
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**
FORM 10-Q

(Mark One)

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Quarterly Period Ended March 31, 2013
Or
 Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File No. 0-23047

SIGA Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-3864870

(IRS Employer Identification No.)

660 Madison Avenue, Suite 1700

New York, NY

10065

(zip code)

(Address of principal executive offices)

Registrant's telephone number, including area code: (212) 672-9100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

common stock, \$.0001 par value

Name of each exchange on which registered

Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one): Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No .

As of April 30, 2013 the registrant had outstanding 52,126,861 shares of common stock.

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**SIGA TECHNOLOGIES, INC.
FORM 10-Q**

EXPLANATORY NOTE

This quarterly report contains the revised condensed consolidated balance sheet as of December 31, 2012, the revised condensed statement of operations for the three months ended March 31, 2012, and the revised condensed consolidated statement of cash flows for the three months ended March 31, 2012. Refer to Note 13 of Notes to Consolidated Financial Statements in this quarterly report for further detail.

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PART I - FINANCIAL INFORMATION

Item 1 - Condensed Consolidated Financial Statements

SIGA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	March 31, 2013	December 31, 2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 24,690,394	\$ 32,017,490
Accounts receivable	1,026,599	970,288
Receivables from long term contract	30,227,538	—
Inventory	13,148,805	17,641,922
Prepaid expenses and other current assets	779,150	801,149
Deferred tax assets	33,657,972	33,515,327
Total current assets	103,530,458	84,946,176
Property, plant and equipment, net	1,158,327	987,869
Receivables from long-term contract	—	3,771,219
Deferred costs	8,669,379	2,841,534
Goodwill	898,334	898,334
Other assets	2,124,931	2,181,720
Deferred tax assets, net	12,345,075	10,209,278
Total assets	\$ 128,726,504	\$ 105,836,130
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 8,588,832	\$ 10,189,917
Accrued expenses and other current liabilities	4,569,305	4,283,849
Common stock warrants	539,453	333,793
Current portion of long term debt	1,454,249	954,738
Total current liabilities	15,151,839	15,762,297
Deferred revenue	83,505,866	57,052,020
Common stock warrants	933,594	657,246
Long term debt	3,468,481	3,955,262
Other liabilities	167,093	166,303
Total liabilities	103,226,873	77,593,128
Commitments and contingencies (Note 12)		
Stockholders' equity		
Common stock (\$.0001 par value, 100,000,000 shares authorized, 52,123,528 and 51,642,520 issued and outstanding at March 31, 2013, and December 31, 2012, respectively)	5,212	5,164
Additional paid-in capital	169,720,774	167,588,374
Accumulated deficit	(144,226,355)	(139,350,536)
Total stockholders' equity	25,499,631	28,243,002
Total liabilities and stockholders' equity	\$ 128,726,504	\$ 105,836,130

The accompanying notes are an integral part of these unaudited financial statements.

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SIGA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/LOSS (UNAUDITED)

	Three Months Ended March 31,	
	2013	2012
Revenues		
Research and development	\$ 1,328,364	\$ 1,465,752
Operating expenses		
Selling, general and administrative	3,031,349	2,213,877
Research and development	3,645,469	4,464,538
Patent preparation fees	458,156	336,298
Total operating expenses	<u>7,134,974</u>	<u>7,014,713</u>
Operating loss	(5,806,610)	(5,548,961)
Decrease (increase) in fair value of common stock warrants	(974,199)	(999,529)
Interest expense	(373,555)	—
Other income, net	103	162
Loss before income taxes	(7,154,261)	(6,548,328)
Benefit from (provision for) income taxes	2,278,442	1,932,719
Net income (loss)	<u>\$ (4,875,819)</u>	<u>\$ (4,615,609)</u>
Earnings (loss) per share: basic and diluted	<u>\$ (0.09)</u>	<u>\$ (0.09)</u>
Weighted average shares outstanding: basic and diluted	<u>51,714,146</u>	<u>51,637,770</u>
Net income (loss)	\$ (4,875,819)	\$ (4,615,609)
Change in net unrealized gain (loss) on short-term investments	—	(4,067)
Comprehensive income (loss)	<u>\$ (4,875,819)</u>	<u>\$ (4,619,676)</u>

The accompanying notes are an integral part of these unaudited financial statements.

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SIGA TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended March 31,	
	2013	2012
Cash flows from operating activities:		
Net income (loss)	\$ (4,875,819)	\$ (4,615,609)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and other amortization	98,134	103,354
Increase (decrease) in fair value of warrants	974,199	999,529
Stock based compensation	604,985	315,106
Amortization of debt discount	12,730	—
Changes in assets and liabilities:		
Accounts receivable	(26,512,630)	(1,027,177)
Inventory	4,493,117	(923,195)
Deferred costs	(5,827,845)	(1,256,620)
Prepaid expenses	21,999	(103,344)
Other assets	56,789	7,501
Deferred income taxes, net	(2,278,442)	(1,932,719)
Accounts payable, accrued expenses and other current liabilities	(1,314,839)	220,502
Deferred revenue	26,453,846	1,725,926
Net cash provided by (used in) operating activities	<u>(8,093,776)</u>	<u>(6,486,746)</u>
Cash flows from investing activities:		
Capital expenditures	(268,592)	(183,398)
Net cash provided by (used in) investing activities	<u>(268,592)</u>	<u>(183,398)</u>
Cash flows from financing activities:		
Net proceeds from exercise of warrants and options	1,213,365	1,690
Payment of common stock tendered for employee tax obligations	(178,093)	—
Net cash provided by (used in) financing activities	<u>1,035,272</u>	<u>1,690</u>
Net increase (decrease) in cash and cash equivalents	(7,327,096)	(6,668,454)
Cash and cash equivalents at beginning of period	32,017,490	49,256,930
Cash and cash equivalents at end of period	<u>\$ 24,690,394</u>	<u>\$ 42,588,476</u>
Supplemental disclosure of non-cash financing activities:		
Reclassification of common stock warrant liability to additional paid-in capital upon warrant exercise	\$ 492,191	\$ —

The accompanying notes are an integral part of these unaudited financial statements

SIGA TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Condensed Consolidated Financial Statements

The financial statements are presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information and the rules and regulations of the Securities and Exchange Commission (the “SEC”) for quarterly reports on Form 10-Q and should be read in conjunction with the Company’s audited financial statements and notes thereto for the year ended December 31, 2012, included in the 2012 Annual Report on Form 10-K/A. All terms used but not defined elsewhere herein have the meaning ascribed to them in the Company’s 2012 Annual Report on Form 10-K/A filed on May 14, 2013. In the opinion of management, all adjustments (consisting of normal and recurring adjustments) considered necessary for a fair statement of the results of the interim periods presented have been included. The 2012 year-end balance sheet data was derived from the audited financial statements but does not include all disclosures required by U.S. GAAP. The results of operations for the three months ended March 31, 2013 are not necessarily indicative of the results expected for the full year.

The financial statements have been prepared on a basis which assumes that the Company will continue as a going concern and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Management believes that the funds expected to be generated from its procurement contract with the Biomedical Advance Research and Development Authority (“BARDA”) (see Note 2) together with existing capital resources and continuing government grants and contracts will be sufficient to support its operations beyond the next twelve months. As discussed in Note 2, payment from BARDA for delivery of courses of Arestvyr™ (tegovirimat), also known as ST-246®, will not commence until after delivery of 500,000 courses. Management currently expects achievement of this threshold and the resulting receipt of funds from BARDA to occur during 2013. If 500,000 courses are not delivered or if payment for delivery is not received in 2013, then the Company will experience a significant reduction in our forecasted capital resources and cash flows and consequently will need to seek additional capital resources. Such resources may include procurement contracts, collaborative agreements, strategic alliances, research grants, and future equity and debt financing. There is no assurance that the Company will be successful in obtaining additional funding, or whether any funding from either an equity or debt financing would be available on commercially reasonable terms, if at all. If the Company is unable to raise additional capital, future operations might need to be scaled back or discontinued. The financial statements do not include any adjustments relating to the recoverability of the carrying amount of recorded assets and liabilities that might result from the outcome of these uncertainties.

2. Procurement Contract and Research Agreements

Procurement Contract

In May 2011, the Company signed a contract with BARDA (the “BARDA Contract”) pursuant to which SIGA agreed to deliver two million courses of Arestvyr to the U.S. Strategic National Stockpile (the “Strategic Stockpile”). The base contract, worth approximately \$463 million, includes \$54 million related to development and supportive activities and contains various options to be exercised at BARDA’s discretion. The period of performance for development and supportive activities runs until 2020. As originally issued, the BARDA Contract included an option for the purchase of up to 12 million additional courses of Arestvyr; however, following a protest by a competitor of the Company, BARDA issued a contract modification on June 24, 2011 pursuant to which it deleted the option to purchase the additional courses. Under the BARDA Contract as modified, BARDA has agreed to buy from SIGA 1.7 million courses of Arestvyr. Additionally, SIGA will contribute to BARDA 300,000 courses manufactured primarily using federal funds provided by the U.S. Department of Health and Human Services (“HHS”) under prior development contracts. The BARDA Contract as modified also contains options that will permit SIGA to continue its work on pediatric and geriatric versions of the drug as well as use Arestvyr for smallpox prophylaxis. As described in Note 12, the amount of profits SIGA will retain pursuant to the BARDA Contract is subject to the judgment entered by the Delaware Court of Chancery in PharmAthene’s action against SIGA and the outcome of the pending appeal and cross-appeal.

In the fourth quarter of 2011, SIGA received approximately \$41 million in advance payments under the BARDA Contract. In October 2012, SIGA received FDA concurrence with respect to its product labeling strategy in accordance with the BARDA Contract and during the fourth quarter of 2012, it received a milestone payment of approximately \$12.3 million.

The BARDA Contract is a multiple deliverable arrangement comprising delivery of courses and covered research and development activities. The BARDA Contract provides certain product replacement rights with respect to delivered courses. For this reason, recognition of revenue that might otherwise occur upon delivery of courses is expected to be deferred until the Company’s obligations related to potential replacement of delivered courses are satisfied. Furthermore, payment for delivered courses and

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reimbursement of amounts the Company spends on covered research services are not contractually due to commence until after the Company has delivered the first 500,000 courses. Accordingly the Company has deferred revenue for all amounts received to date. Once the Company has delivered the first 500,000 courses, the Company expects to recognize revenue with respect to BARDA's obligation to reimburse the cost of covered research and development services performed prior to this point. In addition, direct costs incurred by the Company to fulfill the requirements under the BARDA Contract are being deferred and will be recognized as expenses over the same period that the related deferred revenue is recognized as revenue.

As of March 31, 2013 and December 31, 2012, deferred direct costs under the BARDA Contract of approximately \$8.7 million and \$2.8 million, respectively, are included in deferred costs on the consolidated balance sheets. As of March 31, 2013, the Company recorded \$30.2 million as receivables from long term contract and deferred revenue, respectively, for the March 2013 delivery of approximately 190,000 courses of Arrestvyr to the Strategic Stockpile and research and development services provided under the BARDA Contract.

In May 2013, BARDA notified SIGA that the Company had successfully completed the milestone requirements for the Final Drug Product Commercial Validation batches and report. Accordingly, SIGA has invoiced BARDA for the approximately \$8.2 million milestone payment. SIGA expects to receive payment during the second quarter.

Research Agreements

The Company obtains funding from the contracts and grants it obtains from various agencies of the U.S. Government to support its research and development activities. Currently, the Company has one contract and two grants with varying expiration dates through July 2016 that provide for potential future aggregate research and development funding for specific projects of approximately \$17.4 million. This amount includes, among other things, options that may or may not be exercised at the U.S. government's discretion. Moreover, the contract and grants contain customary terms and conditions including the U.S. Government's right to terminate or restructure a grant for convenience at any time.

3. Stockholders' Equity

On March 31, 2013, the Company's authorized share capital consisted of 110,000,000 shares, of which 100,000,000 are designated common shares and 10,000,000 are designated preferred shares. The Company's Board of Directors is authorized to issue preferred shares in series with rights, privileges and qualifications of each series determined by the Board.

2008 Financing

On June 19, 2008, SIGA entered into a letter agreement (as amended, the "Letter Agreement") that expired on June 19, 2010, with MacAndrews & Forbes LLC ("M&F"), a related party, for M&F's commitment to invest, at SIGA's discretion or at M&F's option, up to \$8 million in exchange for (i) SIGA common stock and (ii) warrants to purchase 40% of the number of SIGA shares acquired by M&F. In consideration for the commitment of M&F reflected in the Letter Agreement, on June 19, 2008, M&F received warrants to purchase 238,000 shares of SIGA common stock, initially exercisable at \$3.06 (the "Commitment Warrants"). The Commitment Warrants were subject to anti-dilution adjustments and exercisable until June 19, 2012. On June 19, 2012, the Commitment Warrants were amended to extend expiration to June 19, 2014. Due to certain anti-dilution provisions, the Commitment Warrants are recorded as a liability, and consequently the "mark-to-market" adjustment to the fair value from the extended term was accounted for immediately upon modification.

In 2009, SIGA issued to M&F 816,993 shares of common stock and 326,797 warrants to acquire common stock in exchange for total proceeds of \$2.5 million. The warrants are exercisable for a term of four years from issuance and had an exercise price of \$3.519 per share, prior to anti-dilution adjustments. On April 29, 2013, 202,451 of the aforementioned warrants issued in 2009 expired.

On June 18, 2010, M&F notified SIGA of its intention to exercise its right to invest \$5.5 million, the remaining amount available under the Letter Agreement following earlier investments and entered into a Deferred Closing and Registration Rights Agreement dated as of June 18, 2010 with the Company. On July 26, 2010, upon satisfaction of certain customary closing conditions, including the expiration of the applicable waiting period pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, M&F funded the \$5.5 million purchase price to SIGA in exchange for the issuance of (i) 1,797,386 shares of common stock and (ii) warrants to purchase 718,954 shares of SIGA common stock at an exercise price of \$3.519 per share.

The number of shares issuable pursuant to the warrants granted under the Letter Agreement, as well as the exercise price of those warrants, may be subject to adjustment as a result of the effect of future equity issuances on certain anti-dilution provisions in the related warrant agreements.

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2006 Placements

In 2006, the Company issued 1,000,000 warrants with an initial exercise price of \$4.99 per share. The 2006 Warrants may be exercised through and including October 19, 2013. At March 31, 2013 and December 31, 2012, 407,784 and 815,568, respectively, of the 2006 Warrants at an exercise price of \$2.92 were outstanding. In March 2013, 407,784 of the 2006 Warrants were exercised. The number of shares issuable pursuant to the Warrants may be subject to further adjustment as a result of the effect of future equity issuances on anti-dilution provisions in the related warrant agreements.

At March 31, 2013 and December 31, 2012, the fair market value of outstanding warrants was \$1,473,047 (revised) and \$991,039 (restated), respectively. The Company applied the Black-Scholes model to calculate the fair values of the respective derivative instruments using the contractual term of the warrants. Management estimates the expected volatility using a combination of the Company's historical volatility and the volatility of a group of comparable companies.

For the three months ended March 31, 2013 and March 31, 2012, the Company recorded losses of \$974,199 (revised) and \$999,529 (restated), respectively, as a result of net increases in fair value for warrants outstanding during the respective periods.

On April 30, 2013, SIGA entered into a Services Agreement with M&F for certain professional and administrative services. The Services Agreement has a term of three years. As consideration for the Services Agreement, SIGA issued warrants to M&F to acquire 250,000 shares of common stock. The warrants are immediately exercisable and remain exercisable for two years from issuance and have an exercise price of \$3.29.

4. Per Share Data

The objective of basic earnings per share ("EPS") is to measure the performance of an entity over the reporting period by dividing income (loss) by the weighted average shares outstanding. The objective of diluted EPS is consistent with that of basic EPS, except that it also gives effect to all potentially dilutive common shares outstanding during the period.

The following is a reconciliation of the basic and diluted net income (loss) per share computation:

	Three Months Ended March 31,	
	2013	2012 (Revised)
Net income (loss) for basic and diluted EPS	\$ (4,875,819)	\$ (4,615,609)
Weighted-average shares for basic and diluted	51,714,146	51,637,770
Earnings (loss) per share for basic and diluted	\$ (0.09)	\$ (0.09)

The Company incurred losses for the three months ended March 31, 2013 and 2012 and as a result, certain equity instruments are excluded from the calculation of diluted earnings (loss) per share as the effect of such shares is anti-dilutive. The weighted average number of equity instruments excluded consist of:

	Three Months Ended March 31,	
	2013	2012
Stock Options	2,905,674	2,816,206
Stock-Settled Stock Appreciation Rights	450,810	295,006
Restricted Stock Units	1,014,075	109,011
Warrants	2,194,976	2,292,660

The appreciation of each stock-settled stock appreciation right was capped at a determined maximum value. As a result, the weighted average number shown in the table above for stock-settled stock appreciation rights reflects the weighted average maximum number of shares that could be issued.

[Table of Contents](#)**5. Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, accounts payable and accrued expenses approximates fair value due to the relatively short maturity of these instruments. Common stock warrants which are classified as liabilities are recorded at their fair market value as of each reporting period.

The measurement of fair value requires the use of techniques based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. The inputs create the following fair value hierarchy:

- Level 1 – Quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations where inputs are observable or where significant value drivers are observable.
- Level 3 – Instruments where significant value drivers are unobservable to third parties.

The Company uses model-derived valuations where inputs are observable in active markets to determine the fair value of certain common stock warrants on a recurring basis and classify such warrants in Level 2. The Company utilizes the Black-Scholes model consisting of the following variables: (i) the closing price of SIGA's common stock; (ii) the expected remaining life of the warrant; (iii) the expected volatility using a weighted-average of historical volatilities from a combination of SIGA and comparable companies; and (iv) the risk-free market rate. At March 31, 2013 and December 31, 2012, the fair value of such warrants were as follows:

	March 31, 2013	December 31, 2012 (Revised)
Common stock warrants, current	\$ 539,453	\$ 333,793
Common stock warrants, non-current	933,594	657,246
	<hr/> \$ 1,473,047	<hr/> \$ 991,039

At March 31, 2013 and December 31, 2012, the Company also had \$5.0 million outstanding from a loan classified in Level 2. The fair value of the loan approximates carrying value at March 31, 2013. For the three months ended March 31, 2013 and 2012, SIGA did not hold any Level 3 securities.

6. Related Party Transactions

On December 1, 2009, the Company entered into an Office Services Agreement with an affiliate of M&F to occupy office space for approximately \$8,000 per month. In June 2011, the Office Services Agreement was amended due to expanded use of space by the Company. This amendment increased the Company's monthly payment to \$11,000 per month. An amendment in February 2012 increased the monthly payment to \$12,000 to appropriately reflect expanded use of space. The Office Services Agreement was canceled effective March 31, 2013.

In October 2012, the Company funded a letter of credit and deposit to take advantage of a lease for office space secured by an affiliate of M&F from a third party landlord on behalf of the Company. Pursuant to such letter of credit, in January 2013 the Company entered into a sublease in which the Company will pay all costs associated with the lease, including rent. All payments made by the Company pursuant to the sublease will either be directly or indirectly made to the third-party landlord and not retained by M&F or any affiliate. The new sublease replaced the Office Services Agreement that is described in the previous paragraph, and occupancy commenced on April 1, 2013. The sublease allows for a free rent period of five months beginning April 1, 2013; subsequent to the free rent period, monthly rent payments are scheduled to be \$60,000 for the first five years and \$63,000 for the next two years. Rent payments under the lease and sublease are subject to customary rent escalation clauses.

In April 2013, the Company entered into a Services Agreement with M&F and a warrant agreement with M&F (refer to Note 3).

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A member of the Company's Board of Directors is a member of the Company's outside counsel. During the three months ended March 31, 2013 and 2012, the Company incurred costs of \$429,000 and \$471,000, respectively, related to services provided by the outside counsel. On March 31, 2013, the Company's outstanding payables included \$641,000 payable to the outside counsel.

7. Inventory

As of March 31, 2013 and December 31, 2012, the Company has \$13.1 and \$17.6 million of work-in-process inventory, respectively. During the three months ended March 31, 2013, the Company delivered approximately 190,000 courses to the Strategic Stockpile; due to the deferral of revenue under the BARDA Contract (refer to Note 2), the amount of cost of goods sold for delivered courses is recorded as deferred costs in the balance sheet. The value of such in-process inventory represents the costs incurred to manufacture Arestvyr under the BARDA Contract. Certain of the existing units of Arestvyr were initially manufactured prior to the point at which future commercialization was probable; thus, such cost was expensed as research and development in those respective periods. Additional costs incurred to complete production of courses of Arestvyr will be recorded as inventory.

8. Property, Plant and Equipment

Property, plant and equipment consisted of the following:

	March 31, 2013	December 31, 2012
Laboratory equipment	\$ 2,388,082	\$ 2,305,410
Leasehold improvements	2,839,855	2,817,123
Computer equipment	506,996	458,421
Furniture and fixtures	459,900	345,287
	<hr/> 6,194,833	<hr/> 5,926,241
Less - accumulated depreciation	(5,036,506)	(4,938,372)
Property, plant and equipment, net	\$ 1,158,327	\$ 987,869

9. Accrued Expenses

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2013	December 31, 2012
Loss contingency	\$ 2,526,160	\$ 2,491,981
Bonus	365,545	250,000
Professional fees	288,157	579,609
Vacation	369,074	328,463
Other	1,020,369	633,796
Accrued expenses and other current liabilities	\$ 4,569,305	\$ 4,283,849

10. Income Taxes

Deferred tax assets, net were \$46.0 million on March 31, 2013 and \$43.7 million on December 31, 2012, respectively, net of valuation allowances of \$4.3 million and \$4.3 million, respectively. For the three months ended March 31, 2013 and 2012, the Company incurred net losses for tax purposes and consequently recognized an income tax benefit of \$2.3 million and \$1.9 million, respectively.

The recognition of a valuation allowance for deferred taxes requires management to make estimates and judgments about the Company's future profitability which are inherently uncertain. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. If the current estimates of future taxable income are reduced or not realized, for example, based on an appellate ruling in the PharmAthene litigation described in Note 12, the Company's assessment regarding the realization of deferred tax assets could change. Future changes in the estimated amount of deferred taxes expected to be realized will be reflected in the Company's financial statements in the period the estimate is changed with a corresponding adjustment to operating results. Changes in estimates may occur often and can have a significant favorable or unfavorable impact on the Company's operating results from period to period.

11. Recent Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board ("FASB") issued new guidance on the reporting of reclassifications from accumulated other comprehensive income to net income. The new guidance does not change the requirements for reporting net income or other comprehensive income in financial statements but requires disclosures regarding the reclassification of accumulated other comprehensive income by component into net income. The Company's adoption of this guidance on January 2, 2013 did not have a material effect on our financial statements.

12. Legal Proceedings

In December 2006, PharmAthene, Inc. ("PharmAthene") filed an action against SIGA in the Delaware Court of Chancery (the "Court" or "Court of Chancery") captioned *PharmAthene, Inc. v. SIGA Technologies, Inc.*, C.A. No. 2627-N. In its amended complaint, PharmAthene asked the Court to order the Company to enter into a license agreement with PharmAthene with respect to ST-246, now also known as Arestvyr, to declare that the Company is obliged to execute such a license agreement, and to award damages resulting from the Company's supposed breach of that obligation. PharmAthene also alleged that the Company breached an obligation to negotiate such a license agreement in good faith, and sought damages for promissory estoppel and unjust enrichment based on supposed information, capital, and assistance that PharmAthene allegedly provided to the Company during the negotiation process. The Court tried the case in January 2011.

In September 2011, the Court issued its post-trial opinion. The Court denied PharmAthene's requests for specific performance and expectation damages measured by the present value of estimated future profits. Nevertheless, the Court held that the Company breached its duty to negotiate in good faith and was liable under the doctrine of promissory estoppel. The Court consequently awarded to PharmAthene what the Court described as an equitable payment stream or equitable lien consisting of fifty percent of the net profits that the Company achieves from sales of ST-246 after the Company secures \$40 million in net profits, for ten years following the first commercial sale. In addition, the Court awarded PharmAthene one-third of its reasonable attorneys' fees and expert witness expenses.

In May 2012, the Court entered its final order and judgment in this matter, implementing its post-trial opinion. Among other things, the final order and judgment provides that (a) net profits will be calculated in accordance with generally accepted accounting principles applied consistently with how they are applied in the preparation of the Company's financial statements, (b) the net profits calculation will take into account expenses relating to ST-246 commencing with the Company's acquisition of ST-246 in August 2004, and (c) PharmAthene may recover \$2.4 million of attorneys' fees and expenses. As of March 31, 2013, SIGA has recorded a \$2.5 million loss contingency with respect to the fee, expense and interest portion of the judgment.

In June 2012, the Company appealed to the Supreme Court of the State of Delaware the final order and judgment and certain earlier rulings of the Court of Chancery. Shortly thereafter, PharmAthene filed its cross-appeal. The Company obtained a stay of enforcement of the fee and expense portion of the judgment by filing a surety bond for the amount of the judgment plus post-judgment interest. The Company posted \$1.3 million as collateral for the surety bond which is recorded in other assets as of March 31, 2013.

On July 27, 2012, the Company filed its opening brief on appeal, identifying the following points of error: (a) the Court of Chancery erred in holding that the Company breached its obligation to negotiate in good faith following the termination of the PharmAthene merger in 2006; (b) the Court of Chancery erred in holding that PharmAthene's assistance enriched the Company and that PharmAthene is consequently entitled to relief under the doctrine of promissory estoppel; (c) the Court of Chancery erred in awarding relief in the form of an equitable payment stream; and (d) the Court of Chancery erred in awarding PharmAthene a portion of its attorneys' fees, expenses and expert witness costs.

On August 26, 2012, PharmAthene filed its opening brief, answering with respect to the Company's appeal and arguing in support of PharmAthene's cross appeal. With respect to the latter, PharmAthene claimed that the Court of Chancery erred in not finding that there was a binding license agreement and should have awarded either specific performance or expectation damages. On September 27, 2012, the Company filed its final brief in response. On October 8, 2012, PharmAthene filed its final brief in response. The oral argument on the appeal and cross-appeal was heard before the Supreme Court of Delaware, en banc, on January 10, 2013 and the Court took the arguments under advisement.

We expect that the Court of Chancery's final order and judgment will have a materially adverse impact on the Company and its future results of operations unless the appeal and cross-appeal result in a materially positive change to the portion of the ruling awarding the equitable payment stream or equitable lien. The Company cannot assure success on the appeal and cross-appeal.

From time to time, the Company is involved in disputes or legal proceedings arising in the ordinary course of business. The Company believes that there is no dispute or litigation pending, except as discussed above, that could have, individually or in the aggregate, a material adverse effect on its financial position, results of operations or cash flows.

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13. Revision of Consolidated Financial Statements

Subsequent to the issuance of its annual report on Form 10-K for the year ended December 31, 2012 as filed on March 6, 2013, the Company determined certain outstanding warrants to purchase common stock of the Company (the “Warrants”) should have been recorded as liabilities rather than equity and that non-cash charges resulting from required periodic “mark-to-market” adjustments of the Warrants also should have been recorded. For the year ended December 31, 2012 and the quarters therein, the quantitative and qualitative impact of the non-cash adjustments on net loss were not material and consequently, the Company has revised prior period amounts in accordance with the Form 10-K/A filed on May 13, 2013. As these are non-cash items, there is no impact to net cash used in operations for the three months ended March 31, 2012.

The effects of the revision on the unaudited financial statements are summarized below:

	December 31, 2012		
	As Originally Reported	Adjustments	Revised
ASSETS			
Current assets			
Cash and cash equivalents	\$ 32,017,490		\$ 32,017,490
Accounts receivable	970,288		970,288
Inventory	17,641,922		17,641,922
Prepaid expenses and other current assets	801,149		801,149
Deferred tax assets, net	33,515,327		33,515,327
Total current assets	84,946,176		84,946,176
Property, plant and equipment, net	987,869		987,869
Receivables from long-term contract	3,771,219		3,771,219
Deferred costs	2,841,534		2,841,534
Goodwill	898,334		898,334
Other assets	2,181,720		2,181,720
Deferred tax assets, net	10,209,278		10,209,278
Total assets	\$ 105,836,130	\$ —	\$ 105,836,130
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	\$ 10,189,917		\$ 10,189,917
Accrued expenses and other current liabilities	4,283,849		4,283,849
Current common stock warrants	287,036	46,757	333,793
Current portion of long term debt	954,738		954,738
Total current liabilities	15,715,540	46,757	15,762,297
Deferred revenue	57,052,020		57,052,020
Common stock warrants	—	657,246	657,246
Long term debt	3,955,262		3,955,262
Other liabilities	166,303		166,303
Total liabilities	76,889,125	704,003	77,593,128
Stockholders' equity			
Common stock	5,164		5,164
Additional paid-in capital	152,340,303	15,248,071	167,588,374
Accumulated deficit	(123,398,462)	(15,952,074)	(139,350,536)
Total stockholders' equity	28,947,005	(704,003)	28,243,002
Total liabilities and stockholders' equity	\$ 105,836,130	\$ —	\$ 105,836,130

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	Three Months Ended March 31, 2012		
	As Originally Reported	Adjustments	Revised
Revenues			
Research and development	\$ 1,465,752		\$ 1,465,752
Operating expenses			
Selling, general and administrative	2,213,877		2,213,877
Research and development	4,464,538		4,464,538
Patent preparation fees	336,298		336,298
Total operating expenses	<u>7,014,713</u>	—	<u>7,014,713</u>
Operating loss	(5,548,961)	—	(5,548,961)
Decrease (increase) in fair value of common stock warrants	(436,813)	(562,716)	(999,529)
Interest expense	—	—	—
Other income, net	162		162
Loss before benefit from income taxes	(5,985,612)	(562,716)	(6,548,328)
Benefit from income taxes	1,932,719		1,932,719
Net income (loss)	<u>\$ (4,052,893)</u>	<u>\$ (562,716)</u>	<u>\$ (4,615,609)</u>
Basic and diluted earnings (loss) per share	<u>\$ (0.08)</u>	<u>\$ (0.01)</u>	<u>\$ (0.09)</u>
Weighted average shares outstanding: basic and diluted	51,637,770	—	51,637,770

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and notes to those statements and other financial information appearing elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, the following discussion and other parts of this Quarterly Report contain forward-looking information that involves risks and uncertainties.

Revision

As discussed in Note 13 to this filing, the Company amended and revised its consolidated balance sheet at December 31, 2012 and statements of operations and of cash flows for the three months ended March 31, 2012. The following discussion and analysis of our financial condition and results of operations is based on and takes into account the revised amounts. For this reason, the data set forth in this section may not be comparable to discussion and data in our previously filed Quarterly Reports on Form 10-Q.

Overview

We are a pharmaceutical company specializing in the development and commercialization of pharmaceutical solutions for some of the most lethal disease-causing pathogens in the world - smallpox, Ebola, dengue, Lassa fever and other dangerous viruses. Our business is to discover, develop, manufacture and commercialize drugs to prevent and treat these high-priority threats. Our mission is to disarm dreaded viral diseases and create robust, modern biodefense countermeasures.

Lead Product - Arestvyr

Our lead product, Arestvyr (tecovirimat), also known as ST-246, is an orally administered antiviral drug that targets orthopoxviruses. On May 13, 2011, we signed the BARDA Contract pursuant to which we agreed to deliver two million courses of Arestvyr to the Strategic Stockpile. The base contract, worth approximately \$463 million, includes \$54 million related to development and supportive activities and contains various options to be exercised at BARDA's discretion. The period of performance for development and supportive activities runs until 2020. As originally issued, the BARDA Contract included an option for the purchase of up to 12 million additional courses of Arestvyr; however, following a protest by a competitor of the Company, BARDA issued a contract modification on June 24, 2011 pursuant to which it deleted the option to purchase the additional courses. Under the BARDA Contract as modified, BARDA has agreed to buy from SIGA 1.7 million courses of Arestvyr. Additionally, SIGA will contribute to BARDA 300,000 courses manufactured primarily using federal funds provided by HHS under prior development contracts. The BARDA Contract as modified also contains options that will permit SIGA to continue its work on pediatric and geriatric formulations of the drug as well as use Arestvyr for smallpox prophylaxis. As discussed in Part II, Item 1, "Legal Proceedings", the amount of profits we will retain pursuant to the BARDA Contract is subject to the judgment entered by the Delaware Court of Chancery in PharmAthene's action against SIGA and the outcome of the pending appeal and cross-appeal.

We expect Arestvyr will be among the first new small-molecule drugs delivered to the Strategic Stockpile under Project BioShield. Arestvyr is an investigational product that is not currently approved by FDA as a treatment of smallpox or any other indication. FDA has designated Arestvyr for "fast-track" status, creating a path for expedited FDA review and eventual regulatory approval.

Critical Accounting Estimates

The methods, estimates and judgments we use in applying our accounting policies have a significant impact on the results we report in our financial statements, which we discuss under the heading "Results of Operations" following this section of our Management's Discussion and Analysis. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Our most critical accounting estimates include the valuation of stock-based awards including options and warrants, revenue recognition, impairment of assets and income taxes. Information regarding our critical accounting policies and estimates appear in Item 7, Management's Discussion of Analysis and Financial Condition and Results of Operation, included in our Annual Report on Form 10-K for the year ended December 31, 2012, as filed on March 6, 2013. During the three months ended March 31, 2013, there were no significant changes to any critical accounting policies or to the related estimates and judgments involved in applying these policies.

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Results of Operations

Three months ended March 31, 2013 and 2012

Revenues from research and development contracts and grants for the three months ended March 31, 2013 and 2012, were \$1.3 million and \$1.5 million, respectively. The decrease of \$137,000, or 9%, is primarily attributable to a decrease in revenues from our federal contracts supporting the development of Arestvyr.

Selling, general and administrative expenses (“SG&A”) for the three months ended March 31, 2013 and 2012 were \$3.0 million and \$2.2 million, respectively, reflecting an increase of approximately \$817,000 or 37%. The increase in SG&A expenses primarily relates to a \$310,000 increase in non-cash stock-based compensation, a \$230,000 increase in other employee-related compensation and \$215,000 of expenses related to the change in corporate headquarters.

Research and development (“R&D”) expenses were \$3.6 million for the three months ended March 31, 2013, a decrease of approximately \$819,000 or 18% from the \$4.5 million incurred during the three months ended March 31, 2012. The decrease was mostly attributable to a decrease in direct vendor-related expenses supporting the development of Arestvyr, dengue antivirals and Lassa fever antivirals.

During the three months ended March 31, 2013 and 2012, we incurred direct costs of \$1.5 million and \$2.1 million, respectively, on the development of Arestvyr. For the three months ended March 31, 2013, we spent \$168,000 on internal human resources dedicated to the drug’s development and \$1.3 million mainly on manufacturing and clinical testing. During the three months ended March 31, 2012, we spent approximately \$298,000 on internal human resources dedicated to the drug’s development and \$1.8 million mainly on manufacturing and clinical testing. From inception of the ST-246 development program to-date, we invested a total of \$54.1 million in the program, of which \$9.8 million supported internal human resources, and \$44.3 million were used mainly for manufacturing, clinical and pre-clinical work. These resources reflect research and development expenses directly related to the program. They exclude additional expenditures such as patent costs, allocation of indirect expenses, and other services provided by NIH and DoD.

During the three months ended March 31, 2013 and 2012, we incurred direct costs of \$466,000 and \$619,000, respectively, to support the development of drug candidates for dengue fever, Lassa fever virus and other drug candidates for certain arenavirus pathogens and hemorrhagic fevers. During the three months ended March 31, 2013, \$301,000 was spent on internal human resources and \$165,000 was spent mainly on the optimization and chemistry of lead antiviral compounds. During the three months ended March 31, 2012, we spent approximately \$262,000 mainly for internal human resources and \$357,000 for chemistry and certain laboratory equipment. From inception of these programs to date, we spent a total of \$12.9 million related to the programs, of which \$4.7 million, \$7.9 million and \$299,000 were expended on internal human resources, pre-clinical work and equipment, respectively. These resources reflect research and development expenses directly related to the programs. They exclude additional expenditures such as patent costs, allocation of indirect expenses, and other services provided by NIH and DoD.

The majority of our product programs are in the early stage of development. As a result, we cannot make reasonable estimates of the potential cost for most of our programs to be completed or the time it will take to complete the programs. There is a high risk of non-completion of any program because of the lead time to program completion, scientific issues that may arise and uncertainty of the costs. However, we could receive additional grants, contracts or technology licenses in the short-term. The potential cash and timing is not known and we cannot be certain if they will ever occur. If we are unable to obtain additional federal funding in the required amounts, the development timeline for these products would slow or possibly be suspended.

Patent preparation expenses for the three months ended March 31, 2013 and 2012 were \$458,000 and \$336,000, respectively. These expenses reflect our ongoing efforts to protect our lead drug candidates in expanded geographic territories.

Changes in the fair value of certain warrants to acquire common stock are recorded as gains or losses. For the three months ended March 31, 2013 and 2012, we recorded losses of \$974,000 and \$999,000, respectively, reflecting changes in the fair market value of warrants to purchase common stock during the respective years. The warrants to purchase our common stock were recorded at fair market value and classified as liabilities.

Interest expense for the three months ended March 31, 2013 was \$374,000, reflecting interest on outstanding long-term debt and certain vendor payable arrangements. There was no interest expense for the three months ended March 31, 2012.

For the three months ended March 31, 2013 and 2012, we incurred net losses for tax purposes and consequently, recognized an income tax benefit of \$2.3 million and \$1.9 million, respectively.

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The recognition of a valuation allowance for deferred taxes requires management to make estimates and judgments about our future profitability which are inherently uncertain. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. If the current estimates of future taxable income are reduced or not realized, for example, based on an appellate ruling in the PharmAthene litigation described in Part II, Item 1, "Legal Proceedings", the Company's assessment regarding the realization of deferred tax assets could change. Future changes in the estimated amount of deferred taxes expected to be realized will be reflected in the Company's financial statements in the period the estimate is changed with a corresponding adjustment to operating results. Changes in estimates may occur often and can have a significant favorable or unfavorable impact on the Company's operating results from period to period.

Liquidity and Capital Resources

On March 31, 2013, we had \$24.7 million in cash and cash equivalents compared with \$32.0 million at December 31, 2012. During the year ended December 31, 2012, we received a \$12.3 million milestone payment upon receiving FDA concurrence with respect to the product labeling strategy under the BARDA Contract and net proceeds of \$4.9 million from the issuance of debt after deducting the discount and issue costs.

Operating activities

Net cash used in operations for the three months ended March 31, 2013 and 2012 was \$8.1 million and \$6.5 million, respectively. The increase in cash used in operating activities relates to expenditures for the manufacture of Arestvyr in addition to development and supportive activities for Arestvyr in performance of the BARDA Contract. On March 31, 2013 and 2012, our accounts receivable balance was \$31.3 million and \$4.7 million, respectively. The increase in accounts receivable primarily reflects approximately \$25 million for the March 2013 delivery of Arestvyr to the Strategic Stockpile. SIGA will receive payment once the Company meets minimum delivery thresholds. Our accounts payable, accrued expenses and other current liabilities balance were \$13.2 million and \$14.5 million on March 31, 2013 and 2012, respectively. The amounts outstanding in both periods are mainly due to outstanding payables to contract manufacturing organizations for work-in-process inventory and to vendors for research and development services under the BARDA Contract.

Investing activities

Capital expenditures during the three months ended March 31, 2013 and 2012 were approximately \$269,000 and \$183,000, respectively, reflecting purchases of fixed assets in the ordinary course of business and, in 2013, expenditures for certain furniture and equipment for the new office space in New York.

Financing activities

Cash provided by financing activities was \$1.0 million and \$2,000, during the three months ended March 31, 2013 and 2012, respectively, from exercises of options and warrants to purchase common stock. In 2013, the amount of proceeds was offset by the purchase of common stock to meet minimum statutory tax withholding requirements.

Other

We have incurred cumulative net losses and expect to incur additional expenses to perform further research and development activities. We anticipate that we will need additional funds, beyond current capital resources, to complete the development of our products. We believe that the funds expected to be generated from our procurement contract with BARDA (see Note 2) together with our existing capital resources and continuing government contracts and grants will be sufficient to support our operations beyond the next twelve months. Payment from BARDA for delivery of courses of Arestvyr will not commence until after delivery of 500,000 courses. We currently expect achievement of this threshold and the resulting receipt of funds from BARDA to occur during 2013. If 500,000 courses are not delivered or if payment for delivery is not received in 2013, then the Company will experience a significant reduction in our forecasted capital resources and cash flows and consequently will need to seek additional capital resources. Such resources might include procurement contracts, collaborative agreements, strategic alliances, research grants and future equity and debt financing. There is no assurance that we will be successful in obtaining additional funding, or whether any funding from an equity or debt financing would be available on commercially reasonable terms, if at all. If we are unable to raise additional capital, future operations might need to be scaled back or discontinued. Furthermore, as discussed in Part II, Item 1, "Legal Proceedings", our ability to support our operations may be adversely affected by the resolution of the pending appeal and cross-appeal in the litigation with PharmAthene. The financial statements do not include any adjustment relating to the recoverability of the carrying amount of recorded assets and liabilities that might result from the outcome of these uncertainties.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Safe Harbor Statement

Certain statements in this Quarterly Report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including statements relating to our performance under the BARDA Contract, our effort to seek approval and licensing from the United States Food and Drug Administration, the progress of our development programs and timelines for bringing products to market and the resolution of our ongoing litigation with PharmAthene, Inc. Forward-looking statements are subject to various known and unknown risks and uncertainties and SIGA cautions you that any forward-looking information provided by or on behalf of SIGA is not a guarantee of future performance. SIGA's actual results could differ materially from those anticipated by such forward-looking statements due to a number of factors, some of which are beyond SIGA's control, including, but not limited to, (i) the risk that potential products that appear promising to SIGA or its collaborators cannot be shown to be efficacious or safe in subsequent pre-clinical or clinical trials, (ii) the risk that we or our collaborators will not obtain appropriate or necessary governmental approvals to market potential products, (iii) the risk that SIGA may not be able to obtain anticipated funding for its development projects or other needed funding, (iv) the risk that SIGA may not be able to secure funding from anticipated or current government contracts and grants, (v) the risk that SIGA may not be able to secure or enforce sufficient legal rights in its products, including patent protection, (vi) the risk that any challenge to our patent and other property rights, if adversely determined, could affect SIGA's business and, even if determined favorably, could be costly, (vii) the risk that regulatory requirements applicable to SIGA's products may result in the need for further or additional testing or documentation that will delay or prevent seeking or obtaining needed approvals to market these products, (viii) the risk that one or more protests could be filed and upheld in whole or in part or other governmental action taken, in either case leading to a delay of performance under the BARDA Contract or other governmental contracts, (ix) the risk that the BARDA Contract is modified or canceled at the request or requirement of the U.S. government, (x) the risk that the adverse portions of the post-trial decision by the Delaware Chancery Court in the litigation brought by PharmAthene, Inc. will be upheld in further proceedings, including any appeal or cross-appeal, or that the favorable portions will be modified, (xi) the risk that the volatile and competitive nature of the biotechnology industry may hamper SIGA's efforts to develop or market its products, (xii) the risk that

the changes in domestic and foreign economic and market conditions may adversely affect SIGA's ability to advance its research or its products, (xiii) the effect of federal, state, and foreign regulation, including drug regulation and international trade regulation, on SIGA's businesses, (xiv) the risk that our outstanding indebtedness may make it more difficult to obtain additional financing, and (xv) the risk that the U.S. government's responses (including inaction) to the national and global economic situation, including possible courses of action related to the so-called "sequester" may adversely affect SIGA's business. More detailed information about SIGA and risk factors that may affect the realization of forward-looking statements, including the forward-looking statements in this presentation, is set forth in SIGA's filings with the Securities and Exchange Commission, including SIGA's Annual Report on Form 10-K, for the fiscal year ended December 31, 2012, and in other documents that SIGA has filed with the Commission. SIGA urges investors and security holders to read those documents free of charge at the Commission's Web site at <http://www.sec.gov>. Interested parties may also obtain those documents free of charge from SIGA. All forward-looking statements are current only as of the date on which such statements were made. We do not undertake any obligation to update publicly any forward-looking statement to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our investment portfolio includes cash, cash equivalents and short-term investments. Our main investment objectives are the preservation of investment capital and the maximization of after-tax returns on our investment portfolio. We believe that our investment policy is conservative, both in the duration of our investments and the credit quality of the investments we hold. We do not utilize derivative financial instruments, derivative commodity instruments or other market risk sensitive instruments, positions or transactions to manage exposure to interest rate changes. Accordingly, we believe that, while the securities we hold are subject to changes in the financial standing of the issuer of such securities and our interest income is sensitive to changes in the general level of U.S. interest rates, we are not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive instruments.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2012. The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934. Management recognizes that any disclosure controls and procedures no matter how well designed and operated, can only provide reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, our disclosure controls and procedures were not effective as of March 31, 2013 because of a material weakness in our internal control over financial reporting as more fully described in Part II - Item 9A of the Annual Report on Form 10-K/A for the year ended December 31, 2012.

Restatement of Consolidated Financial Statements

On May 8, 2013, the Company concluded, based on the recommendation of management, that the previously issued consolidated financial statements for the years ended December 31, 2011 and 2010 included in the Company's most recently filed Form 10-K are no longer appropriate to rely upon because they failed to account for certain outstanding warrants to purchase common stock of the Company (the “Warrants”) as liabilities rather than equity and to account for non-cash charges resulting from the periodic “mark-to-market” adjustments of the Warrants. The Company has determined that the aforementioned financial statements should be restated to correct this error and reflect the aforementioned liabilities and non-cash charges.

Changes in Internal Control over Financial Reporting

There has been no changes in our internal control over financial reporting during the quarter ended March 31, 2013 that materially affected, or are reasonably likely to materially affect our internal control over financial reporting.

Remediation Plan

Management has developed a remediation plan to address the material weakness. Implementation of the remediation plan consists of redesigning existing quarterly control procedures to enhance management's accounting for warrants issued by the Company.

Management believes the foregoing efforts will effectively remediate the material weakness. As the Company continues to evaluate and work to improve its internal control over financial reporting, management may execute additional measures to address potential control deficiencies or modify the remediation plan described above. Management will continue to review and make necessary changes to the overall design of the Company's internal control environment, as well as to policies and procedures to improve the overall effectiveness of internal control over financial reporting.

[Table of Contents](#)**PART II - OTHER INFORMATION****Item 1. Legal Proceedings**

In December 2006, PharmAthene, Inc. (“PharmAthene”) filed an action against us in the Delaware Court of Chancery (the “Court” or “Court of Chancery”) captioned *PharmAthene, Inc. v. SIGA Technologies, Inc.*, C.A. No. 2627-N. In its amended complaint, PharmAthene asked the Court to order us to enter into a license agreement with PharmAthene with respect to ST-246, also known as Arestvyr, to declare that we are obliged to execute such a license agreement, and to award damages resulting from our supposed breach of that obligation. PharmAthene also alleges that we breached an obligation to negotiate such a license agreement in good faith, and sought damages for promissory estoppel and unjust enrichment based on supposed information, capital, and assistance that PharmAthene allegedly provided to us during the negotiation process. The Court tried the case in January 2011.

In September 2011, the Court of Chancery issued its post-trial opinion. The Court denied PharmAthene’s requests for specific performance and expectation damages measured by present value of estimated future profits. Nevertheless, the Court held that we breached our duty to negotiate in good faith and were liable under the doctrine of promissory estoppel. The Court consequently awarded to PharmAthene what the Court described as an equitable payment stream or equitable lien consisting of fifty percent of the net profits that we achieve from sales of ST-246 after we secure \$40 million in net profits, for ten years following the first commercial sale. In addition, the Court awarded PharmAthene one-third of its reasonable attorneys’ fees and expert witness expenses.

In May 2012, the Court entered its final order and judgment in this matter, implementing its post-trial opinion. Among other things, the final order and judgment provided that (a) net profits will be calculated in accordance with generally accepted accounting principles applied consistently with how they are applied in the preparation of our financial statements, (b) the net profits calculation will take into account expenses relating to ST-246 commencing with our acquisition of ST-246 in August 2004, and (c) PharmAthene may recover \$2.4 million of attorneys’ fees and expenses. As of March 31, 2013, SIGA has recorded a \$2.5 million loss contingency with respect to the fee, expense and interest portion of the judgment.

In June 2012, we appealed to the Supreme Court of the State of Delaware the final order and judgment and certain earlier rulings of the Court of Chancery. Shortly thereafter, PharmAthene filed its cross-appeal. We obtained a stay of enforcement of the fee and expense portion of the judgment by filing a surety bond for the amount of the judgment plus post-judgment interest. We posted \$1.3 million as collateral for the surety bond which is recorded in other assets as of March 31, 2013.

On July 27, 2012, we filed our opening brief on appeal, identifying the following points of error: (a) the Court of Chancery erred in holding that we breached our obligation to negotiate in good faith following the termination of the PharmAthene merger in 2006; (b) the Court of Chancery erred in holding that PharmAthene’s assistance enriched the Company and that PharmAthene is consequently entitled to relief under the doctrine of promissory estoppel; (c) the Court of Chancery erred in awarding relief in the form of an equitable payment stream; and (d) the Court of Chancery erred in awarding PharmAthene a portion of its attorneys’ fees, expenses and expert witness costs.

On August 26, 2012, PharmAthene filed its opening brief, answering with respect to our appeal and arguing in support of PharmAthene’s cross-appeal. With respect to the latter, PharmAthene claimed that the Court of Chancery erred in not finding that there was a binding license agreement and should have awarded either specific performance or expectation damages. On September 27, 2012, we filed a final brief in response. On October 8, 2012, PharmAthene filed its final brief in response. The oral argument on the appeal and cross-appeal was heard before the Supreme Court of Delaware, *en banc*, on January 10, 2013 and the Court took the arguments under advisement.

We expect that the Court of Chancery’s final order and judgment will have a materially adverse impact on the Company and its future results of operations unless the appeal and cross-appeal result in a materially positive change to the portion of the ruling awarding the equitable payment stream or equitable lien. We cannot assure success on the appeal and cross-appeal.

Item 1A. Risk Factors

Our results of operations and financial condition are subject to numerous risks and uncertainties described in our originally filed 2012 Annual Report on Form 10-K and amended filing on Form 10-K/A for the fiscal year ended December 31, 2012.

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Item 2. Unregistered Sale of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

4.1	Form of Consideration Warrant issued to MacAndrews & Forbes, LLC on April 30, 2013.
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

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, thereunto duly authorized.

SIGA TECHNOLOGIES, INC.
(Registrant)

Date: May 14, 2013

By: /s/ Daniel J. Luckshire

Daniel J. Luckshire
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

NEITHER THIS WARRANT NOR THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE
HEREOF HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY
OTHER SECURITIES LAWS, AND NO SUCH SECURITIES MAY BE SOLD, PLEDGED, HYPOTHECATED
OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNDER SAID ACT AND
LAWS OR AN EXEMPTION THEREFROM.

SIGA TECHNOLOGIES, INC.

COMMON STOCK PURCHASE WARRANT

1. Issuance; Certain Definitions.

1.1 For good and valuable consideration, the receipt of which is hereby acknowledged by SIGA TECHNOLOGIES, INC., a Delaware corporation (the "Company"), MacAndrews & Forbes LLC, a Delaware limited liability corporation (the "Original Holder"), or its registered assigns, is hereby granted the right to purchase at any time until 5:00 P.M., New York City time, on the Expiration Date, 250,000 fully paid and non-assessable shares of Common Stock, at an initial exercise price per share (the "Exercise Price") of \$3.29 per share, subject to adjustment as set forth herein. The shares of Common Stock issued upon exercise of this Warrant, as adjusted from time to time pursuant to Section 6 hereof, are referred to as "Consideration Warrant Shares." This Warrant is being issued as consideration for the services to be performed by the Original Holder or its affiliates pursuant to the Services Agreement.

1.2 As used in this Warrant, the following terms have the respective meanings set forth below:

"Actual Minimum" has the meaning assigned to it in Section 11.2 hereof.

"Affiliate" means, with respect to any specified Person, (i) any other Person 50% or more of whose Outstanding voting securities are directly or indirectly owned, controlled or held with the power to vote by such specified Person or (ii) any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person by virtue of ownership of voting securities, by contract or otherwise.

"Appraisal Procedure" means the following procedure to determine the fair market value, as to any security, for purposes of the definition of "Fair Market Value" or the fair market value, as to any other property (in either case, the "Valuation Amount"). The Valuation Amount shall be determined in good faith jointly by the Board of Directors and the Holder; provided, however, that if such parties are not able to agree on the Valuation Amount within a reasonable period of time (not to exceed 20 Business Days) the Valuation Amount shall be determined by an investment banking firm of national reputation, which firm shall be reasonably acceptable to the Board of Directors and the Holder. If the Board of Directors and the Holder are unable to agree upon an acceptable investment banking firm within 10 days after the date either party proposed that one be selected, the investment banking firm will be selected by an arbitrator located in New York City, New York, selected by the American Arbitration Association (or if such organization ceases to exist, the arbitrator shall be chosen by a court of competent jurisdiction). The arbitrator shall select the investment banking firm (within 10 days of his appointment) from a list, jointly prepared by the Board of Directors and the Holder, of not more than six investment banking firms of national reputation in the United States, of which no more than three may be named by the Board of Directors and no more than three may be named by the Holder. The arbitrator may consider, within the 10-day period allotted, arguments from the parties regarding which investment banking firm to choose, but the selection by the arbitrator shall be made in its sole discretion from the list of six. The Board of Directors

and the Holder shall submit their respective valuations and other relevant data to the investment banking firm, and the investment banking firm shall, within 30 days of its appointment, make its own determination of the Valuation Amount. The determination of the final Valuation Amount by such investment banking firm shall be final and binding upon the parties. The Company shall pay all of the fees and expenses of the investment banking firm and arbitrator (if any) used to determine the Valuation Amount. If required by any such investment banking firm or arbitrator, the Company shall execute a retainer and engagement letter containing reasonable terms and conditions, including, without limitation, customary provisions concerning the rights of indemnification and contribution by the Company in favor of such investment banking firm or arbitrator and its officers, directors, partners, employees, agents and Affiliates.

“Board of Directors” means the board of directors of the Company.

“Business Day” means any day that is not a Saturday or Sunday or a day on which banks are required or permitted to be closed in the State of New York.

“Common Stock” means the Common Stock of the Company, par value \$0.0001 per share, as constituted on the Original Issue Date, and any capital stock into which such Common Stock may thereafter be changed, and shall also include (i) capital stock of the Company of any other class (regardless of how denominated) issued to the holders of shares of any Common Stock upon any reclassification thereof which is not preferred as to dividends or liquidation over any other class of stock of the Company and which is not subject to redemption and (ii) shares of common stock of any successor or acquiring corporation received by or distributed to the holders of Common Stock of the Company in the circumstances contemplated by Section 6.5 hereof.

“Company” has the meaning assigned to it in Section 1.1 hereof.

“Consideration Warrant Shares” has the meaning assigned to it in Section 1.1 hereof.

“Designated Office” has the meaning assigned to it in Section 11.3 hereof.

“Excluded Stock” has the meaning assigned to it in Section 6.10 hereof.

“Exercise Date” has the meaning assigned to it Section 2.1(a) hereof.

“Exercise Price” means, in respect of a share of Common Stock at any date herein specified, the initial Exercise Price set forth in Section 1.1 hereof, as adjusted from time to time pursuant to Section 6 hereof.

“Expiration Date” means April 29, 2015.

“Fair Market Value” means, as to any security, the Twenty Day Average of the average closing prices of such security’s sales on all domestic securities exchanges on which such security may at the time be listed, or, if there have been no sales on any such exchange on any day, the average of the highest bid and lowest asked prices on all such exchanges at the end of such day, or, if on any day such security is not so listed, the average of the highest bid and lowest asked prices on such day in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar or successor organization (and in each such case excluding any trades that are not bona fide, arm’s length transactions). If at any time such security is not listed on any domestic securities exchange or quoted on the domestic over-the-counter market, the “Fair Market Value” of such security shall be the fair market value thereof as determined in accordance with the Appraisal Procedure, using any appropriate valuation method, assuming an arms-length sale to an independent party.

“Form of Assignment” has the meaning assigned to it in Section 4.1 hereof.

“Governmental Entity” means any national, federal, state, municipal, local, territorial, foreign or other government or any department, commission, board, bureau, agency, regulatory authority or instrumentality thereof, or any court, judicial, administrative or arbitral body or public or private tribunal.

“Holder” means (a) with respect to this Warrant, the Person in whose name the Warrant set forth herein is registered on the books of the Company maintained for such purpose and (b) with respect to any other Warrant or Consideration Warrant Shares, the Person in whose name such Warrant or Consideration Warrant Shares is registered on the books of the Company maintained for such purpose.

“Issuable Minimum” has the meaning assigned to it in Section 11.2 hereof.

“Lien” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Uniform Commercial Code or comparable law of any jurisdiction).

“Notice of Exercise” has the meaning assigned to it in Section 2.1(a) hereof.

“Original Issue Date” means April 30, 2013.

“Outstanding” means, (a) when used with reference to Common Stock, at any date as of which the number of shares thereof is to be determined, all issued shares of Common Stock, except shares then owned or held by or for the account of the Company or any Subsidiary, and shall include all shares issuable in respect of Outstanding scrip or any certificates representing fractional interests in shares of Common Stock and (b) when used with reference to Warrants, at any date as of which the number thereof is to be determined, all issued Warrants.

“Permitted Transferee” means (i) any Affiliate of the Holder, including, without limitation, directors, executives and officers of the Holder, (ii) any member of the family of any Affiliate of the Holder, including any such Person’s spouse and descendants and any trust, partnership, corporation, limited liability company or other entity for the benefit of such spouse and/or descendants to whom or which any of the Securities have been transferred by any such Person for estate or tax planning purposes, (iii) any charity or foundation to which the Securities have been transferred by the Holder or any Person or entity described in clause (i) or (ii) above for estate or tax planning or charitable purposes, or (iv) the beneficiary of any bona fide pledge by the Holder of any of the Securities.

“Person” means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, incorporated organization, association, corporation, institution, Governmental Entity or any other entity.

“Reserved Spin Off Securities” has the meaning assigned to it in Section 6.2 hereof.

“SEC” means the U.S. Securities and Exchange Commission or any other federal agency then administering the Securities Act and other federal securities laws.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time.

“Services Agreement” means that certain Services Agreement, dated April 30, 2013, by and between the Original Holder or one if its affiliates, on the one hand, and the Company, on the other hand.

“Spin Off Securities” has the meaning assigned to it in Section 6.2 hereof.

“Subsidiary” means, with respect to any Person, any corporation, association, trust, limited liability company, partnership, joint venture or other business association or entity (i) at least 50% of the Outstanding voting securities of which are at the time owned or controlled, directly or indirectly, by such Person or (ii) with respect to which the Company possesses, directly or indirectly, the power to direct or cause the direction of the affairs or management of such Person.

“Transfer” means any disposition of any Warrant or Consideration Warrant Shares or of any interest therein, which would constitute a “sale” thereof within the meaning of the Securities Act.

“Twenty Day Average” means, with respect to any prices and in connection with the calculation of Fair Market Value, the average of such prices over the 20 Business Days ending on the Business Day immediately prior to the day as of which Fair Market Value is being determined.

“Warrant Price” means an amount equal to (i) the number of Consideration Warrant Shares being purchased upon exercise of this Warrant pursuant to Sections 1 and 2 hereof, multiplied by (ii) the Exercise Price.

“Warrants” means these Warrants and all warrants issued upon transfer, division or combination of, or in substitution for, these Warrants.

2. Exercise of Warrants.

2.1 Manner of Exercise.

(a) This Warrant is exercisable in whole or in part at any time and from time to time on any Business Day from and after the Original Issue Date and at any time until 5:00 P.M., New York time, on the Expiration Date; provided, that, the Warrant shall not be exercisable during any time during which there is an uncured breach by the Original Holder or its affiliates of any obligation to perform services under the Services Agreement. Such exercise shall be effectuated by submitting to the Company at its Designated Office (i) a completed and duly executed written notice of the Holder’s election to exercise this Warrant (a “Notice of Exercise”) (substantially in the form attached to this Warrant as Annex A) indicating the Consideration Warrant Shares then being purchased pursuant to such exercise, together with this Warrant and (ii) payment to the Company of the Warrant Price. The date on which such delivery and payment shall have taken place being sometimes referred to as the “Exercise Date.”

(b) Upon receipt by the Company of such Notice of Exercise, surrender of this Warrant and payment of the Warrant Price (in accordance with Section 2.1(c) hereof), the Holder shall be entitled to receive as promptly as practicable, and in any event within five Business Days thereafter, a certificate or certificates for Consideration Warrant Shares so purchased in such denomination or denominations as the exercising Holder shall reasonably request in the Notice of Exercise, registered in the name of the Holder or, subject to Section 4 hereof, such other name as shall be designated in the Notice of Exercise, together with cash in lieu of any fraction of a share, as provided in Section 2.3 hereof. If this Warrant shall have been exercised in part, the Company shall, at the time of delivery of the certificate or certificates representing the Consideration Warrant Shares being issued, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the remaining Consideration Warrant Shares underlying this Warrant. Such new Warrant shall in all other respects be identical to this Warrant. This Warrant shall be deemed to have been exercised and such certificate or certificates of Consideration Warrant Shares shall be deemed to have been issued, and the Holder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such Consideration Warrant Shares for all purposes, as of the Exercise Date.

(c) Payment of the Warrant Price shall be made at the option of the Holder by one or more of the following methods: (i) by delivery of a certified or official bank check or by wire transfer of immediately available funds in the amount of such Warrant Price payable to the order of the Company, (ii) by instructing the Company to withhold

a number of Consideration Warrant Shares then issuable upon exercise of this Warrant with an aggregate Fair Market Value equal to such Warrant Price, (iii) by surrendering to the Company shares of Common Stock previously acquired by the Holder with an aggregate Fair Market Value equal to such Warrant Price, or (iv) any combination of the foregoing. In the event of any withholding of Consideration Warrant Shares or surrender of Common Stock pursuant to clause (ii), (iii) or (iv) above where the number of shares whose Fair Market Value is equal to the Warrant Price is not a whole number, the number of shares withheld by or surrendered to the Company shall be rounded up to the nearest whole share and the Company shall make a cash payment to the Holder based on the incremental fraction of a share being so withheld by or surrendered to the Company in an amount determined in accordance with Section 2.3 hereof.

2.2 Payment of Taxes. All Consideration Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be validly issued, fully paid and non-assessable, issued without violation of any preemptive or similar rights of any stockholder of the Company and free and clear of all Liens. The Company shall pay all expenses in connection with, and all taxes and other governmental charges that may be imposed with respect to, the issue or delivery thereof. The Company shall not, however, be required to pay any tax or governmental charge which may be issuable upon exercise of this Warrant payable in respect of any Transfer involved in the issue and delivery of Consideration Warrant Shares in a name other than that of the holder of the Warrants to be exercised, and no such issue or delivery shall be made unless and until the Person requesting such issue has paid to the Company the amount of any such tax, or has established to the satisfaction of the Company that such tax has been paid.

2.3 Fractional Shares. The Company shall not be required to issue a fractional share of Common Stock upon exercise of any Warrant. As to any fraction of a share that the Holder of one or more Warrants, the rights under which are exercised in the same transaction, would otherwise be entitled to purchase upon such exercise, the Company shall pay to such Holder an amount in cash equal to such fraction multiplied by the Fair Market Value of one share of Common Stock on the Exercise Date.

3. Reservation and Authorization of Common Stock. The Company shall at all times during the term of this Warrant reserve for issuance upon exercise of the then outstanding balance of this Warrant such number of shares of its Common Stock as shall be required for issuance of the Consideration Warrant Shares. Before taking any action that would result in an adjustment in the number of Consideration Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction over such action. If any Consideration Warrant Shares required to be reserved for issuance upon exercise of Warrants require registration or qualification with any Governmental Entity (other than under the Securities Act or any state securities law) before such shares may be so issued, the Company will in good faith and as expeditiously as possible and at its expense endeavor to cause such shares to be duly registered. Before taking any action that would cause an adjustment reducing the Exercise Price below the then par value (if any) of the shares of Common Stock deliverable upon exercise of the Warrant or that would cause the number of Consideration Warrant Shares issuable upon exercise of the Warrant to exceed (when taken together with all other Outstanding shares of Common Stock) the number of Consideration Warrant Shares that the Company is authorized to issue, the Company will take any corporate action that, in the opinion of its counsel, is necessary in order that the Company may validly and legally issue the full number of fully paid and non-assessable shares of Common Stock issuable upon exercise of the Warrant at such adjusted exercise price.

4. Transfer, Assignment, Division, Combination, Mutilation or Loss of Warrant.

4.1 Transfer or Assignment of Warrant. Subject to the limitations set forth in Section 7 hereof, upon (a) surrender of this Warrant to the Company at its Designated Office accompanied by a Form of Assignment annexed hereto as Annex B (each, a "Form of Assignment") duly executed and funds sufficient to pay any applicable transfer tax, and (b) delivery of an opinion of counsel to the Holder reasonably satisfactory to the Company to the effect that, in the

opinion of such counsel, the transfer is exempt from the registration requirements of the Securities Act (provided that no such opinion shall be required in the event of a Transfer to a Permitted Transferee), the Company shall, without charge, execute and deliver a new Warrant registered in the name of the assignee named in the Form of Assignment at the address, and evidencing the right to purchase the shares of Common Stock, specified in the Form of Assignment, and the Warrant represented by this Warrant shall promptly be cancelled.

4.2 Mutilation or Loss of Warrant. Upon receipt by the Company of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) receipt of reasonably satisfactory indemnification, and (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will execute and deliver a new Warrant of like tenor and date and any such lost, stolen, destroyed or mutilated Warrant shall thereupon become void.

4.3 Division and Combination. Subject to compliance with the applicable provisions of this Warrant, this Warrant may be divided or combined with other Warrants upon presentation hereof at the Designated Office, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with the applicable provisions of this Warrant as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

4.4 Expenses. The Company shall prepare, issue and deliver at its own expense any new Warrant or Warrants required to be issued hereunder.

4.5 Maintenance of Books. The Company agrees to maintain, at the Designated Office, books for the registration and transfer of the Warrants.

5. Rights of the Holder. The Holder shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company, either at law or equity, and the rights of the Holder are limited to those expressed in this Warrant and are not enforceable against the Company except to the extent set forth herein.

6. Protection Against Dilution and Other Adjustments.

6.1 Adjustment of Number of Shares Purchasable. Upon any adjustment of the Exercise Price as provided in Sections 6.3 through 6.6 hereof, the Holders of the Warrants shall thereafter be entitled to purchase upon the exercise thereof, at the Exercise Price resulting from such adjustment, the number of shares of Common Stock (calculated to the nearest 1/100th of a share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable on the exercise hereof immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.

6.2 Adjustment Upon Spin Off. If, at any time or from time to time after the Original Issue Date, the Company shall spin off or otherwise divest itself of a part of its business or operations or dispose of all or of a part of its assets in a transaction in which the Company does not receive compensation for such business, operations or assets, but causes securities of another entity (the "Spin Off Securities") to be issued to security holders of the Company, then the Company shall cause (i) to be reserved a number of Spin Off Securities (the "Reserved Spin Off Securities") equal to the number of Spin Off Securities that would have been issued to the Holder had all of the Holder's Outstanding Warrants on the record date for determining the number of Spin Off Securities to be issued to stockholders of the Company been exercised as of the close of business on the trading day immediately before such record date, and (ii) to be issued to the Holder on the exercise of all or any of the Outstanding Warrants, a number of Reserved Spin Off Securities equal to (x) the Reserved Spin Off Securities multiplied by (y) a fraction, the numerator of which shall be the amount of the Outstanding Warrants then being exercised, and the denominator of which shall be the amount of the Outstanding Warrants.

6.3 Upon Stock Dividends, Subdivisions or Splits. If, at any time or from time to time after the Original Issue Date, the number of shares of Common Stock Outstanding is increased by a stock dividend payable in shares of Common Stock or by a subdivision or split-up of shares of Common Stock, then, following the record date for the determination of holders of Common Stock entitled to receive such stock dividend, or to be affected by such subdivision or split-up, the Exercise Price shall be appropriately decreased by multiplying the Exercise Price by a fraction, the numerator of which is the number of shares of Common Stock Outstanding immediately prior to, and the denominator of which is the number of shares of Common Stock Outstanding immediately after, such increase in Outstanding shares.

6.4 Upon Combinations or Reverse Stock Splits. If, at any time or from time to time after the Original Issue Date, the number of shares of Common Stock Outstanding is decreased by a combination or reverse stock split of the Outstanding shares of Common Stock into a smaller number of shares of Common Stock, then, following the record date to determine shares affected by such combination or reverse stock split, the Exercise Price shall be appropriately increased by multiplying the Exercise Price by a fraction, the numerator of which is the number of shares of Common Stock Outstanding immediately prior to, and the denominator of which is the number of shares of Common Stock Outstanding immediately after, such decrease in Outstanding shares.

6.5 Upon Reclassifications, Reorganizations, Consolidations or Mergers. If, at any time or from time to time after the Original Issue Date, there is any capital reorganization of the Company, any reclassification of the stock of the Company (other than a change in par value or from par value to no par value or from no par value to par value or as a result of a stock dividend or subdivision, split-up or combination of shares), or any consolidation or merger of the Company with or into another Person (where the Company is not the surviving Person or where there is a change in or distribution with respect to the Common Stock), each Warrant shall after such reorganization, reclassification, consolidation, or merger be exercisable for the kind and number of shares of stock or other securities or property of the Company or of the successor Person resulting from such consolidation or surviving such merger, if any, to which the holder of the Consideration Warrant Shares deliverable (immediately prior to the time of such reorganization, reclassification, consolidation or merger) upon exercise of such Warrant would have been entitled upon such reorganization, reclassification, consolidation or merger. The provisions of this clause shall similarly apply to successive reorganizations, reclassifications, consolidations, or mergers. The Company shall not effect any such reorganization, reclassification, consolidation or merger unless, prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation or merger, shall assume, by written instrument, the obligation to deliver to the Holders of the Warrant such shares of stock, securities or assets, which, in accordance with the foregoing provisions, such Holders shall be entitled to receive upon such conversion.

6.6 Upon Issuance of Common Stock. If, at any time or from time to time after the Original Issue Date, the Company shall issue any shares of Common Stock, options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock, or options to purchase or rights to subscribe for such convertible or exchangeable securities, other than Excluded Stock, without consideration or for consideration per share less than either (x) the Exercise Price in effect immediately prior to such issuance or (y) the Fair Market Value per share of the Common Stock immediately prior to such issuance, then such Exercise Price shall forthwith be lowered to a price equal to the price obtained by multiplying:

(i) the Exercise Price in effect immediately prior to the issuance of such Common Stock, options, rights or securities by

(ii) a fraction of which (x) the numerator shall be the sum of (A) the number of shares of Common Stock Outstanding on a fully-diluted basis immediately prior to such issuance and (B) the number of additional shares of Common Stock which the aggregate consideration for the number of shares of Common Stock so offered would purchase at the greater of the Exercise Price in effect immediately prior to such issuance or the Fair Market Value per share of Common

Stock and (y) the denominator shall be the number of shares of Common Stock Outstanding on a fully-diluted basis immediately after such issuance.

6.7 Provisions Applicable to Adjustments. For purposes of any adjustment of the Exercise Price pursuant to Section 6.6 hereof, the following provisions shall be applicable:

(i) In the case of the issuance of Common Stock for cash in a public offering or private placement, the consideration shall be deemed to be the amount of cash paid therefor before deducting therefrom any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance and sale thereof.

(ii) In the case of the issuance of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the Valuation Amount as determined in accordance with the Appraisal Procedure.

(iii) In the case of the issuance of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock, or options to purchase or rights to subscribe for such convertible or exchangeable securities (except for options to acquire Excluded Stock):

(A) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subparagraphs (i) and (ii) above), if any, received by the Company upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common Stock covered thereby;

(B) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities, options, or rights were issued and for a consideration equal to the consideration received by the Company for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Company upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in paragraphs (i) and (ii) above);

(C) on any change in the number of shares or exercise price of Common Stock deliverable upon exercise of any such options or rights or conversions of or exchanges for such securities, other than a change resulting from the anti-dilution provisions thereof, the Exercise Price shall forthwith be readjusted to such Exercise Price as would have been obtained had the adjustment made upon the issuance of such options, rights or securities not converted prior to such change or options or rights related to such securities not converted prior to such change been made upon the basis of such change;

(D) upon the expiration of any options to purchase or rights to subscribe for Common Stock which shall not have been exercised, the Exercise Price computed upon the issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration, be recomputed as if the only additional shares of Common Stock issued were the shares of Common Stock, if any, actually issued upon the exercise of such options to purchase or rights to subscribe for Common Stock, and the consideration received therefor was the consideration actually received by the Company for the issue of the options to purchase or rights to subscribe for Common Stock that were exercised, plus the consideration actually received by the Company upon such exercise; and

(E) no further adjustment of the Exercise Price adjusted upon the issuance of any such options, rights, convertible securities or exchangeable securities shall be made as a result of the actual issuance of Common Stock on the exercise of any such rights or options or any conversion or exchange of any such securities.

6.8 Deferral in Certain Circumstances. In any case in which the provisions of this Section 6 shall require that an adjustment shall become effective immediately after a record date of an event, the Company may defer until the occurrence of such event (a) issuing to the Holder of any Warrant exercised after such record date and before the occurrence of such event the shares of capital stock issuable upon such exercise by reason of the adjustment required by such event and issuing to such Holder only the shares of capital stock issuable upon such exercise before giving effect to such adjustments, and (b) paying to such Holder any amount in cash in lieu of a fractional share of capital stock pursuant to Section 2.3 above; provided, however, that the Company shall deliver to such Holder an appropriate instrument or due bills evidencing such Holder's right to receive such additional shares or such cash.

6.9 Appraisal Procedure. In any case in which the provisions of this Section 6 shall necessitate that the Appraisal Procedure be utilized for purposes of determining an adjustment to the Exercise Price, the Company may defer until the completion of the Appraisal Procedure and the determination of the adjustment (a) issuing to the Holder of any Warrant exercised after the date of the event that requires the adjustment and before completion of the Appraisal Procedure and the determination of the adjustment, the shares of capital stock issuable upon such exercise by reason of the adjustment required by such event and issuing to such Holder only the shares of capital stock issuable upon such exercise before giving effect to such adjustment and (b) paying to such Holder any amount in cash in lieu of a fractional share of capital stock pursuant to Section 2.3 above; provided, however, that the Company shall deliver to such Holder an appropriate instrument or due bills evidencing such Holder's right to receive such additional shares or such cash.

6.10 Exceptions. This Section 6 shall not apply to (a) securities offered to the public pursuant to a public offering; (b) securities issued to employees or directors of the Company pursuant to an employee stock option plan or stock incentive plan approved by the Board of Directors; or (c) securities Outstanding as of the date hereof (provided that the terms of such securities will not be modified in any manner following the date hereof) (collectively, "Excluded Stock").

6.11 Notice of Adjustment of Exercise Price. Whenever the Exercise Price is adjusted as herein provided:

(i) the Company shall compute the adjusted Exercise Price in accordance with this Section 6 and shall prepare a certificate signed by the treasurer or chief financial officer of the Company setting forth the adjusted Exercise Price and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be filed at each Designated Office; and

(ii) a notice stating that the Exercise Price has been adjusted and setting forth the adjusted Exercise Price shall forthwith be prepared by the Company and mailed to all Holders at their last addresses as they shall appear in the warrant register.

7. Transfer to Comply with the Securities Act.

7.1 Transfer. This Warrant has not been registered under the Securities Act and has been issued to the Holder for investment and not with a view to the distribution of either the Warrant or the Consideration Warrant Shares. Neither this Warrant nor any of the Consideration Warrant Shares or any other security issued or issuable upon exercise of this Warrant may be sold, transferred, pledged or hypothecated in the absence of an effective registration statement under the Securities Act relating to such security or an opinion of counsel satisfactory to the Company that registration is not required under the Securities Act; provided, that, no registration statement or opinion of counsel shall be required in the event of a Transfer to a Permitted Transferee. Each Warrant, the

Consideration Warrant Shares and any other security issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in substantially the following form by which the Holder (and any transferee thereof) shall be bound:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER SECURITIES LAWS, AND SUCH SECURITIES MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION UNDER SAID ACT AND LAWS OR AN EXEMPTION THEREFROM.

8. Notice of Corporate Actions; Taking of Record; Transfer Books.

8.1 Notices of Corporate Actions. In case:

(a) of the Company granting to all of the holders of its Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class; or

(b) of any reclassification of the Common Stock (other than a subdivision or combination of the Outstanding shares of Common Stock), or of any consolidation, merger or share exchange to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

(c) of the voluntary or involuntary dissolution, liquidation or winding up of the Company; or

(d) of the commencement by the Company or any Subsidiary of a tender offer for all or a portion of the Outstanding shares of Common Stock (or the amending of any such tender offer to change the maximum number of shares being sought or the amount or type of consideration being offered therefor);

then the Company shall cause to be filed at each office or agency maintained for such purpose, and shall cause to be mailed to all Holders at their last addresses as they shall appear in the warrant register, at least 30 days prior to the applicable record, effective or expiration date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or granting of rights or warrants, or, if a record is not to be taken, the date as of which the holders of Common Stock of record who will be entitled to such dividend, distribution, rights or warrants are to be determined, (y) the date on which such reclassification, consolidation, merger, share exchange, sale, transfer, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, share exchange, sale, transfer, dissolution, liquidation or winding up, or (z) the date on which such tender offer commenced, the date on which such tender offer is scheduled to expire unless extended, the consideration offered and the other material terms thereof (or the material terms of the amendment thereto). Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action on the Exercise Price and the number and kind or class of shares or other securities or property which shall be deliverable or purchasable upon the occurrence of such action or deliverable upon exercise of the Warrants. Neither the failure to give any such notice nor any defect therein shall affect the legality or validity of any action described in clauses (a) through (d) of this Section 8.1.

8.2 Taking of Record. In the case of all dividends or other distributions by the Company to the holders of its Common Stock with respect to which any provision of hereof refers to the taking of a record of such holders, the Company will in each such case take such a record and will take such record as of the close of business on a Business Day.

8.3 Closing of Transfer Books. The Company shall not at any time, except upon dissolution, liquidation or winding up of the Company, close its stock transfer books or Warrant transfer books so as to result in preventing or delaying the exercise or transfer of any Warrant.

9. Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage pre-paid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission, or, if mailed, two days after the date of deposit in the United States mails, as follows:

(i) if to the Company, to:

SIGA Technologies, Inc.
660 Madison Avenue, Suite 1700
New York, New York 10065
Attention: Chief Financial Officer
Telephone No.: (212) 672-9100
Facsimile No.: (212) 697-3130

with a copy (which shall not constitute notice) to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: James A. Grayer, Esq.
Facsimile No.: (212) 715-8000

(ii) if to the Holder, to:

MacAndrews & Forbes LLC
35 East 62nd Street
New York, New York 10021
Attention: Michael C. Borofsky, Esq.
Facsimile No.: (212) 572-8435

Any party may be given notice in accordance with this Section 9, unless such party designates another address or person for receipt of notice hereunder.

10. No Impairment; Regulatory Compliance And Cooperation; Notice Of Expiration. The Company shall not by any action, including, without limitation, amending its charter documents or through any reorganization, reclassification, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other similar voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder against impairment.

11. Miscellaneous.

11.1 Successors and Assigns. This Warrant shall inure to the benefit of and be binding upon the successors and assigns of the Company, the Holder and their respective successors and assigns. The Holder's rights under this Warrant may be assigned, in whole or in part, to (a) any Permitted Transferee, and any Permitted Transferee shall be deemed to be a Holder for all purposes hereunder or (b) any transferee of a Warrant, or, if applicable, any

portion of a Warrant, that represents 10% of the Consideration Warrant Shares exercisable by such transferor on the date of such transfer and any such transferee shall be deemed to be a Holder for all purposes hereunder.

11.2 Limitation on Exercise. Notwithstanding anything to the contrary contained herein, the maximum number of shares of Common Stock that the Company may issue pursuant to the Services Agreement or any other documentation contemplated thereby at an effective purchase price less than the greater of book or market value of the Company's Common Stock on the trading day immediately preceding the date of the Office Services Letter equals 19.99% of the outstanding shares of Common Stock immediately preceding the date of the Services Agreement (the "Issuable Maximum"), unless the Company obtains shareholder approval in accordance with the rules and regulations of the Nasdaq Stock Market. If, at the time any Holder requests an exercise of any of the Warrants, the Actual Minimum (excluding any shares issued or issuable at an effective purchase price in excess of the greater of book or market value of the Company's Common Stock on the trading day immediately preceding the date of the Services Agreement) exceeds the Issuable Maximum (and if the Company has not previously obtained the required shareholder approval), then the Company shall issue to such Holder requesting such exercise a number of shares of Common Stock equal to the Issuable Maximum. The Company shall not be obligated to seek stockholder approval under the rules and regulations of the Nasdaq Stock Market and shall not be in breach under this Warrant Agreement, the Office Services Letter or any other documentation contemplated hereunder or thereunder for failure to issue securities as a result of its failure to obtain shareholder approval as contemplated hereby. For purposes hereof, "Actual Minimum" shall mean, as of any date, the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Services Agreement or any other documentation contemplated, without giving effect to any limits on the number of shares of Common Stock that may be owned by a Holder at any one time.

11.3 Designated Office. As long as any of the Warrants remain Outstanding, the Company shall maintain an office or agency, which may be the principal executive offices of the Company (the "Designated Office"), where the Warrants may be presented for exercise, registration of transfer, division or combination as provided in this Warrant. Such Designated Office shall initially be the office of the Company at 660 Madison Avenue, Suite 1700 Street, New York, New York 10065. The Company may from time to time change the Designated Office to another office of the Company or its agent within the United States by notice given to all registered Holders at least 10 Business Days prior to the effective date of such change.

11.4 Supplements and Amendments; Whole Agreement. This Warrant may be amended or supplemented only by an instrument in writing signed by the parties hereto. This Warrant and the Services Agreement contain the full understanding of the parties hereto with respect to the subject matter hereof and thereof and there are no representations, warranties, agreements or understandings other than expressly contained herein and therein.

11.5 Governing Law; Jurisdiction; Waiver Of Jury Trial. The internal laws, and not the laws of conflicts (other than Section 5-1401 of the General Obligations Law of the State of New York), of New York shall govern the enforceability and validity of this Warrant, the construction of its terms and the interpretation of the rights and duties of the Company. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Warrant or the transactions contemplated hereby may be brought in any federal or state court located in the County and State of New York, and the Company hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on the company anywhere in the world, whether within or without the jurisdiction of any such court. The Company hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Warrant or the transactions contemplated hereby.

11.6 Remedies. Each Holder of Warrants, in addition to being entitled to exercise its rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights provided under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and shall waive, in an action for specific performance, the defense that a remedy at law would be adequate.

11.7 Limitation of Liability. No provision hereof and no enumeration herein of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder to pay the Exercise Price for any Consideration Warrant Shares other than pursuant to an exercise of this Warrant or any liability as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

11.8 Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Warrant.

11.9 Descriptive Headings. Descriptive headings of the several sections of this Warrant are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Warrant has been executed as of the 30th day of April, 2013.

SIGA TECHNOLOGIES, INC.

By: /s/ Daniel J. Luckshire

Daniel J. Luckshire

Chief Financial Officer

ANNEX A

NOTICE OF EXERCISE OF WARRANT

[To be executed only upon exercise of Warrant]

The undersigned hereby irrevocably elects to exercise the right, represented by the Warrant dated as of April 30, 2013, to purchase _____ shares of common stock, par value \$0.0001 per share (the "Consideration Warrant Shares"), of SIGA TECHNOLOGIES, INC. and tenders herewith payment in accordance with Sections 1 and 2 of such Warrant. The undersigned further requests, in accordance with Section 2.1(b) of the Warrant, that certificates for the Consideration Warrant Shares hereby purchased (and any securities or other property issuable upon exercise) be issued in the name of and delivered to _____ and, if such Consideration Warrant Shares are not all of the Consideration Warrant Shares issuable upon exercise of the Warrant, that a new Warrant of like tenor be issued for the balance of the Consideration Warrant Shares.

(Name of Registered Owner)

(Signature of Registered Owner)

(Street Address)

(City) (State) (Zip Code)

NOTICE: The signature on this notice of exercise must correspond with the name as written upon the face of the within Warrant in every particular, without alteration or enlargement or any change whatsoever.

ANNEX B

FORM OF ASSIGNMENT

(To be executed by the registered holder if such
holder desires to transfer the Warrant.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

(Please print name and address of transferee)

the Warrants represented by this Warrant, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ attorney-in-fact, with full power of substitution, to transfer the within Warrant on the books of SIGA TECHNOLOGIES, INC. to give effect to the transfer made hereby.

Date: _____ , _____

Signature

NOTICE: The signature on this assignment must correspond with the name as written upon the face of the
within Warrant in every particular, without alteration or enlargement or any change whatsoever.

**Certification by Chief Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Eric A. Rose, M.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of SIGA Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2013

/s/ Eric A. Rose

Eric A. Rose, M.D.

Chairman and Chief Executive Officer

**Certification by Chief Financial Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Daniel J. Luckshire, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SIGA Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2013

/s/ *Daniel J. Luckshire*

Daniel J. Luckshire
Executive Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SIGA Technologies, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Eric A. Rose, M.D., Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Eric A. Rose

Eric A. Rose, M.D.
Chairman and Chief Executive Officer
May 14, 2013

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of SIGA Technologies, Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel J. Luckshire, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Daniel J. Luckshire

Daniel J. Luckshire
Executive Vice President and Chief Financial Officer
May 14, 2013

