PALATIN TECHNOLOGIES, INC.

By: /s/ Edward J. Quilty
Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 2 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Titles</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/s/ Edward J. Quilty</td>
<td>Chairman of the Board, President and Chief Executive Officer</td>
<td>June 15, 1999</td>
</tr>
<tr>
<td>/s/ Carl Spana</td>
<td>Executive Vice President and Director</td>
<td>June 15, 1999</td>
</tr>
<tr>
<td>/s/ Charles L. Putnam</td>
<td>Executive Vice President and Director</td>
<td>June 15, 1999</td>
</tr>
<tr>
<td>/s/ Stephen T. Wills</td>
<td>Vice President and Chief Financial Officer</td>
<td>June 15, 1999</td>
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</table>
CONSENT OF ARTHUR ANDERSEN, LLP

EX-23.2

Consent of Arthur Andersen LLP
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 10, 1998 included in Palatin Technologies, Inc.'s Form 10-KSB for the year ended June 30, 1998 and to all references to our Firm included in this registration statement.

ARTHUR ANDERSEN LLP

Philadelphia, PA
June 11, 1999

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