

FORM 3

INITIAL STATEMENT OF 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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person\*

Tsai, Huei

(Last) (First) (Middle)

53 Worths Mill Lane

(Street)

Princeton New Jersey 08540

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)

6/16/98

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

4. Issuer Name and Ticker or Trading Symbol

Discovery Laboratories, Inc. ("Discovery")

DSCO

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

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

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

Table I -- Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	31,200(1)	I	By children
Common Stock	10,000	D	

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

Table II -- Derivative Securities Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conver- sion or Exercise Price of Derivative Security	5. Owner- ship Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exer- cisable	Expira- tion Date				

Employee Stock Options	3/5/98(2)	3/5/08	Common Stock	14,813	\$4.06	D
Employee Stock Options	6/16/98(2)	6/16/08	Common Stock	39,638	\$4.44	D
Employee Stock Options	6/16/98(3)	2/16/07	Common Stock	31,200	\$ .0821	D

Explanation of Responses:

- (1) The reporting person disclaims beneficial ownership of these securities except to the extent of his penuciary interest therein.
- (2) This option becomes exercisable in threee equal annual installments beginning with the first year anniversary following June 16.
- (3) This option becomes exercisable as to 25% of the option shares on the date of the grant. The remaining 75% of the option shares are exercisable in three equal annual installments beginning with the first year anniversary of the date of the grant.

/s/ Tsai, Huei

8/11/98

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\*\*Signature of Reporting Person

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Date

\*\* 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 provided is insufficient, See Instruction 6 for procedure.