

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) December 15, 2006

NEOPROBE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-26520
(Commission
File Number)

31-1080091
(IRS Employer
Identification No.)

425 Metro Place North, Suite 300, Columbus, Ohio
(Address of principal executive offices)

43017
(Zip Code)

Registrant's telephone number, including area code (614) 793-7500

(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-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Compensation, Governance and Nominating Committee (the “Committee”) of the Board of Directors of Neoprobe Corporation (“the Company”) has approved the grant of options to purchase shares of the Company’s common stock, effective December 15, 2006, to the Company’s Chief Executive Officer and two other named executive officers listed below (the “Optionees”):

<u>Name</u>	<u>Position</u>	<u>Options</u>
David C. Bupp	President and Chief Executive Officer	300,000
Brent L. Larson	Vice President, Finance and Chief Financial Officer	50,000
Carl M. Bosch	Vice President, Research and Development	50,000

The Company granted the options in accordance with the provisions of the Neoprobe Corporation Amended and Restated 2002 Stock Incentive Plan. In connection with the grant of the options, the Company entered into a stock option agreement with each of the Optionees (the “Stock Option Agreements”). Pursuant to the terms of the Stock Option Agreements, the options have an exercise price of \$0.27, the closing price of the Company’s common stock as reported on the OTC Bulletin Board regulated quotation service on December 15, 2006. One third of the shares of common stock subject to the options vest and become exercisable on each anniversary of the date of grant. The options will lapse and cease to be exercisable upon the earliest of: (i) the expiration of 10 years from the date of grant; (ii) the expiration of one year from the date that an Optionee ceases to be an employee of the Company because of death, disability or retirement; (iii) 90 days after an Optionee’s employment with the Company or any subsidiary is terminated without cause; or (iv) immediately upon termination of an Optionee’s employment with the Company or any subsidiary for a reason other than death, disability or retirement, or by the Company for cause.

The foregoing description of the terms of the Stock Option Agreements is qualified in its entirety by reference to the full text of the form of Stock Option Agreement attached as Exhibit 10.1 to this Current Report on Form 8-K, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number Exhibit Description

10.1 Form of Stock Option Agreement under the Neoprobe Corporation Amended and Restated 2002 Stock Incentive Plan.

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.

Neoprobe Corporation

Date: December 21, 2006

By: /s/ Brent L. Larson

Brent L. Larson, Vice President, Finance and
Chief Financial Officer

NEOPROBE CORPORATION
Suite 300
425 Metro Place North
Dublin, Ohio 43017-1367

[Date of Grant]

[Employee]

[Address]

[City/State]

Congratulations. You have been granted a Nonqualified Stock Option under Neoprobe Corporation's 2002 Stock Incentive Plan (the "Plan") on the following terms:

1. **Number of Shares.** The number of Shares of Common Stock of Neoprobe Corporation that you may purchase under this Option is: [Shares].

2. **Exercise Price.** The exercise price to purchase Shares under this Option is: \$[] per Share.

3. **Vesting.** One third (1/3) of the Shares originally subject to this Option will vest and become exercisable on each anniversary of the date of grant [Date of Grant] if you have been an Employee of the Company continuously from the date of this Agreement shown above through the date when such portion of the Option vests. In addition, should you be terminated by the Company without cause as defined in your employment agreement, all outstanding options will become vested immediately.

4. **Lapse.** This Option will lapse and cease to be exercisable upon the earliest of:

- (i) the expiration of 10 years from the date of this Agreement shown above,
- (ii) the expiration of one year from the date that you cease to be an Employee because of your death, disability, or retirement,
- (iii) 90 days after your employment with Neoprobe or any subsidiary is terminated by Neoprobe or such Subsidiary without cause,
- (iv) immediately upon termination of your employment with Neoprobe or any Subsidiary for a reason other than your death, disability or retirement or by Neoprobe for cause.

5. **Taxation.** This Option is a Nonqualified Option. You will have taxable income upon the exercise of this Option. At that time, you must pay to Neoprobe an amount equal to the required federal, state and local tax withholding less any withholding otherwise made from your salary or bonus. If, for any reason, Neoprobe is unable to withhold all or any portion of the amount required to be withheld, then you (or any person who may exercise this Option) agree to pay an amount equal to the withholding required to be made less the amount actually withheld by Neoprobe. You must satisfy any relevant withholding requirements before Neoprobe issues Shares to you.

6. **Exercise.** This Option may be exercised by the delivery of this Agreement with the notice of exercise attached hereto properly completed and signed by you to the Treasurer of the Company, together with the aggregate Exercise Price for the number of Shares as to which the Option is being exercised, after the Option has become exercisable and before it has ceased to be exercisable. The Exercise Price must be paid in cash by (a) delivery of a certified or cashier's check payable to the order of Neoprobe in such amount, (b) wire transfer of immediately available funds to a bank account designated by Neoprobe, or (c) reduction of a debt of Neoprobe to you. This Option may be exercised as to less than all of the Shares purchasable hereunder, but not for a fractional share, nor may it be exercised as to less than one hundred (100) Shares unless it is exercised as to all of the Shares then available hereunder. If this Option is exercised as to less than all of the Shares purchasable hereunder, a new duly executed Option Agreement reflecting the decreased number of Shares exercisable under such Option, but otherwise of the same tenor, will be returned to you.

7. **No Transfer.** This Option may not be sold, pledged nor otherwise transferred other than by will or the laws of descent and distribution; and it may only be exercised during your lifetime by you. Notwithstanding the foregoing, you may transfer this Option either (a) to members of your immediate family (as defined in Rule 16a-1 under the Securities Exchange Act of 1934, as amended), to one or more trusts for the benefit of such family members, or to partnerships or other entities in which such family members are the only partners or owners, provided that you do not receive any consideration for the transfer, or (b) with the prior written approval of the committee appointed by the Board of Directors to administer the Plan. Any option held by a transferee remains subject to the same terms and conditions that applied immediately prior to transfer based on the transferor's continuing relationship with the Company. This Agreement is neither a negotiable instrument nor a security (as such term is defined in Article 8 of the Uniform Commercial Code).

8. **Not An Employment Agreement.** This Agreement is not an employment agreement and nothing contained herein gives you any right to continue to be employed by or provide services to Neoprobe or affects the right of Neoprobe to terminate your employment or other relationship with you.

9. **Plan Controls.** This Agreement is an Award Agreement (as such term is defined in the Plan) under Article 5 of the Plan. The terms of this Agreement are subject to, and controlled by, the terms of the Plan, as it is now in effect or may be amended from time to time hereafter, which are incorporated herein as if they were set forth in full. Any words or phrases defined in the Plan have the same meanings in this Agreement. A copy of the Plan is attached to this Agreement. You should read the entire Plan to familiarize yourself with its terms and conditions.

10. **Miscellaneous.** This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and it supersedes and discharges all prior agreements (written or oral) and negotiations and all contemporaneous oral agreements concerning such subject matter. This Agreement may not be amended or terminated except by a writing signed by the party against whom any such amendment or termination is sought. If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby. This Agreement shall be governed by the laws of the State of Delaware.

Please acknowledge your acceptance of this Agreement by signing the enclosed copy in the space provided below and returning it promptly to Neoprobe.

NEOPROBE CORPORATION

By: _____
David C. Bupp
President & Chief Executive Officer

**Accepted and Agreed to as of
the date first set forth above:**

Employee Signature

OPTION EXERCISE FORM

The undersigned hereby exercises the right to purchase _____ shares of Common Stock of Neoprobe Corporation pursuant to the Award Agreement dated _____ under the Neoprobe Corporation 2002 Stock Incentive Plan.

Approved by (President/CEO or VP-Finance/CFO):

Employee Signature Date

Signature Date

Sign and complete this Option Exercise Form and deliver it to:

Neoprobe Corporation
Attn: Chief Financial Officer
425 Metro Place North
Suite 300
Dublin, Ohio 43017-1367

together with the option price in cash by (a) delivery of a certified or cashier's check payable to the order of Neoprobe in such amount, (b) wire transfer of immediately available funds to a bank account designated by Neoprobe or (c) reduction of a debt of Neoprobe to you.