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

May 9, 2007
Date of Report
(Date of earliest event reported)

A.P. PHARMA, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**001-33221**	**94-2875566**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

123 Saginaw Drive
Redwood City, California 94063

(Address of principal executive offices) (Zip code)

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

(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:

☐ 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-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing

A.P. Pharma, Inc. (the "Company") today reported that on May 9, 2007, the Company was advised by the NASDAQ Listing Qualifications Department that NASDAQ is reviewing the Company's eligibility for continued listing on The NASDAQ Global Market as the Company does not comply with the NASDAQ's minimum $10 million stockholders' equity requirement set forth in Marketplace Rule 4450(a)(3). To facilitate the review, the Company has been asked to provide on or before May 24, 2007 a specific plan and timeframe to achieve and sustain compliance with all NASDAQ Global Market listing requirements.

As previously disclosed, on April 5, 2007, the Company filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-1 for a proposed public offering of up to $28.8 million of our common stock. The Company believes that successful completion of this offering would resolve the listing deficiency, and is planning to prepare the plan requested by NASDAQ.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	**Description**
99.1	Press Release dated May 15, 2007.

SIGNATURES

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: May 15, 2007

By: /s/ Gregory Turnbull

Name: Gregory Turnbull
Title: President and Chief Executive Officer

Exhibit 99.1

News Release

A.P. PHARMA REPORTS RECEIPT OF NOTICE FROM NASDAQ

REDWOOD CITY, Calif. (May 15, 2007) – A.P. Pharma, Inc. (NASDAQ: APPA), a specialty pharmaceutical company, today reported that on May 9, 2007, the Company was advised by the NASDAQ Listing Qualifications Department that NASDAQ is reviewing the Company's eligibility for continued listing on The NASDAQ Global Market as the Company does not comply with the NASDAQ's minimum $10 million stockholders' equity requirement set forth in Marketplace Rule 4450(a)(3). To facilitate the review, the Company has been asked to provide on or before May 24, 2007 a specific plan and timeframe to achieve and sustain compliance with all NASDAQ Global Market listing requirements.

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About A.P. Pharma

We are a specialty pharmaceutical company focused on developing pharmaceutical products using our proprietary Biochronomer polymer-based drug delivery technology. Our product development philosophy is based on incorporating approved therapeutics into our proprietary bioerodible drug delivery technology to create controlled release pharmaceuticals to improve treatments for diseases or conditions. Our lead product candidate, APF530, is currently in a pivotal Phase 3 clinical trial for the prevention of acute and delayed onset chemotherapy-induced nausea and vomiting, or CINV.

Our primary focus is to advance our proprietary Biochronomer technology, consisting of bioerodible polymers designed to release drugs over a defined period. We have completed over 100 in vivo and in vitro studies demonstrating that our Biochronomer technology is potentially applicable to a range of therapeutic areas, including pain management, prevention of nausea and vomiting, control of inflammation and treatment of ophthalmic diseases. We have also completed comprehensive animal and human toxicology studies that have established that our Biochronomer polymers are safe and well tolerated. Furthermore, our Biochronomer technology can be designed to deliver drugs over periods varying from days to several months.

Forward-looking Statements

This news release contains "forward-looking statements" as defined by the Private Securities Reform Act of 1995. These forward-looking statements involve risks and uncertainties including uncertainties associated with the successful closing of the common stock offering, regaining compliance with NASDAQ rules, timely development, approval, launch and acceptance of new products, satisfactory completion of clinical studies, establishment of new corporate alliances, progress in research and development programs and other risks and uncertainties identified in the Company's filings with the Securities and Exchange Commission. We caution investors that forward-looking statements reflect our analysis only on their stated date. We do not intend to update them except as required by law.

Investor Relations Contacts:
Lippert/Heilshorn & Associates
Zack Bryant (zbryant@lhai.com)
Don Markley (dmarkley@lhai.com)
Bruce Voss (bvoss@lhai.com)
(310) 691-7100

Company Contact:
Gregory Turnbull
President and
Chief Executive Officer
(650) 366-2626