**FORM 5**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**Form 3 Holdings Reported**

**Form 4 Transactions Reported**

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

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**OMB APPROVAL**

OMB Number: 3235-0362
Expires: December 31, 2001
Estimated average burden hours per response . . . . 1.0

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**1. Name and Address of Reporting Person***

Flannery      Kevin      S. (Last)  (First)  (Middle)

Palatin Technologies, Inc.  4C Cedarbrook Drive

Cranbury     NJ         08512 (Street) (City) (State) (Zip)

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

Palatin Technologies, Inc.     PTN

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**6. Relationship of Reporting Person(s) to Issuer**

(Check all applicable)

- **X** Director  10%
- **_** Owner
- **_** Officer (give title below)
- **_** Other (specify below)

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**7. Individual or Joint/Group Reporting (Check Applicable Line)**

- **X** Form filed by One Reporting Person
- **_** Form filed by More than One Reporting Person

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**TABLE I – Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>1. Title of Security</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned at End of Issuer’s Fiscal Year (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
</tr>
</thead>
<tbody>
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</table>

*If the form is filed by more than one reporting person, see instruction 4(b)(v). Persons who respond to the collection of information contained this form are not required to respond unless the form displays a currently valid OMB control Number.

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**TABLE II – Derivative Securities Acquired, Disposed of or Beneficially Owned**

(e.g. puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr.3)</th>
<th>2. Conversion or Exercise Date (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3 and 4)</th>
<th>5. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>6. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>7. Price of Derivative Security</th>
<th>8. Number of Derivative Securities Beneficially Owned at</th>
<th>9. Ownership of Derivative Security (Instr. 4)</th>
<th>10. Ownership of Indirect Beneficial Ownership (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership</th>
</tr>
</thead>
<tbody>
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Page 1 of 2
| Options (right to buy) | $3.65 | 12/14/01 | A | 25,000 | (1) | 12/14/11 | common stock | 25,000 | $0 | 25,000 | D |

Explanation of Responses:

(1) The option vests as to 1/12 of the total on the last of each month, starting in January 2002.

/s/ Kevin S. Flannery
August 14, 2002
**Signature of Reporting Person**


Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.