

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): March 23, 2005

A.P. PHARMA, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE

1-16109

94-2875566

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

123 SAGINAW DRIVE, REDWOOD CITY, CALIFORNIA 94063

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code:
(650) 366-2626

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is
intended to simultaneously satisfy the filing obligation of the
registrant under any of the following provisions (See General
Instruction A.2. below):

- Written communications pursuant to Rule 425 under the
Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the
Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b)
under the Exchange Act (17 CFR 240.14d-29(b))
- Pre-commencement communications pursuant to Rule 13e-4(c)
under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 1.01 Entry into or Amendment of Material Definitive
Agreement

On March 23, 2005, the Board of Directors (the "Board") of
A.P. Pharma, Inc. (the "Company"), as part of the Compensation
Committee's annual review of the Company's compensation and
benefits policies, approved amendments to its Retention and Non-
Competition Agreement with Mr. Michael O'Connell, Chief Executive
Officer, and its Change of Control Agreement with Dr. John Barr,
Vice President, Research & Development. In connection with
approving these amendments, the Board also approved a Change of
Control Agreement for Mr. Gordon Sangster, Chief Financial
Officer, which contains terms substantially the same as for Dr.
Barr (each an "Agreement").

The principal changes to Mr. O'Connell and Dr. Barr's
Agreements resulting from the amendments include adding (a) full
accelerated vesting of options granted to them should their
respective employment be terminated by the Company without cause
or by them for good reason after a change of control and (b) the
lapse of restrictions on restricted stock held by them upon a
change of control.

Mr. Sangster's Agreement provides that if his employment is
terminated by the Company without good cause within 12 months

after a change of control of the Company, he will receive (a) for a period of 12 months, his base salary together with an average of any bonus paid during each of the three 12-month periods prior to termination, payable in 12 equal monthly installments, (b) full accelerated vesting of options granted to him prior to termination without good cause following a change of control and (c) the lapse of restrictions on restricted stock held by him upon a change of control.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

A.P. PHARMA, INC.

Date: March 28, 2005

By: /S/ Michael O'Connell

Michael P. J. O'Connell,
President and Chief
Executive Officer

(continued from previous page)