

SPANA CARL  
Form 4  
October 11, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SPANA CARL

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

PALATIN TECHNOLOGIES,  
INC., 4C CEDAR BROOK DRIVE

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

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President & CEO

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

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

CRANBURY, NJ 08512

(City) (State) (Zip)

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Security
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
stock option (right to buy)	\$ 2.49	10/06/2006	A		125,000		10/06/2007 <sup>(1)</sup>	10/06/2016	common stock	125,000
restricted stock unit	\$ 0	10/06/2006	A		375,000		<sup>(2)</sup>	10/06/2010	common stock	375,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SPANNA CARL PALATIN TECHNOLOGIES, INC. 4C CEDAR BROOK DRIVE CRANBURY, NJ 08512	X		President & CEO	

## Signatures

Carl Spana 10/11/2006

\*\*Signature of  
Reporting Person Date

## Explanation of Responses:

\* 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).

(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.

Note: File three copies of this Form, one of which must be manually signed. If space 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.