

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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(f) of the Investment Company Act of 1940

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

1. Name and Address of Reporting Person

Link, Max

(Last) (First) (Middle)

230 Central Park West

(Street)

New York, New York 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Discovery Laboratories, Inc. (Discovery)

DSCO

3. IRS or Social Security Number of Reporting Person (Voluntary)

4. Statement for Month/Year

July 1998

5. If Amendment, Date of Original (Month/Year)

6. Relationship of Reporting Person to Issuer  
(Check all applicable)

[X] Director [ ] 10% Owner  
[ ] Officer (give title below) [ ] Other (specify below)

7. 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

1. Title of Security (Instr. 3)	2. Transaction Date (mm/dd/yy)	3. Transaction Code (Instr. 8) Code V	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned at End of Month (Instr. 3 and 4)	6. Owner- ship Form: Direct (D) or Indirect (I) (Instr.4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Amount	or (D)	Price			
Common Stock	7/21/98	P	2,000	A	3.20395	56,820	D	
Common Stock	7/31/98	P	10,000	A	2.66	56,820	D	

(1)

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

