**Form 4**

**United States Securities and Exchange Commission**

**Washington, D.C. 20549**

**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**

WILLS STEPHEN T

4C Cedar Brook Drive

CRANBURY NJ 08512

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

PALATIN TECHNOLOGIES INC [ PTN ]

**3. Date of Earliest Transaction (Month/Day/Year)**

10/06/2006

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

Director

10% Owner

Exec. VP Operations & CFO

**4. If Amendment, Date of Original Filed**

10/11/2006

**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>2B. Transaction Code (Instr. 8)</th>
<th>3. Transaction Price</th>
<th>4. Securities Acquired (A) or Disposed Of (B) (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>common stock</td>
<td>10/06/2006</td>
<td></td>
<td>A</td>
<td>$2.49</td>
<td>100,000</td>
<td>100,000</td>
<td>D</td>
<td>D</td>
</tr>
<tr>
<td>restricted stock</td>
<td>10/06/2006</td>
<td></td>
<td>A</td>
<td>$0</td>
<td>300,000</td>
<td>300,000</td>
<td>D</td>
<td>D</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 (B) (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 Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</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>$2.49</td>
<td>10/06/2006</td>
<td></td>
<td>A</td>
<td>100,000</td>
<td>10/06/2007(1)</td>
<td>common stock</td>
<td>100,000</td>
<td></td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>restricted stock</td>
<td>$0</td>
<td>10/06/2006</td>
<td></td>
<td>A</td>
<td>300,000</td>
<td>10/06/2010</td>
<td>common stock</td>
<td>300,000</td>
<td></td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

1. The options vest as to 25% of the shares per year, starting October 6, 2007.

2. Restricted stock units will automatically convert into common stock without further payment upon attainment of the following vesting conditions: one third of the shares upon attainment of a $4.00 common stock trading price for twenty consecutive trading days; one third of the shares upon attainment of a $6.00 common stock trading price for twenty consecutive trading days; and one third of the shares upon attainment of an $8.00 common stock trading price for twenty consecutive trading days.

**Stephen T. Wills**

**Signature of Reporting Person**

10/11/2006

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

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).


**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.**