**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. **Name and Address of Reporting Person**
   - PRENDERGAST JOHN K A
     - (Last) PRENDERGAST
     - (First) JOHN
     - (Middle) K
     - ROBERTS SHERIDAN & KOTELO
     - 12 EAST 49TH STREET 30TH FL
     - NEW YORK NY 10017

2. **Issuer Name and Ticker or Trading Symbol**
   - PALATIN TECHNOLOGIES INC [ PTN ]

3. **Date of Earliest Transaction (Month/Day/Year)**
   - 09/19/2006

4. **If Amendment, Date of Original Filed (Month/Day/Year)**
   - (No amendment)

5. **Relationship of Reporting Person(s) to Issuer**
   - X Director
   - (Check all applicable)
   - 10% Owner
   - Officer (give title below)
   - Other (specify below)

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

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

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>2A. Deemed Execution Date, if any (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 Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>stock option (right to buy)</td>
<td>$2.11</td>
<td>09/19/2006</td>
<td>A</td>
<td>40,000</td>
<td>40,000</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>09/30/2006(1)</td>
<td>09/19/2016</td>
<td>common stock</td>
<td>40,000</td>
</tr>
</tbody>
</table>

**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 Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>stock option (right to buy)</td>
<td>$2.11</td>
<td>09/19/2006</td>
<td>A</td>
<td>40,000</td>
<td>40,000</td>
<td>09/30/2006</td>
<td>common stock</td>
<td>$0.00</td>
<td>40,000</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

1. The options vest at the rate of 1/10 of the shares per month on the last day of each month, starting September 30, 2006.

**John K.A. Prendergast**

**Signature of Reporting Person**

**Date**

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


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

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