

## News Release

PharmAthene Awarded 50% Profit Split on Worldwide Sales of Smallpox Antiviral Therapy by Delaware Chancery Court

ANNAPOLIS, Md., Sept. 22, 2011 /PRNewswire via COMTEX/ -- PharmAthene, Inc. (NYSE Amex: PIP) today announced a significant decision in its litigation against SIGA Technologies in the Delaware Court of Chancery. PharmAthene filed the lawsuit against SIGA in December 2006 citing PharmAthene's interest in ST-246, an orally available smallpox antiviral drug candidate.

"We are extremely pleased with the Court's decision," remarked Eric I. Richman, President and Chief Executive Officer. "This is an important victory for our Company and stockholders. This ruling, providing PharmAthene with 50% of worldwide net profits is transformative for the Company. As a result of this ruling, we will appropriately share in the financial success of ST-246 without any of the associated infrastructure and related expenses. The initial U.S. government contract for 1.7 million courses of smallpox antiviral therapy has already been awarded."

As a result, the Court ruled that "once SIGA earns \$40 million in net profits or margin from net sales of ST-246, PharmAthene shall be entitled to 50% of all net profits from such sales thereafter for a period from entry of this judgment until the expiration of ten years following the first commercial sale of any product derived from ST-246." The Court went on to award "PharmAthene one-third of the reasonable attorney's fees it incurred in this action" as well as "one third of the expert witness fees incurred by PharmAthene."

The Court's decision in favor of PharmAthene found that SIGA is liable to PharmAthene for breach of SIGA's contractual obligations to negotiate an exclusive license agreement to ST-246 in good faith. The Court denied certain of the counts in PharmAthene's complaint. A copy of the Court's opinion in the case is available on the Company's website at <http://www.pharmathene.com/> under the "Investor Relations" tab.

### Conference Call and Webcast Information

PharmAthene management will be hosting a conference call to discuss the Delaware Court of Chancery decision. The call is scheduled to begin at 9:00 a.m. on Friday, September 23, 2011, and is expected to last approximately 30 minutes. The dial-in number within the United States is 866-831-6267. The dial-in number for international callers is 617-213-8857. The participant passcode is 20110532.

A replay of the conference call will be available beginning at approximately midnight on Friday, September 23, 2011. The dial-in number to access the replay from within the United States is 888-286-8010. For international callers, the dial-in number is 617-801-6888. The participant passcode is 67593711.

The conference call will also be webcast and can be accessed from the Company's website at <http://www.pharmathene.com/>. A link to the webcast may be found under the Investor Relations section of the website.

### Statement on Cautionary Factors

Except for the historical information presented herein, matters discussed may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to

certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Statements that are not historical facts, including statements preceded by, followed by, or that include the words "potential"; "believe"; "anticipate"; "intend"; "plan"; "expect"; "estimate"; "could"; "may"; "should"; "will"; "project"; "potential"; or similar statements are forward-looking statements. PharmAthene disclaims any intent or obligation to update these forward-looking statements other than as required by law. Risks and uncertainties include risk associated with the reliability of the results of the studies relating to human safety and possible adverse effects resulting from the administration of the Company's product candidates, unexpected funding delays and/or reductions or elimination of U.S. government funding for one or more of the Company's development programs, the award of government contracts to our competitors, unforeseen safety issues, challenges related to the development, scale-up, technology transfer, and/or process validation of manufacturing processes for our product candidates, unexpected determinations that these product candidates prove not to be effective and/or capable of being marketed as products, as well as risks detailed from time to time in PharmAthene's Forms 10-K and 10-Q under the caption "Risk Factors" and in its other reports filed with the U.S. Securities and Exchange Commission (the "SEC"). In particular, there is significant uncertainty regarding the level and timing of sales of ST-246 and when and whether it will be approved by the U.S. FDA and corresponding health agencies around the world. We cannot predict with certainty when Siga will commence delivering any product or will begin recognizing profit on the sale thereof. Furthermore, the decision could be appealed by Siga and there can be no assurances that the decision will not be reversed or that the remedy will not otherwise be modified. In addition, to the extent that there is an appeal, we cannot predict how long that will delay the receipt of payments, if any, from Siga. Copies of PharmAthene's public disclosure filings are available from its investor relations department and our website under the investor relations tab at <http://www.pharmathene.com/>.

SOURCE: PharmAthene, Inc.