

PROSPECTUS SUPPLEMENT DATED DECEMBER 30, 1998
to
Prospectus Dated November 12, 1997

ATLANTIC PHARMACEUTICALS, INC.

1,500,000 PREVIOUSLY REGISTERED REDEEMABLE
WARRANTS, EACH EXERCISABLE FOR ONE SHARE OF COMMON STOCK,
OFFERED BY CERTAIN SELLING SECURITYHOLDERS

3,702,750 PREVIOUSLY REGISTERED SHARES OF COMMON STOCK

3,805,654 SHARES OF COMMON STOCK,
OFFERED BY CERTAIN SELLING SECURITYHOLDERS

This Prospectus Supplement supplements our Prospectus dated November 12, 1997 and replaces in its entirety the prospectus supplement dated August 31, 1998 that was filed with the Securities and Exchange Commission on September 10, 1998. You should read this Prospectus Supplement in conjunction with the Prospectus, and this Supplement supersedes certain of the Selling Securityholder tables in the Prospectus. Capitalized terms used in this Prospectus Supplement have the meanings specified in the Prospectus.

SELLING SECURITYHOLDERS

Listed below are, as of August 27, 1998, the number of shares of Common Stock beneficially owned by stockholders of the Company identified in the Prospectus as Selling Securityholders. Because the Selling Securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their shares of Common Stock since the date on which the information regarding their shares of Common Stock was provided, we cannot estimate current or future ownership. The table of Selling Securityholders on page 18 of the Prospectus is hereby deleted in its entirety and supplemented with the following table:

NAME AND POSITION OF SELLING SECURITYHOLDER -----	COMMON STOCK -----	
	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
Joseph Stevens & Company, L.P. (1)	330,000	330,000
Ronald J. DiCamillo	3,000	3,000
John Elges	1,000	1,000
Lindsay A. Rosenwald, M.D. (2)	1,133,458	788,951
H. Lawrence Shaw, M.D. (3)	23,682	23,557
Sumner Burstein, Ph.D	11,250	11,250
William A. Ryan, Jr	48	48
Carl Spana, Ph.D	3,777	3,777
Paul Weisz, Ph.D	7,500	7,500
Eliot Barnathan, M.D	7,500	7,500
Alexander W. Clowes, M.D	750	750
Dwight Robinson, M.D	750	750
Paul Rys, Ph.D	750	750
David DeWitt, Ph.D	750	750
TOTAL	1,524,215	1,179,583

(1) Represents shares of Common Stock underlying the Underwriter's Warrants and the Underwriter's Redeemable Warrants, which are fully exercisable as of the date hereof. Joseph Stevens & Company, L.P. acted as the underwriter of the Unit Offering and is a greater than five percent stockholder of the Company.

(2) Includes 788,951 shares of Common Stock underlying a fully-exercisable option granted to Dr. Rosenwald. Dr. Rosenwald, a principal stockholder of the Company, is the President and sole stockholder of the Placement Agent and of VentureTek, L.P., a principal stockholder of the Company.

(3) Includes 23,557 shares of Common Stock underlying a fully-exercisable option granted to Dr. Shaw.

The preceding table was prepared based upon information furnished to us by Continental Stock Transfer & Trust Company. From time to time, additional information concerning ownership of the shares of Common Stock may rest with certain holders thereof not named in the preceding table, with whom we believe we have no affiliation.

The following table sets forth the number of shares of Common Stock issuable upon conversion of shares of Series A Preferred beneficially owned by the stockholders identified in the Prospectus as Selling Securityholders, based upon the conversion rate as of the effective date of the Prospectus. At such time and until August 6, 1998, each share of Series A Preferred was convertible into 2.12 shares of Common Stock. We have registered the resale of the additional shares of Common Stock issuable upon conversion of the Series A Preferred resulting from the adjustment, effective August 7, 1998, in the conversion rate. See "Description of Securities--Series A Preferred Stock--Conversion." Because any or all of the shares of Common Stock listed below may be offered for sale pursuant to this Prospectus by the Selling Securityholders from time to time, and because the Selling Securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their shares of Series A Preferred since the date on which the information regarding their Series A Preferred was provided, we cannot estimate the amounts of shares of Common Stock that will be held by the Selling Securityholders upon consummation of any such sales. The table of Selling Securityholders on pages 18 to 22 of the Prospectus is hereby deleted in its entirety and supplemented with the following table:

NAME AND POSITION OF SELLING SECURITYHOLDER -----	COMMON STOCK (4)	
	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
-----	-----	-----
Mark Abel	5,300	5,300
Ross D. Ain	2,120	2,120
Sal and Lorraine Albanese	5,359	5,359
Leslie and Maria Anderson	10,600	10,600
Andrade Enterprises, LLC	21,200	21,200
Mario Aristizabal	5,397	5,397
Harriet E. Arneson	5,300	5,300
Austray Limited	42,400	42,400
Martin G. Ballweg	10,600	10,600
Bryan C. and Leah D. Barker	5,300	5,300
Ronald Baruch	742	742
Sam & Katie Benrubi	5,300	5,300
Larry Bernstein	2,120	2,120
Blumen Partners	1,329	1,329
Lewis S. Broad	10,600	10,600
Betty Joan Burr	2,650	2,650
Henry Burr	2,650	2,650
John Burr	2,650	2,650
Cambrian Investments Limited Partnership	5,300	5,300
Robert A. Cameron	10,600	10,600
Francis P. Cappione	1,329	1,329
Thomas L. Cassidy	2,650	2,650
Jacob T. Chachkes and Bette Chachkes, Trustees for Jacob T. Chachkes, M.D., P.C., MPPP, Dated 11-1-85	5,300	5,300
Richard L. Childs	2,650	2,650
Moun-Shung Chi & Sue-Jame Chi, Co-Trustees, Chi Living Trust	42,400	42,400
Cloughton Company Inc.	5,300	5,300
CNCA SCT BRUNOY/acct BGP	53,000	53,000
Irwin J. Cohen, M.D	5,300	5,300
Max Cohen	2,650	2,650

COMMON STOCK (4)

NAME AND POSITION OF SELLING SECURITYHOLDER	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
Concordia Partners L.P.	26,500	26,500
Robert J. Conrads	3,983	3,983
Bradley Cooper	10,600	10,600
Archibald Cox, Jr	27,398	27,398
Thomas H. Cruikshank	10,600	10,600
Alfred C. D'Alessandro	5,300	5,300
Michael and Mary Darling JTWROS	5,300	5,300
Andrew Davilman & Nancy Davilman, JTWROS	5,300	5,300
Tommy Lee Davis	21,200	21,200
Delaware Charter FBO R. Craig Fetz	42,400	42,400
Chris P. Dialynas, as Trustee of the Chris and Sheri Dialynas Living Trust, Dated January 30, 1997	10,600	10,600
Dorothy Dulman	10,600	10,600
David Dworetzky	5,300	5,300
Edward Dworetzky	21,200	21,200
Robert & Evelyn Elliott Trust	5,300	5,300
Richard C. & Mary Ann Fick Community Property	5,300	5,300
Denis Fortin	5,300	5,300
Lloyd A. Fox	10,600	10,600
Brian D. Frenzel	5,300	5,300
Benjamin & Sharyn Friedman	5,300	5,300
Merrit Brad Friedman	5,300	5,300
Craig S. Frolich	2,650	2,650
Gerald Frolich & Gloria A. Frolich JT Ten	5,300	5,300
Robert J. Gall	5,300	5,300
A. Mark Gambee, M.D. and Karen D. Todd, M.D. J.T.-W.R.O.S	5,300	5,300
Ofelia Anton Gomez	1,700	1,700
Michael J. Gordon	663	663
Robert P. Gordon	1,325	1,325
Philip Granowitz	5,300	5,300
Bernard Gross	1,066	1,066
Grossman Family Trust	5,300	5,300
Leonard Grunstein	2,323	2,323
Allison Gushe Molkenhain	10,282	10,282
Alan and Paula Halperin	5,300	5,300
Fridolf Hanson	4,240	4,240
Harrigan Family Trust	5,300	5,300
Thomas Scott Haydon & Thomas Welch Haydon	5,300	5,300
Austin E. Hills	5,300	5,300
HM Singer & Co Employee Pension Trust, Howard M. Singer TTEE U/A/D/ 1/1/95	5,300	5,300
Harry Huang and Adrienne Masters, Tenants by the Entirety	8,480	8,480
Hull Overseas, Ltd.	10,600	10,600
Gerald Johnston	10,600	10,600
Charles Jurgensmeyer	10,600	10,600
Joe Jurgensmeyer	10,600	10,600
Robert Jurgensmeyer	10,600	10,600
Virgil Jurgensmeyer	10,600	10,600
Patrick M. Kane	5,598	5,598

COMMON STOCK (4)

NAME AND POSITION OF SELLING SECURITYHOLDER	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
Amram Kass P.C. Defined Benefit Pension Plan	2,650	2,650
Ery W. & Helga L. Kehaya, JTWROS	21,200	21,200
Kenbar Group, LP	31,800	31,800
Donald R. Kendall, Jr	10,600	10,600
John R. Kennedy	1,325	1,325
Shirley F. Kerbel	5,300	5,300
Keys Foundation	53,000	53,000
Robert Knox	5,300	5,300
Gwen S. Korovin, M.D	5,300	5,300
Larkstone Inc.	21,200	21,200
Joseph Larosa	5,300	5,300
Laser Trading Ltd.	2,139	2,139
Stephen H. Lebovitz	10,600	10,600
Theodore Levine	5,300	5,300
Hyman Lezell Revocable Trust	21,200	21,200
L.G. Foley Inc. Profit Sharing Plan	10,600	10,600
Donna Lipman and Lawrence Lipman, Tenants in Common	5,300	5,300
Alfredo Livas	3,180	3,180
M&S Andrade Rev. Tr. For Comm. & Sep Property UA Dtd 10/19/78, as amended	5,300	5,300
Jon S. Marks	5,300	5,300
William M. Marks	5,300	5,300
Masada I Limited Ptnrs	1,859	1,859
Kevin T. McManus, MD	1,329	1,329
Lindsay A. McManus	5,300	5,300
Mega International Corporation	5,300	5,300
William H. Metzger MD Inc. Retirement Trust	5,300	5,300
Maurice Meyer III	5,300	5,300
Michael C. Miles	5,300	5,300
Mike & Terry Miller	5,300	5,300
Moonlight International Ltd	25,440	25,440
W. Kym Murphy	5,300	5,300
Arthur J. Nagle	5,300	5,300
Mechie Nebenzahl	2,120	2,120
John S. Osterweis, Trustee For The Osterweis Revocable Trust U/A Dated 09/13/93	2,650	2,650
Palmetto Partners, Ltd.	10,648	10,648
Alan Paulenoff	5,300	5,300
Gregory P. & Christine K. Pellizzon	5,300	5,300
Peter & Pamela Pellizzon	5,300	5,300
Nita E. Pepper and James G. Pepper, Co Trustees, Trust F/B/O Nita E. Pepper U/A Dtd 1/9/90	21,200	21,200
Dr. Tis Prager	7,950	7,950
Profutures Special Equities Fund, LP	10,600	10,600
Alois Putre Jr	5,300	5,300
Raimundo J. Rodriguez P. and Anelies H. Huter de R	5,300	5,300
Marion Roffer	10,600	10,600
Robert W. Rohrlich	5,300	5,300
Michael Rosenbaum	10,600	10,600
Jonathan Rothschild	5,300	5,300

COMMON STOCK (4)

NAME AND POSITION OF SELLING SECURITYHOLDER	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
RSA Trust (DTD) 3/7/95 (Ralph E. Adams Jr. and Shirlee Yvonne Adams, Trustees for RSA Trust)	5,300	5,300
Alan T. Rubin	15,900	15,900
David W. Ruttenberg	5,300	5,300
Sagres Group Ltd.	16,198	16,198
Gordon S. Salter	5,300	5,300
Kaya K. Sarier	2,650	2,650
Barry A. Saunders	5,300	5,300
Jan A. Saunders	5,300	5,300
Robert Schlotterbeck & Barbara J. Schlotterbeck, TTEES U/A Dtd 12/22/89 The Schlotterbeck Family Trust	5,300	5,300
Robert L. Schuessler	5,300	5,300
Carl F. Schwartz	7,950	7,950
Roberto Segovia	5,300	5,300
Uri R. Shabto M.D., P.C	5,300	5,300
Gerald Shepps	5,300	5,300
Melvin Silon	5,300	5,300
Nathaniel Silon Revocable Living Trust Dtd 6/2/93	21,200	21,200
William & Elinor Silver	5,300	5,300
Ronald Simon	1,325	1,325
Harvey Slevin, TTEE U/A Dtd 4/25/90 Harvey Slevin Revoc. Liv. Trust	1,325	1,325
Hollis R. and Lucille B. Smith	5,300	5,300
Philip Solomon	5,300	5,300
Sovereign Partners L.P.	21,200	21,200
Robert L. Spint Trustee For Robert L. Spint Trust UAD 10/19/89	5,300	5,300
Stern Joint Venture, L.P.	15,900	15,900
Andrew Strassman	5,300	5,300
Joseph & Barbara Strassman	21,200	21,200
Richard Strassman	5,300	5,300
Robert Strassman	2,650	2,650
Burton M. Strauss, Jr	5,300	5,300
Michael and Pamela Sulewski	2,650	2,650
Sidney Sutter	3,701	3,701
The 1992 Houston Partnership, L.P.	10,600	10,600
Tokenhouse Trading Company Limited	14,199	14,199
Alyce P. Twomey	2,650	2,650
Union D'Etudes et D'Investissements	106,000	106,000
Valori Associates, Inc.	2,650	2,650
Donald E. and Virginia V. Vinson Trust	5,300	5,300
J. Vitols	21,200	21,200
Mark & Sallie Lynn Walko	6,599	6,599
Saul Waring	5,300	5,300
Paul H. Warren	10,600	10,600
Robert J. Whetten	7,950	7,950
Allen Whipple	31,800	31,800
John R. Wiencek	1,619	1,619
B. R. Williamson Jr	10,600	10,600
Robert B. Wolford IRA	5,300	5,300
Charles C. Young	3,975	3,975

COMMON STOCK (4)

NAME AND POSITION OF SELLING SECURITYHOLDER	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
Lindsay A. Rosenwald, M.D. (5)(6)	100,004	100,004
Scott A. Katzman (5)(7)	35,529	35,529
Michael S. Weiss (5)(8)	14,885	14,885
Wayne L. Rubin (5)(7)	14,885	14,885
Credit Agricole (5)(9)	10,593	10,593
A. Joseph Rudick, Jr., M.D. (5)(10)	10,540	10,540
Tim McInerney (5)(7)	9,484	9,484
Martin S. Kratchman (5)(7)	9,121	9,121
Richard Strassman (5)(7)	8,501	8,501
Karl Ruggeberg (5)(7)	8,102	8,102
David R. Walner (5)(7)	5,000	5,000
Bluestone Capital (5)(9)	4,370	4,370
Marc Florin (5)(7)	3,475	3,475
Joseph Edelman (5)(7)	3,276	3,276
Peter M. Kash (5)(7)	3,122	3,122
Joseph Fabiani, Jr. (5)(7)	2,648	2,648
Deborah Solomon (5)(7)	2,489	2,489
Lauren S. Fischer (5)(7)	1,135	1,135
John Knox (5)(7)	1,135	1,135
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TOTAL	1,827,279	1,827,279

- (4) Represents shares of Common Stock into which the shares of Series A Preferred owned by such Selling Securityholder are convertible. This Registration Statement also covers any additional shares of Common Stock which become issuable in connection with the shares registered for sale hereby by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of the Selling Securityholder's outstanding shares of Common Stock.
- (5) Represents shares of Common Stock issuable upon conversion of Series A Preferred issuable upon exercise of the Placement Warrants. This Registration Statement also covers any additional shares of Common Stock which become issuable in connection with the shares registered for sale hereby by reason of any stock dividend, stock split, recapitalization or other similar transaction effected without the receipt of consideration which results in an increase in the number of the Selling Securityholder's outstanding shares of Common Stock.
- (6) Lindsay A. Rosenwald, M.D., a principal stockholder of the Company, is the President and sole stockholder of Paramount Capital, Inc. ("Paramount"). VentureTek, L.P., a principal stockholder of the Company, is a limited partnership, the limited partners of which include Dr. Rosenwald's wife, children, sisters of Dr. Rosenwald's wife, and their husbands and children.
- (7) Securityholder is agent of Paramount.
- (8) Michael S. Weiss, the Company's Secretary, is a Senior Managing Director of Paramount.
- (9) Securityholder acted as a Selected Dealer in the Private Placement.
- (10) Dr. Rudick, an associate of the Placement Agent and Paramount Capital Investments, LLC, is a director of each of Channel Therapeutics, Inc. and Optex Ophthalmologics, Inc., each a wholly owned subsidiary of the Company.

The preceding table was prepared based upon information furnished to us by Continental Stock Transfer & Trust Company. From time to time, additional information concerning ownership of the shares of Common Stock may rest with certain holders thereof not named in the preceding table, with whom we believe we have no affiliation.

The following table sets forth the number of shares of Common Stock previously issued upon conversion of shares of Series A Preferred. Such shares of Common Stock are beneficially owned by stockholders of the Company identified in the Prospectus as Selling Securityholders. Because any or all of the shares of Common Stock listed below may be offered for sale pursuant to this Prospectus by the Selling Securityholders from time to time, and because the Selling Securityholders identified below may have sold, transferred or otherwise disposed of all or a portion of their shares of Common Stock since the date on which the information regarding their shares of

Common Stock was provided, we cannot estimate the amounts of shares of Common Stock that will be held by the Selling Securityholders upon consummation of any such sales. The following table should be inserted immediately after the preceding table.

NAME AND POSITION OF SELLING SECURITYHOLDER -----	COMMON STOCK -----	
	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
Leonard Adams II	2,656	2,656
The Alfred J. Anzalone Family Limited Partnership	2,650	2,650
Mario Aristizabal	2	2
Arterio, Inc.	9,600	9,600
Austost Anstalt Schaan	13,600	13,600
Michael A. Berlinger	2,488	2,488
Douglas M. Bern	1,988	1,988
The Bios Equity Fund	6,200	6,200
Devora Chasanoff	3,975	3,975
Concordia Partners	770	770
Robert J. Conrads	1	1
Cowen & Co. Cust. Ronald M. Lazar - IRA	1,988	1,988
Cowen & Co. Cust. Elliot Fatoullah - IRA	1,988	1,988
Cowen & Co. Cust. Ronald Fatoullah - Keogh	1,988	1,988
Cowen & Co. Cust. John Gross - IRA	3,975	3,975
Cowen & Co. Cust. Charles Re-Keogh Def. Contrib. Profit Sharing	1,988	1,988
Cowen & Co. Cust. Andrew Grossman - IRA	1,988	1,988
Cowen & Co. Cust. Roger Marks Keogh Profit Sharing Plan	1,988	1,988
Cowen & Co. Cust. Anthony G. Polak - IRA	3,975	3,975
Cowen & Co. Cust. Jack Polak Keogh Plan	3,975	3,975
Cowen & Co. Cust. Wolfe Model - IRA	1,988	1,988
Archibald Cox, Jr	1	1
Credit Suisse Private Banking Geneva	106,000	106,000
Elke R. De Ramirez	1,120	1,120
DLJ Cust. Smithson Ventures Money Purchase Pension Plan	7,800	7,800
D N B Fund Partners L.P.	13,250	13,250
Domaco Venture Capital Fund	4,004	4,004
Donaldson, Lufkin & Jenrette Securities Corp. Cust. FBO Richard B. Chanin - IRA	3,300	3,300
J. William Doyle	2,650	2,650
S. Edmond Farber	3,975	3,975
Joseph Feshbach & Hilary Feshbach Jt. Ten	2,650	2,650
Shelley Garfinkel	8,600	8,600
Barry Goldin & Barbara Goldin Jt. Ten	3,975	3,975
Bruce C. Gomberg	1,988	1,988
Ofelia Anton Gomez	1	1
Michael J. Gordon	1	1
Robert P. Gordon	2	2
Joan Grillo	1,988	1,988
Leonard Grunstein	1	1
Chaya Harari & Sherri Harari Jt .Ten	1,988	1,988
Julian Herskowitz	1,325	1,325
Norton F. Hight	3,975	3,975
Randall W. Hight	3,975	3,975
Hull Overseas, Ltd.	10,600	10,600
Patrick M. Kane	1	1
Amram Kass P.C. Defined Benefit Pension Plan	2	2
Stanley Katz	2,650	2,650
Ronald Lazar & Barbara Lazar Jt. Ten	1,988	1,988
Jerry Levine	3,975	3,975
Lowrie Management Ltd.	8,100	8,100
Harris R. L. Lydon, Jr	1,650	1,650
Selwyn Malisoff & Barbara Malisoff Jt. Ten	1,325	1,325
William G. McCahey & Lisa Krivacka Jt. Ten	4,300	4,300
Paul M. Millman	1,988	1,988
Drew Netter & Carin S. Netter Jt. Ten	3,975	3,975
Bruce H. Paul	4,449	4,449

COMMON STOCK

NAME AND POSITION OF SELLING SECURITYHOLDER	SHARES BENEFICIALLY OWNED	SHARES OFFERED HEREBY
William Peterson and Catherine Peterson Jt. Ten	3,300	3,300
Anthony G. Polak	3,975	3,975
Shulamit Reinharz	1,988	1,988
RL Capital Partners	11,925	11,925
Romajo Partners Limited Partnership	2,650	2,650
Sagres Group Ltd.	1	1
Wayne Saker	2,662	2,662
Robert Shapiro & Sandra Shapiro Jt. Ten	1,988	1,988
J. F. Shea Co., Inc.	63,600	63,600
Andrew J. Siegel	4,000	4,000
Harvey Slevin, TTEE U/A Dtd 4/25/90		
Harvey Slevin Revoc. Liv. Trust	1,325	1,325
Smith Barney, Inc. Cust. Lorraine C. Ecker - IRA	5,300	5,300
Murray Stadtmauer & Clare Stadtmauer Jt. Ten	3,975	3,975
Michele L. Tarica	3,975	3,975
UFH Endowment Limited	15,700	15,700
Lawrence Warner	2,650	2,650
John Randall Wear	2,650	2,650
Alfred C. Zuck	3,975	3,975
TOTAL	945,018	945,018

The preceding table was prepared based upon information furnished to us by Continental Stock Transfer & Trust Company. From time to time, additional information concerning ownership of the shares of Common Stock may rest with certain holders thereof not named in the preceding table, with whom we believe we have no affiliation.

DESCRIPTION OF SECURITIES

SERIES A PREFERRED STOCK

Conversion. Pursuant to the Certificate of Designations of the Series A Preferred, on August 7, 1998, the conversion price of the Series A Preferred was adjusted from \$4.72 per share to \$3.06 per share. As a result, on such date the conversion rate of the Series A Preferred was adjusted such that each share of Series A Preferred converted after August 7, 1998 is convertible into 3.27 shares of Common Stock, whereas each share of Series A Preferred converted prior to August 7, 1998 was convertible into 2.12 shares of Common Stock.