1. Name and Address of Reporting Person*
   Hallam Trevor
   (Last) Trevor
   (First) Hallam
   (Middle)
   PALATIN TECHNOLOGIES INC.
   4C CEDAR BROOK DRIVE
   CRANBURY NJ 08512

2. Security and Derivatives Information

<table>
<thead>
<tr>
<th>Security</th>
<th>Code</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>stock option</td>
<td>$2.49</td>
<td>100,000</td>
<td>0</td>
</tr>
<tr>
<td>restricted stock unit</td>
<td>$0</td>
<td>300,000</td>
<td>0</td>
</tr>
</tbody>
</table>

3. Date of Earliest Transaction (Month/Day/Year)
   10/06/2006

4. If Amendment, Date of Original Filed
   10/11/2006

5. Relationship of Reporting Person(s) to Issuer
   Director
   10% Owner
   Exec. VP Research & Dev.

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>Title of Security (Instr. 3)</th>
<th>V</th>
<th>Amount (A) or (D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>stock option</td>
<td>A</td>
<td>100,000</td>
</tr>
<tr>
<td>restricted stock unit</td>
<td>A</td>
<td>300,000</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>Title of Derivative Security (Instr. 3)</th>
<th>Conversion or Exercise Price of Derivative Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Execution Date, if any (Month/Day/Year)</th>
<th>Transaction Code (Instr. 8)</th>
<th>Date Exercisable of Derivative Security (Month/Day/Year)</th>
<th>Title or Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>stock option</td>
<td>$2.49</td>
<td>10/06/2006</td>
<td>A</td>
<td>100,000</td>
<td>10/06/2007</td>
<td>common stock</td>
</tr>
<tr>
<td>restricted stock unit</td>
<td>$0</td>
<td>10/06/2006</td>
<td>A</td>
<td>300,000</td>
<td>10/06/2010</td>
<td>common stock</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.

Trevor J. Hallam
** Signature of Reporting Person

Date 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).
** Intentional misstatements or omissions of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a)).
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.