

SHARES	
BENEFICIALLY	0
OWNED BY	
EACH	8 SHARED VOTING POWER
REPORTING	
PERSON	3,735,673
WITH	
	9 SOLE DISPOSITIVE POWER
	0
	10 SHARED DISPOSITIVE POWER
	3,735,673
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
	3,735,673
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
	[]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	19.0%
14	TYPE OF REPORTING PERSON
	CO

1 NAME OF REPORTING PERSONS
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS

MacAndrews & Forbes Holdings Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ☐
(b) ☐

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		0

8	SHARED VOTING POWER
---	---------------------

3,735,673

9	SOLE DISPOSITIVE POWER
---	------------------------

0

10	SHARED DISPOSITIVE POWER
----	--------------------------

3,735,673

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,735,673

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

☐

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

19.0%

14 TYPE OF REPORTING PERSON

CO

Item 1. Security and Issuer.

This statement relates to the shares of common stock, par value \$0.0001 per share ("Common Stock"), of SIGA Technologies, Inc., a Delaware corporation (the "Company"). The Company has its principal executive offices at 420 Lexington Avenue, Suite 601, New York, New York 10170.

Item 2. Identity and Background.

This statement is being filed by Mafco Holdings Inc., a Delaware corporation ("Mafco"), and MacAndrews & Forbes Holdings Inc., a Delaware corporation ("Holdings," and together with Mafco, the "Reporting Persons") with respect to shares of Common Stock that may be beneficially owned by the Reporting Persons. Mafco is a holding company whose sole stockholder is Ronald O. Perelman. Holdings is a holding company and a direct wholly owned subsidiary of Mafco.

The business address of the Reporting Persons is 35 East 62nd Street, New York, New York 10021.

Schedule I attached hereto sets forth certain additional information with respect to each director and executive officer of the Reporting Persons (the "Schedule I Persons") and is incorporated herein by reference.

To the knowledge of the Reporting Persons, during the last five years neither the Reporting Persons, any of the Schedule I Persons, nor The Gittis Family Foundation, a charitable foundation, referred to in Item 5, has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violations with respect to such laws.

Each of the Reporting Persons is a Delaware corporation. All of the Schedule I Persons are citizens of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration.

As more fully described in Item 4 below, pursuant to the terms of the Purchase Agreement (as defined below), the Reporting Persons acquired certain securities of the Company for an aggregate purchase price of \$983,500, which funds were obtained from cash on hand. Subject to the conditions described in Item 4 below, up to an additional \$8,851,500 in the aggregate may be used by the Reporting Persons to purchase any or all of certain additional securities of the Company, which funds the Reporting Persons expect to obtain from cash on hand.

As more fully described in Item 6 below, pursuant to the terms of the Assignment Letter Agreement (as defined below) and the Purchase Agreement, Barry F. Schwartz, Executive Vice President and General Counsel of Mafco and Holdings, and Todd J. Slotkin, Executive Vice President and Chief Financial Officer of Mafco and Holdings, each acquired certain securities of the Company for a purchase price of approximately \$5,000, which funds were obtained from personal funds. Subject to the conditions described in Item 6 below, up to an additional \$45,000 may be used by each of Messrs. Schwartz and Slotkin to purchase any or all of certain additional securities of the Company, which funds each of Messrs. Schwartz and Slotkin expect to obtain from personal funds.

Item 4. Purpose of Transaction.

On August 13, 2003, the Company and Holdings entered into a Securities Purchase Agreement (the "Purchase Agreement") providing for the acquisition by Holdings from the Company in a private placement of certain Common Stock, warrants ("Warrants") to purchase Common Stock at an exercise price of \$2.00 per share and an option (the "Option") to purchase Common Stock and Warrants. On the same date, Holdings entered into an Assignment Letter Agreement (as defined below) pursuant to which Holdings assigned to certain of its employees, including Messrs. Schwartz and Slotkin, in part, its rights to purchase certain Common Stock, Warrants and a portion of the Option under the Purchase Agreement. See Item 6. Pursuant to the Purchase Agreement, Holdings acquired from the Company:

- (i) (x) 682,986 shares of Common Stock at a price of \$1.44 per share and (y) a Warrant (the "Tranche A Warrant"), for no additional consideration, to

purchase 341,493 shares of Common Stock; and

- (ii) an Option (the "Tranche B Option") to purchase (x) up to 6,146,875 shares of Common Stock (the "Tranche B Shares") at an exercise price of \$1.44 per share and (y) a Warrant (the "Tranche B Warrant"), for no additional consideration, to purchase a number of shares of Common Stock equal to 50% of the number of Tranche B Shares,

for an aggregate purchase price of \$983,500. The Warrants are exercisable for seven years from the date of issuance and the Option expires on October 13, 2003.

The Common Stock is listed on The Nasdaq SmallCap Market. The Option is exercisable without a vote of the Company's shareholders to the extent that the aggregate number of shares of Common Stock which will have been issued to the Reporting Persons or the Assignees (as defined below), including upon exercise of the Option (or underlying any Warrants issued to the Reporting Persons or Assignees, including upon exercise of the Option), does not exceed the amount permitted to be issued without shareholder approval pursuant to Nasdaq Marketplace Rule 4350 ("Rule 4350"). To the extent that exercise of the Option would result in an issuance in excess of the amount permitted under Rule 4350, such exercise is conditioned upon the approval of the Company's shareholders required by Rule 4350.

The Purchase Agreement provides that in the event that Holdings' aggregate investment in the Company under the Purchase Agreement is \$5,000,000 or more, the Company will use its reasonable best efforts to appoint two individuals designated by Holdings to the Company's Board of Directors and will amend the Company's by-laws to allow for such appointment.

In connection with the Purchase Agreement, the Company and Holdings entered into a Registration Rights Agreement, dated as of August 13, 2003, pursuant to which the Company is required to file a "shelf" registration statement covering the resale of certain shares of Common Stock held by Holdings and certain of its transferees (a "Holder"). In addition, in certain instances, the Holder has two "demand rights" to require the Company to file a registration statement covering certain shares of Common Stock held by the Holder, provided, among other conditions, the anticipated aggregate offering price in each demand registration shall be at least \$5,000,000. The Holder also has unlimited "piggyback" registration rights with respect to certain shares of Common Stock that it holds, subject to certain limitations. In addition, in certain instances, the Holder has rights to demand registration on Form S-3, provided, among other conditions, that the anticipated aggregate offering price in each such registration shall be at least \$500,000. The Company has certain limited rights to postpone shelf registrations and demand registrations for up to 45 days.

A copy of the Purchase Agreement is attached hereto as Exhibit 2, a copy of the Tranche A Warrant is attached hereto as Exhibit 3, the form of Tranche B Warrant is attached hereto as Exhibit 4 and a copy of the Registration Rights Agreement is attached hereto as Exhibit 5. The descriptions of the Purchase Agreement, the Tranche A Warrant, the Tranche B Warrant and the Registration Rights Agreement are qualified in their entirety by reference to the Purchase Agreement, the Tranche A Warrant, the form of Tranche B Warrant and the Registration Rights Agreement, respectively.

The Reporting Persons and each of the Schedule I Persons beneficially owning securities of the Company (the "Schedule I Beneficial Owners") have acquired such securities in order to make an investment in the Company. The Reporting Persons and each of the Schedule I Beneficial Owners intend to monitor their investment in the Company with a view to determining whether to increase or decrease their ownership in the Company, including whether to exercise any option or warrant (including the Option and Warrants) described herein. The Reporting Persons and each of the Schedule I Beneficial Owners do not have any plans or proposals, other than those described in this Schedule 13D, which relate to or would result in any of the actions or transactions specified in clauses (a) through (j) of Item 4 of Schedule 13D. The Reporting Persons and each of the Schedule I Beneficial Owners reserve the right to acquire or dispose of the Company's securities, or to formulate other purposes, plans or proposals regarding the Company or its securities held by the Reporting Persons or the Schedule I Beneficial Owners, as the case may be, to the extent deemed advisable in light of general investment policies, market conditions and other factors.

Item 5. Interest in Securities of the Issuer.

- (a) - (b)

As of August 13, 2003, based upon information contained in the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30,

2003, there were 17,149,682 shares of Common Stock outstanding.

As a result of the transactions described in Item 4 and as of the date thereof, the Reporting Persons may be deemed to share beneficial ownership of 3,735,673 shares of Common Stock, representing approximately 19.0% of the Common Stock deemed to be outstanding as of August 13, 2003 (which includes certain shares of Common Stock deemed beneficially owned by the Reporting Persons but not outstanding). The Reporting Persons hold 1,181,912 shares of Common Stock and may purchase without the approval of the Company's shareholders up to 341,493 shares of Common Stock pursuant to the Tranche A Warrant and an aggregate of up to approximately 2,212,268 shares of Common Stock pursuant to the Tranche B Option. See Item 4. In the event that the approval of the Company's shareholders described in Item 4 is obtained, the Reporting Persons may be deemed to share beneficial ownership of up to an aggregate of approximately 7,008,045 additional shares of Common Stock pursuant to the Tranche B Option. The Reporting Persons have shared power to vote and dispose of the shares of Common Stock that they own or would own upon exercise of the Option and Warrants held by the Reporting Persons.

Based on documents publicly filed, Donald G. Drapkin, a Director and Vice Chairman of Mafco and Holdings, may be deemed to beneficially own 1,798,326 shares of Common Stock, representing 9.6% of the Common Stock deemed to be outstanding as of August 13, 2003 (which includes certain shares of Common Stock deemed beneficially owned by Mr. Drapkin but not outstanding). Mr. Drapkin holds an aggregate of 295,000 shares of Common Stock and may purchase up to an aggregate of approximately 1,503,326 additional shares of Common Stock pursuant to the Drapkin Warrants (as defined below) and the Drapkin Options (as defined below). Based on documents publicly filed, Mr. Drapkin has the sole power to vote or to direct the vote and to dispose or to direct the disposition of the shares of Common Stock that he owns or would own upon exercise of the Drapkin Options and Drapkin Warrants.

Based on documents publicly filed, Howard Gittis, a Director and Vice Chairman of Mafco and Holdings, may be deemed to beneficially own 1,005,902 shares of Common Stock, representing 5.8% of the Common Stock deemed to be outstanding as of August 13, 2003 (which includes certain shares of Common Stock deemed beneficially owned by Mr. Gittis but not outstanding). Mr. Gittis holds an aggregate of 745,724 shares of Common Stock and may purchase up to an aggregate of approximately 260,178 additional shares of Common Stock pursuant to the Gittis Warrants (as defined below). Based on documents publicly filed, Mr. Gittis has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 973,652 of the shares of Common Stock that he owns or would own upon exercise of the Gittis Warrants and has shared power to vote and dispose of 32,250 shares of Common Stock that he owns. The 32,250 shares of Common Stock which may be deemed beneficially owned by Mr. Gittis over which he shares voting and dispositive power are held by The Gittis Family Foundation, a charitable foundation. The business address of the Gittis Family Foundation is The Gittis Family Foundation, c/o Howard Gittis, 35 East 62nd Street, New York, New York 10021.

As a result of the transactions described in Item 6, as of August 13, 2003, each of Messrs. Schwartz and Slotkin may be deemed to have beneficial ownership of 16,454 shares of Common Stock, representing less than 0.1% of the Common Stock deemed to be outstanding (which includes certain shares of Common Stock deemed beneficially owned by Messrs. Schwartz or Slotkin, as applicable, but not outstanding). Each of Messrs. Schwartz and Slotkin holds 3,472 shares of Common Stock and may purchase without the approval of the Company's shareholders up to 1,736 shares of Common Stock pursuant to the Assigned Tranche A Warrant (as defined below) and up to approximately 11,246 shares of Common Stock pursuant to the Assigned Option (as defined below). See Items 4 and 6. In the event that the approval of the Company's shareholders described in Item 4 is obtained, each of Messrs. Schwartz and Slotkin may be deemed to have beneficial ownership of up to approximately 35,627 additional shares of Common Stock pursuant to the Assigned Option. Each of Messrs. Schwartz and Slotkin have sole power to vote and dispose of the shares of Common Stock that he owns or would own upon exercise of the Option and Warrants described herein.

(c) On July 9, 2003, Holdings acquired 498,926 shares of Common Stock at a purchase price of \$1.70 per share in a privately negotiated transaction.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

For a discussion of the Purchase Agreement, the Tranche A Warrant, the Tranche B Warrant and the Registration Rights Agreement, see Item 4.

On August 13, 2003, Holdings assigned, in part, its rights to purchase certain Common Stock and Warrants and a portion of the Option under the Purchase Agreement to certain of its employees (the "Assignees"), including Mr. Schwartz and Mr. Slotkin, pursuant to a Letter Agreement (the "Assignment Letter Agreement"), by and among the Company, Holdings, and the Assignees, dated August 13, 2003.

Pursuant to the Assignment Letter Agreement and the Purchase Agreement, the Assignees acquired from the Company:

- (i) (x) 11,458 shares of Common Stock and (y) Warrants, for no additional consideration, to purchase 5,729 shares of Common Stock; and
- (ii) an Option to purchase (x) up to 103,125 shares of Common Stock at an exercise price of \$1.44 per share and (y) Warrants, for no additional consideration, to purchase shares a number of shares of Common Stock equal to 50% of the shares of Common Stock described in (ii)(x),

for an aggregate purchase price of approximately \$16,500.

Of the securities acquired by the Assignees as described above, the Assignees that are executive officers of the Reporting Persons (Messrs. Schwartz and Slotkin) each acquired:

- (i) (x) 3,472 shares of Common Stock and (y) a Warrant (an "Assigned Tranche A Warrant"), for no additional consideration, to purchase 1,736 shares of Common Stock; and
- (ii) an Option (an "Assigned Option") to purchase (x) up to 31,250 shares of Common Stock at an exercise price of \$1.44 per share and (y) a Warrant (the "Assigned Tranche B Warrant"), for no additional consideration, to purchase a number of shares of Common Stock equal to 50% of the shares of Common Stock described in (ii)(x),

for a purchase price of approximately \$5,000.

Each Option assigned to the Assignees, including each Assigned Option, is only exercisable upon exercise of the Tranche B Option and only to the extent, on a pro-rata basis, of the exercise of the Tranche B Option.

A copy of the Assignment Letter Agreement is attached hereto as Exhibit 6, a copy of the Assigned Tranche A Warrant held by Mr. Schwartz is attached hereto as Exhibit 7 and a copy of the Assigned Tranche A Warrant held by Mr. Slotkin is attached hereto as Exhibit 8. The descriptions of the Assignment Letter Agreement, the Assigned Tranche A Warrant held by Mr. Schwartz, the Assigned Tranche A Warrant held by Mr. Slotkin and the Assigned Tranche B Warrant are qualified in their entirety by reference to the Assignment Letter Agreement, the Assigned Tranche A Warrant held by Mr. Schwartz, the Assigned Tranche A Warrant held by Mr. Slotkin and the form of Tranche B Warrant, respectively.

Mr. Drapkin holds a warrant (the "Investor Warrant"), to purchase up to 347,826 shares of Common Stock at an exercise price of \$3.4059 per share, and a warrant (the "September 2001 Investor Warrant," and, together with the Investor Warrant, the "Drapkin Warrants"), to purchase up to 30,500 shares of Common Stock at an exercise price of \$3.552 per share. The Drapkin Warrants provide that, with certain limited exceptions, they are not exercisable if, as a result of such exercise, the number of shares of Common Stock beneficially owned by Mr. Drapkin and his affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised portion of such securities) would exceed 9.99% of the outstanding shares of Common Stock. The Company may require the Drapkin Warrants to be exercised (subject to the same 9.99% limitation) if certain conditions set forth in the Drapkin Warrants have been fulfilled. In addition, Mr. Drapkin holds options (the "Drapkin Options") pursuant to the Company's Amended and Restated 1996 Incentive and Non-Qualified Stock Option Plan, dated August 15, 2001, to purchase 1,125,000 shares of Common Stock at an exercise price of \$2.50 per share.

A copy of the Investor Warrant is attached hereto as Exhibit 9 and the form of September 2001 Investor Warrant is attached hereto as Exhibit 10. The descriptions of the Investor Warrant and the September 2001 Investor Warrant are qualified in their entirety by reference to the Investor Warrant and the form of September 2001 Investor Warrant, respectively.

Mr. Gittis holds a warrant (the "2000 Gittis Warrant") to purchase up to 226,087 shares of Common Stock at an exercise price of \$3.4059 per share and a warrant (the "2001 Gittis Warrant," and, together with the 2000 Gittis Warrant, the "Gittis Warrants") to purchase up to 34,091 shares of Common Stock at an exercise price of \$3.552 per share. The Gittis Warrants provide that, within certain limited exceptions, they are not exercisable if, as a result of such exercise, the number of shares of Common Stock beneficially owned by Mr. Gittis and his affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised portion of such securities) would exceed 9.99% of the outstanding shares of Common Stock. The Company may require the Gittis Warrants to be exercised (subject to the same 9.99% limitation) if certain conditions set forth in the Gittis Warrants have been fulfilled.

A copy of the 2000 Gittis Warrant is attached hereto as Exhibit 11 and a copy of the 2001 Gittis Warrant is attached hereto as Exhibit 12. The descriptions of the 2000 Gittis Warrant and the 2001 Gittis Warrant are qualified in their entirety by reference to the 2000 Gittis Warrant and the 2001 Gittis Warrant, respectively.

Item 7. Material to be Filed as Exhibits.

Exhibit 1	Agreement of Joint Filing of Schedule 13D (filed herewith).
Exhibit 2	Securities Purchase Agreement, by and between the Company and Holdings, dated as of August 13, 2003 (incorporated by reference to Exhibit 10(fff) to the Current Report on Form 8-K, filed by the Company on August 18, 2003).
Exhibit 3	Tranche A Common Stock Purchase Warrant (filed herewith).
Exhibit 4	Form of Tranche B Common Stock Purchase Warrant (incorporated by reference to Exhibit 4(k) to the Current Report on Form 8-K, filed by the Company on August 18, 2003).
Exhibit 5	Registration Rights Agreement, between the Company and Holdings, dated as of August 13, 2003 (incorporated by reference to Exhibit 4(l) to the Current Report on Form 8-K, filed by the Company on August 18, 2003).
Exhibit 6	Letter Agreement, by and among the Company, Holdings and the Assignees, dated as of August 13, 2003 (filed herewith).
Exhibit 7	Tranche A Common Stock Purchase Warrant held by Barry F. Schwartz (filed herewith).
Exhibit 8	Tranche A Common Stock Purchase Warrant held by Todd J. Slotkin (filed herewith).
Exhibit 9	Common Stock Purchase Warrant to purchase 347,826 shares of Common Stock issued to Donald G. Drapkin, dated as of January 31, 2003 (incorporated by reference to Exhibit D to Amendment No. 2 to the Schedule 13D, filed by Donald G. Drapkin on May 14, 2001).
Exhibit 10	Form of Common Stock Purchase Warrant to purchase shares of Common Stock (incorporated by reference to Exhibit R to Amendment No. 4 to the Schedule 13D, filed by Donald G. Drapkin on October 3, 2001).
Exhibit 11	Common Stock Purchase Warrant to purchase 226,087 shares of Common Stock issued to Howard Gittis, as amended, dated as of January 31, 2000 (filed herewith).
Exhibit 12	Common Stock Purchase Warrant to purchase 34,091 shares of Common Stock issued to Howard Gittis, dated as of August 31, 2001 (filed herewith).

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information in this statement is true, complete and correct.

Dated: August 25, 2003

Mafco Holdings Inc.
MacAndrews & forbes holdings inc.

By: /s/ Barry F. Schwartz

Name: Barry F. Schwartz
Title: Executive Vice President
and General Counsel

SCHEDULE I

DIRECTORS AND EXECUTIVE OFFICERS
OF MAFCO HOLDINGS INC. AND MACANDREWS & FORBES HOLDINGS INC.

The name, business address, present principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is conducted, of each of the directors and executive officers of Mafco Holdings Inc. and MacAndrews & Forbes Holdings Inc. are set forth below. If no business address is given, the director's or officer's address is Mafco Holdings Inc., 35 East 62nd Street, New York, New York 10021.

MAFCO HOLDINGS INC.

Name and Position (if different from Principal Occupation or Employment) -----	Present Principal Occupation or Employment and Address -----
Ronald O. Perelman	Director, Chairman and Chief Executive Officer of Mafco Holdings Inc.
Donald G. Drapkin	Director and Vice Chairman of Mafco Holdings Inc.
Howard Gittis	Director and Vice Chairman of Mafco Holdings Inc.
Barry F. Schwartz	Executive Vice President and General Counsel of Mafco Holdings Inc.
Todd J. Slotkin	Executive Vice President and Chief Financial Officer of Mafco Holdings Inc.

MACANDREWS & FORBES HOLDINGS INC.

Name and Position
(if different from
Principal Employment)
- - - - -

Present Principal Occupation or
Employment and Address
- - - - -

Ronald O. Perelman
Director, Chairman and
Chief Executive Officer

Director, Chairman and
Chief Executive Officer of
Mafco Holdings Inc.

Donald G. Drapkin
Director and Vice Chairman

Director and Vice Chairman of Mafco Holdings Inc.

Howard Gittis
Director and Vice Chairman

Director and Vice Chairman of Mafco
Holdings Inc.

Barry F. Schwartz
Executive Vice President and
General Counsel

Executive Vice President and
General Counsel of Mafco
Holdings Inc.

Todd J. Slotkin
Executive Vice President
and Chief Financial Officer

Executive Vice President and
Chief Financial Officer of
Mafco Holdings Inc.

Exhibit Index

Exhibit -----	Document -----
1	Agreement of Joint Filing of Schedule 13D (filed herewith).
2	Securities Purchase Agreement, by and between the Company and Holdings, dated as of August 13, 2003 (incorporated by reference to Exhibit 10(fff) to the Current Report on Form 8-K, filed by the Company on August 18, 2003).
3	Tranche A Common Stock Purchase Warrant (filed herewith).
4	Form of Tranche B Common Stock Purchase Warrant (incorporated by reference to Exhibit 4(k) to the Current Report on Form 8-K, filed by the Company on August 18, 2003).
5	Registration Rights Agreement, between the Company and Holdings, dated as of August 13, 2003 (incorporated by reference to Exhibit 4(l) to the Current Report on Form 8-K, filed by the Company on August 18, 2003).
6	Letter Agreement, by and among the Company, Holdings and the Assignees, dated as of August 13, 2003 (filed herewith).
7	Tranche A Common Stock Purchase Warrant held by Barry F. Schwartz (filed herewith).
8	Tranche A Common Stock Purchase Warrant held by Todd J. Slotkin (filed herewith).
9	Common Stock Purchase Warrant to purchase 347,826 shares of Common Stock issued to Donald G. Drapkin, dated as of January 31, 2003 (incorporated by reference to Exhibit D to Amendment No. 2 to the Schedule 13D, filed by Donald G. Drapkin on May 14, 2001).
10	Form of Common Stock Purchase Warrant to purchase shares of Common Stock (incorporated by reference to Exhibit R to Amendment No. 4 to the Schedule 13D, filed by Donald G. Drapkin on October 3, 2001).
11	Common Stock Purchase Warrant to purchase 226,087 shares of Common Stock issued to Howard Gittis, as amended, dated as of January 31, 2000 (filed herewith).
12	Common Stock Purchase Warrant to purchase 34,091 shares of Common Stock issued to Howard Gittis, dated as of August 31, 2001 (filed herewith).

AGREEMENT OF
JOINT FILING OF SCHEDULE 13D

The undersigned hereby agree to jointly prepare and file with regulatory authorities the Schedule 13D, dated August 25, 2003, ("Schedule 13D"), and any subsequent amendments thereto reporting each of the undersigned's ownership of securities of SIGA Technologies, Inc. and hereby affirm that such Schedule 13D is being filed on behalf of each of the undersigned.

Dated: August 25, 2003

MAFCO HOLDINGS INC.

By: /s/ Barry F. Schwartz

Name: Barry F. Schwartz

Title: Executive Vice President
and General Counsel

Dated: August 25, 2003

MACANDREWS & FORBES
HOLDINGS INC.

By: /s/ Barry F. Schwartz

Name: Barry F. Schwartz

Title: Executive Vice President
and General Counsel

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.

SIGA TECHNOLOGIES, INC.

COMMON STOCK PURCHASE WARRANT

1. ISSUANCE; CERTAIN DEFINITIONS.

1.1 In consideration of good and valuable consideration, the receipt of which is hereby acknowledged by SIGA TECHNOLOGIES, INC., a Delaware corporation (the "Company"), MacAndrews & Forbes Holdings Inc., a Delaware corporation, 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, 341,493 fully paid and nonassessable shares of Common Stock, at an initial exercise price per share (the "Exercise Price") of \$2.00 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 "Warrant Shares." This Warrant is being issued pursuant to the terms and conditions of the Purchase Agreement.

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

"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.

"Designated Office" has the meaning assigned to it in Section 11.2 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.

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"Expiration Date" means August 13, 2010.

"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 representative bid and asked prices quoted on The Nasdaq SmallCap Market as of 4:00 P.M., New York City time, on such day, or, if on any day such security is not quoted on The Nasdaq SmallCap Market, 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 Nasdaq National Market or 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 Warrant Shares, the Person in whose name such Warrant or Warrant Shares is registered on the books of the Company maintained for such purpose.

"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 August 13, 2003.

"Original Warrants" means the Warrants originally issued by the Company on August 13, 2003, pursuant to the Purchase Agreement.

"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

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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.

"Purchase Agreement" means the Securities Purchase Agreement by and between the Company and MacAndrews & Forbes Holdings Inc., dated August 13, 2003.

"Registration Rights Agreement" means the Registration Rights Agreement by and between the Company and MacAndrews & Forbes Holdings Inc., dated August 13, 2003.

"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.

"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 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

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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 Warrant Shares being purchased upon exercise of this Warrant pursuant to Sections 1 and 2 hereof, multiplied by (ii) the Exercise Price.

"Warrant Shares" has the meaning assigned to it in Section 1.1 hereof.

"Warrants" means the Original Warrants and all Warrants issued upon transfer, division or combination of, or in substitution for, the Original Warrants, or any other such Warrant subsequently issued to the Holder. All Warrants shall at all times be identical as to terms and conditions, except as to the Warrant Shares for which they may be exercised and their date of

issuance.

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. 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 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 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 Warrant Shares being issued, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the remaining 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 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 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

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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 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 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 Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be validly issued, fully paid and nonassessable, 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 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 Warrant Shares. Before taking any action that would result in an adjustment in the number of 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 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

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any) of the shares of Common Stock deliverable upon exercise of the Warrant or that would cause the number of Warrant Shares issuable upon exercise of the Warrant to exceed (when taken together with all other Outstanding shares of Common Stock) the number 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.

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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

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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 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

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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

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(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

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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; REGISTRATION RIGHTS.

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

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either the Warrant or the Warrant Shares. Neither this Warrant nor any of the 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 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.

7.2 REGISTRATION RIGHTS. Reference is made to the Registration Rights Agreement. The Company's obligations under the Registration Rights Agreement and the other terms and conditions thereof with respect to the Warrant Shares, including, but not limited to, the Company's commitment to file registration statements including the Warrant Shares, to have the registration of the Warrant Shares completed and effective, and to maintain such registration, are incorporated herein by reference.

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);

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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.
420 Lexington Avenue, Suite 601
New York, New York 10170
Attention: Thomas N. Konatich
Telephone No.: (212) 672-9100
Facsimile No.: (212) 697-3130

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

Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, New York 10022
Attention: James A. Grayer, Esq.
Facsimile No.: (212) 715-8000

(ii) if to the Holder, to:

MacAndrews & Forbes Holdings Inc.
35 East 62nd Street
New York, New York 10021
Attention: Barry F. Schwartz, Esq.
Facsimile No.: (212) 572-8435

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

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10035
Attention: Franklin M. Gittes, Esq. and
Alan C. Myers, Esq.
Facsimile No.: (212) 735-2000

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 (x) the greater of (A) 10% of the Warrant Shares exercisable by such transferor on the date of such transfer and (B) 34,149 Warrant Shares

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(subject to adjustment as set forth herein) or (y) if the transferor shall then hold Warrants representing less than 34,149 Warrant Shares (subject to adjustment as set forth herein), all of the Warrants held by such transferor, and any such transferee shall be deemed to be a Holder for all purposes hereunder.

11.2 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 420 Lexington Avenue, Suite 601, New York, New York 10170. 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.

11.3 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, the Purchase Agreement and the Registration Rights 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.

11.4 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.

11.5 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.

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11.6 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 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.

11.7 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.

11.8 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.

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IN WITNESS WHEREOF, this Warrant has been executed as of the 13th day of August, 2003.

SIGA TECHNOLOGIES, INC.

By: /s/ Thomas N. Konatich

Name: Thomas N. Konatich

Title: Acting Chief Executive Officer

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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 August 13, 2003, to purchase ____ shares of common stock, par value \$0.0001 per share (the "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 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 Warrant Shares are not all of the Warrant Shares issuable upon exercise of the Warrant, that a new Warrant of like tenor be issued for the balance of the Warrant Shares.

(Name of Registered Owner)

(Signature of Registered Owner)

(Street Address)

(City) (State) (Zip Code)

NOTICE: The signature on this subscription 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.

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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.

MACANDREWS & FORBES HOLDINGS INC.
 35 EAST 62nd STREET
 NEW YORK, NEW YORK 10021

August 13, 2003

SIGA Technologies, Inc.
 420 Lexington Avenue, Suite 601
 New York, New York 10170
 Attention: Thomas N. Konatich

Dear Mr. Konatich:

Reference is made to the Securities Purchase Agreement (the "Purchase Agreement"), dated August 13, 2003, by and between SIGA Technologies, Inc. (the "Company") and MacAndrews & Forbes Holdings Inc. ("M & F"). Capitalized terms used but not defined herein shall have the meanings set forth in the Purchase Agreement.

Pursuant to Section 10.5 of the Purchase Agreement, M & F hereby assigns in part its right to purchase Shares and Warrants to certain Permitted Transferees (the "Assignees") as set forth on SCHEDULE A hereto; PROVIDED, THAT, the Assignees will only have a right to purchase Shares and Warrants in Tranche B if and when M & F purchases Shares and Warrants in Tranche B.

Each undersigned Assignee hereby agrees that it will be bound by all provisions of the Purchase Agreement that are binding on the Purchaser thereunder. Without limiting the foregoing, each Assignee, severally and not jointly, hereby represents and warrants to the Company that:

1. INVESTMENT REPRESENTATIONS AND WARRANTIES. The Assignee understands that the Securities have not been, and will not upon issuance be, registered under the Securities Act, and that the certificates evidencing the Securities shall bear a legend to that effect, unless prior to issuance, the Securities shall have been so registered.
2. ACQUISITION FOR OWN ACCOUNT. The Assignee is acquiring the Securities for its own account for investment and not with a view toward distribution in a manner which would violate the Securities Act.
3. ABILITY TO PROTECT ITS OWN INTERESTS AND BEAR ECONOMIC RISKS; UNDERSTANDING OF USE OF PROCEEDS. The Assignee has the capacity to protect its own interests in connection with the transactions contemplated by this Agreement. The Assignee is able to bear the economic risk of an investment in the Securities, and has an adequate income independent of any income produced from an investment in the

Securities and has sufficient net worth to sustain a loss of all of its investment in the Securities without economic hardship if such a loss should occur. The Assignee understands in all material respects the purposes for which the proceeds to the Company from the sale of the Shares and the Warrants will be used, as such purposes are set forth in Section 7.8 of the Purchase Agreement.

4. ACCREDITED INVESTOR. The Assignee is an "accredited investor" as that term is defined in Regulation D promulgated under the Securities Act.
5. ACCESS TO INFORMATION. The Assignee has been furnished with the materials relating to the Company's business, operations, financial condition, assets, liabilities and other matters relevant to the Assignee's investment in the Securities, which have been requested by the Assignee. The Assignee has had adequate opportunity to ask questions of, and receive answers from, the Company's officers, employees, agents, accountants, and representatives concerning the Company's business, operations, financial condition, assets, liabilities, and all other matters relevant to its investment in the Securities.

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 letter agreement, the construction of its terms and the interpretation of the rights and duties of the parties. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this letter agreement or the transactions contemplated hereby may be brought in any federal or state court located in the County and State of New York, and each of the parties 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 either party anywhere in the world, whether within or without the jurisdiction of any such court.

Nothing expressed or referred to in this letter agreement will be construed to give any person other than the parties to this letter agreement and the Company any legal or equitable right, remedy, or claim under or with respect to this letter agreement or any provision of this letter agreement. This letter agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this letter agreement and the Company.

No change or modification of this letter agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any provision of this letter agreement shall be valid unless in writing and signed by the party waiving its rights. The failure of any party at any time to insist upon, or any delay by either party at any time to insist upon, strict performance of any condition, promise, agreement or understanding set forth herein shall not be construed as a waiver or relinquishment of the

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right to insist upon strict performance of the same condition, promise, agreement or understanding at a future time.

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Please indicate your agreement with the foregoing by executing and returning the enclosed copy of this letter agreement.

Sincerely,

MACANDREWS & FORBES HOLDINGS
INC.

By: /s/ Howard Gittis

Name: Howard Gittis
Title: Vice Chairman

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

ACCEPTED AND AGREED:

MICHAEL C. BOROFSKY

By: /s/ Michael C. Borofsky

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

ACCEPTED AND AGREED:

MATTHEW A. DRAPKIN

By: /s/ Matthew A. Drapkin

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

ACCEPTED AND AGREED:

PAUL G. SAVAS

By: /s/ Paul G. Savas

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

ACCEPTED AND AGREED:

BARRY F. SCHWARTZ

By: /s/ Barry F. Schwartz

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

ACCEPTED AND AGREED:

TODD J. SLOTKIN

By: /s/ Todd J. Slotkin

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

ACCEPTED AND AGREED:

SIGA Technologies, Inc.

By: /s/ Thomas N. Konatich

Name: Thomas N. Konatich
Title: Acting Chief Executive Officer

[SIGNATURE PAGE TO ASSIGNMENT LETTER AGREEMENT]

SCHEDULE A

INVESTMENT BY ASSIGNEES

Aggregate
purchase
Maximum
aggregate
Number of
price which
Assignee
Maximum
purchase
price which
Tranche A is
to pay for
Tranche
Number of
Assignee is
to pay for
Shares A
Shares at the
Tranche B
Tranche B
Shares at
which
Purchase
Price Shares
which the
Purchase
Price
Assignee is
(Tranche A

Warrants
Assignee is
(Tranche B
Warrants
assigned to
be issued for
no assigned
to be issued
for no right
to additional
right to
additional
Name of
Assignee
purchase
consideration)
purchase
consideration)

- -----

Michael C.
Borofsky
1,389 \$
2,000.16
12,500 \$
18,000
Matthew A.
Drapkin 1,389
\$ 2,000.16
12,500 \$
18,000 Paul
G. Savas
1,736 \$
2,499.84
15,625 \$
22,500 Barry
F. Schwartz
3,472 \$
4999.68
31,250 \$
45,000 Todd
J. Slotkin
3,472 \$
4999.68
31,250 \$
45,000

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.

SIGA TECHNOLOGIES, INC.

COMMON STOCK PURCHASE WARRANT

1. Issuance; Certain Definitions.

1.1 In consideration of good and valuable consideration, the receipt of which is hereby acknowledged by SIGA TECHNOLOGIES, INC., a Delaware corporation (the "Company"), Barry F. Schwartz, or his 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, 1,736 fully paid and nonassessable shares of Common Stock, at an initial exercise price per share (the "Exercise Price") of \$2.00 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 "Warrant Shares." This Warrant is being issued pursuant to the terms and conditions of the Purchase Agreement.

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

"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.

"Designated Office" has the meaning assigned to it in Section 11.2 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 August 13, 2010.

"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 representative bid and asked prices quoted on The Nasdaq SmallCap Market as of 4:00 P.M., New York City time, on such day, or, if on any day such security is not quoted on The Nasdaq SmallCap Market, 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 Nasdaq National Market or 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 Warrant Shares, the Person in whose name such Warrant or Warrant Shares is registered on the books of the Company maintained for such purpose.

"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 August 13, 2003.

"Original Warrants" means the Warrants originally issued by the Company on August 13, 2003, pursuant to the Purchase Agreement.

"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.

"Purchase Agreement" means the Securities Purchase Agreement by and between the Company and MacAndrews & Forbes Holdings Inc., dated August 13, 2003.

"Registration Rights Agreement" means the Registration Rights Agreement by and between the Company and MacAndrews & Forbes Holdings Inc., dated August 13, 2003.

"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.

"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 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 Warrant Shares being purchased upon exercise of this Warrant pursuant to Sections 1 and 2 hereof, multiplied by (ii) the Exercise Price.

"Warrant Shares" has the meaning assigned to it in Section 1.1 hereof.

"Warrants" means the Original Warrants and all Warrants issued upon transfer, division or combination of, or in substitution for, the Original Warrants, or any other such Warrant subsequently issued to the Holder. All Warrants shall at all times be identical as to terms and conditions, except as to the Warrant Shares for which they may be exercised and their date of issuance.

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. 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 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 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 Warrant Shares being issued, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the remaining 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 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 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 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 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 Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be validly issued, fully paid and nonassessable, 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 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 Warrant Shares. Before taking any action that would result in an adjustment in the number of 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 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 Warrant Shares issuable upon exercise of the Warrant to exceed (when taken together with all other Outstanding shares of Common Stock) the number 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 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; REGISTRATION RIGHTS.

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 Warrant Shares. Neither this Warrant nor any of the 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 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.

7.2 REGISTRATION RIGHTS. Reference is made to the Registration Rights Agreement. The Company's obligations under the Registration Rights Agreement and the other terms and conditions thereof with respect to the Warrant Shares, including, but not limited to, the Company's commitment to file registration statements including the Warrant Shares, to have the registration of the Warrant Shares completed and effective, and to maintain such registration, are incorporated herein by reference.

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.
420 Lexington Avenue, Suite 601
New York, New York 10170
Attention: Thomas N. Konatich
Telephone No.: (212) 672-9100
Facsimile No.: (212) 697-3130

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

Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, New York 10022
Attention: James A. Grayer, Esq.
Facsimile No.: (212) 715-8000

(ii) if to the Holder, to:

Mr. Barry F. Schwartz, Esq.
c/o MacAndrews & Forbes Holdings Inc.
35 East 62nd Street
New York, New York 10021
Facsimile No.: (212) 572-8435

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

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10035
Attention: Franklin M. Gittes, Esq. and
Alan C. Myers, Esq.
Facsimile No.: (212) 735-2000

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 (x) the greater of (A) 10% of the Warrant Shares exercisable by such transferor on the date of such transfer and (B) 34,149 Warrant Shares

(subject to adjustment as set forth herein) or (y) if the transferor shall then hold Warrants representing less than 34,149 Warrant Shares (subject to adjustment as set forth herein), all of the Warrants held by such transferor, and any such transferee shall be deemed to be a Holder for all purposes hereunder.

11.2 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 420 Lexington Avenue, Suite 601, New York, New York 10170. 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.

11.3 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, the Purchase Agreement and the Registration Rights 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.

11.4 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.

11.5 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.

11.6 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 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.

11.7 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.

11.8 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 13th day of August, 2003.

SIGA TECHNOLOGIES, INC.

By: /s/ Thomas N. Konatich

Name: Thomas N. Konatich
Title: Acting Chief Executive 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 August 13, 2003, to purchase ____ shares of common stock, par value \$0.0001 per share (the "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 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 Warrant Shares are not all of the Warrant Shares issuable upon exercise of the Warrant, that a new Warrant of like tenor be issued for the balance of the Warrant Shares.

(Name of Registered Owner)

(Signature of Registered Owner)

(Street Address)

(City) (State) (Zip Code)

NOTICE: The signature on this subscription 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.

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.

SIGA TECHNOLOGIES, INC.

COMMON STOCK PURCHASE WARRANT

1. Issuance; Certain Definitions.

1.1 In consideration of good and valuable consideration, the receipt of which is hereby acknowledged by SIGA TECHNOLOGIES, INC., a Delaware corporation (the "Company"), Todd J. Slotkin, or his 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, 1,736 fully paid and nonassessable shares of Common Stock, at an initial exercise price per share (the "Exercise Price") of \$2.00 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 "Warrant Shares." This Warrant is being issued pursuant to the terms and conditions of the Purchase Agreement.

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

"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.

"Designated Office" has the meaning assigned to it in Section 11.2 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 August 13, 2010.

"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 representative bid and asked prices quoted on The Nasdaq SmallCap Market as of 4:00 P.M., New York City time, on such day, or, if on any day such security is not quoted on The Nasdaq SmallCap Market, 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 Nasdaq National Market or 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 Warrant Shares, the Person in whose name such Warrant or Warrant Shares is registered on the books of the Company maintained for such purpose.

"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 August 13, 2003.

"Original Warrants" means the Warrants originally issued by the Company on August 13, 2003, pursuant to the Purchase Agreement.

"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.

"Purchase Agreement" means the Securities Purchase Agreement by and between the Company and MacAndrews & Forbes Holdings Inc., dated August 13, 2003.

"Registration Rights Agreement" means the Registration Rights Agreement by and between the Company and MacAndrews & Forbes Holdings Inc., dated August 13, 2003.

"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.

"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 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 Warrant Shares being purchased upon exercise of this Warrant pursuant to Sections 1 and 2 hereof, multiplied by (ii) the Exercise Price.

"Warrant Shares" has the meaning assigned to it in Section 1.1 hereof.

"Warrants" means the Original Warrants and all Warrants issued upon transfer, division or combination of, or in substitution for, the Original Warrants, or any other such Warrant subsequently issued to the Holder. All Warrants shall at all times be identical as to terms and conditions, except as to the Warrant Shares for which they may be exercised and their date of issuance.

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. 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 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 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 Warrant Shares being issued, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the remaining 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 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 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 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 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 Warrant Shares issuable upon the exercise of this Warrant pursuant to the terms hereof shall be validly issued, fully paid and nonassessable, 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 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 Warrant Shares. Before taking any action that would result in an adjustment in the number of 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 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 Warrant Shares issuable upon exercise of the Warrant to exceed (when taken together with all other Outstanding shares of Common Stock) the number 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 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; REGISTRATION RIGHTS.

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 Warrant Shares. Neither this Warrant nor any of the 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 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.

7.2 REGISTRATION RIGHTS. Reference is made to the Registration Rights Agreement. The Company's obligations under the Registration Rights Agreement and the other terms and conditions thereof with respect to the Warrant Shares, including, but not limited to, the Company's commitment to file registration statements including the Warrant Shares, to have the registration of the Warrant Shares completed and effective, and to maintain such registration, are incorporated herein by reference.

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.
420 Lexington Avenue, Suite 601
New York, New York 10170
Attention: Thomas N. Konatich
Telephone No.: (212) 672-9100
Facsimile No.: (212) 697-3130

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

Kramer Levin Naftalis & Frankel LLP
919 Third Avenue
New York, New York 10022
Attention: James A. Grayer, Esq.
Facsimile No.: (212) 715-8000

(ii) if to the Holder, to:

Mr. Todd J. Slotkin
MacAndrews & Forbes Holdings Inc.
35 East 62nd Street
New York, New York 10021
Attention: Barry F. Schwartz, Esq.
Facsimile No.: (212) 572-8435

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

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10035
Attention: Franklin M. Gittes, Esq. and
Alan C. Myers, Esq.
Facsimile No.: (212) 735-2000

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 (x) the greater of (A) 10% of the Warrant Shares

exercisable by such transferor on the date of such transfer and (B) 34,149 Warrant Shares (subject to adjustment as set forth herein) or (y) if the transferor shall then hold Warrants representing less than 34,149 Warrant Shares (subject to adjustment as set forth herein), all of the Warrants held by such transferor, and any such transferee shall be deemed to be a Holder for all purposes hereunder.

11.2 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 420 Lexington Avenue, Suite 601, New York, New York 10170. 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.

11.3 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, the Purchase Agreement and the Registration Rights 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.

11.4 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.

11.5 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.

11.6 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 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.

11.7 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.

11.8 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 13th day of August, 2003.

SIGA TECHNOLOGIES, INC.

By: /s/ Thomas N. Konatich

Name: Thomas N. Konatich
Title: Acting Chief Executive 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 August 13, 2003, to purchase ____ shares of common stock, par value \$0.0001 per share (the "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 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 Warrant Shares are not all of the Warrant Shares issuable upon exercise of the Warrant, that a new Warrant of like tenor be issued for the balance of the Warrant Shares.

(Name of Registered Owner)

(Signature of Registered Owner)

(Street Address)

(City) (State) (Zip Code)

NOTICE: The signature on this subscription 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.

THESE SECURITIES INCLUDING ANY UNDERLYING SECURITIES (THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

SIGA PHARMACEUTICALS, INC.

COMMON STOCK PURCHASE WARRANT

1. ISSUANCE; CERTAIN DEFINITIONS. In consideration of good and valuable consideration, the receipt of which is hereby acknowledged by SIGA PHARMACEUTICALS, INC., a Delaware corporation (the "Company"), HOWARD GITTIS or registered assigns (the "Holder") is hereby granted the right to purchase at any time until 5:00 P.M., New York City time, on January 31, 2005 (the "Expiration Date"), Two Hundred Twenty-six Thousand Eighty-seven (226,087) fully paid and nonassessable shares of the Company's Common Stock, par value \$.0001 per share (the "Common Stock") at an initial exercise price per share (the "Exercise Price") of \$3.4059 per share, subject to further adjustment as set forth herein. This Warrant is being issued pursuant to the terms of that certain Securities Purchase Agreement, dated as of January 31, 2000 (the "Securities Purchase Agreement"), to which the Company and Holder (or Holder's predecessor in interest) are parties. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Securities Purchase Agreement.

2. EXERCISE OF WARRANTS.

2.1. GENERAL. This Warrant is exercisable in whole or in part at any time and from time to time. Such exercise shall be effectuated by submitting to the Company (either by delivery to the Company or by facsimile transmission as provided in Section 8 hereof) a completed and duly executed Notice of Exercise (substantially in the form attached to this Warrant Certificate) as provided in this paragraph. The date such Notice of Exercise is faxed to the Company shall be the "Exercise Date," provided that the Holder of this Warrant tenders this Warrant Certificate to the Company within five (5) business days thereafter. The Notice of Exercise shall be executed by the Holder of this Warrant and shall indicate the number of shares then being purchased pursuant to such exercise. Upon surrender of this Warrant Certificate with, together with appropriate payment of the Exercise Price for the shares of Common Stock purchased, the Holder shall be entitled to receive a certificate or certificates for the shares of Common Stock so purchased. The Exercise Price per share of Common Stock for the shares then being exercised shall be payable in cash or by certified or official bank check, except that the Holder may apply all or a portion of the previously unapplied aggregate Warrant Purchase Price specified on the signature page of the Securities Purchase Agreement

against the amount so payable pursuant to such exercise. The Holder shall be deemed to be the holder of the shares issuable to it in accordance with the provisions of this Section 2.1 on the Exercise Date.

2.2. LIMITATION ON EXERCISE. Notwithstanding the provisions of this Warrant, the Securities Purchase Agreement or of the other Transaction Agreements, in no event (except (i) after the Maturity Date of the Debentures, (ii) as specifically provided in this Warrant as an exception to this provision, or (iii) while there is outstanding a tender offer for any or all of the shares of the Company's Common Stock) shall the Holder be entitled to exercise this Warrant, or shall the Company have either the obligation to issue shares upon such exercise of all or any portion of this Warrant or the right to require the Holder to exercise this Warrant as contemplated by Section 2.3 hereof, to the extent that, after such exercise the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Debentures or unexercised portion of the Warrants), and (2) the number of shares of Common Stock issuable upon the exercise of the Warrants with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock (after taking into account the shares to be issued to the Holder upon such exercise). For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), except as otherwise provided in clause (1) of such sentence. The Holder, by its acceptance of this Warrant, further agrees that if the Holder transfers or assigns any of the Warrants to a party who or which would not be considered such an affiliate, such assignment shall be made subject to the transferee's or assignee's specific agreement to be bound by the

provisions of this Section 2.2 as if such transferee or assignee were the original Holder hereof.

2.3. COMPANY OPTION TO REQUIRE EXERCISE. If, but only if, both

(i) the Registration Statement is currently effective, and

(ii) the closing bid price for the Common Stock, as reported by Bloomberg, LP or, if not so reported, as reported by the securities exchange or automated quotation system on which the Common Stock is listed or on the over-the-counter market, for each of any fifteen (15) consecutive trading days is at least two hundred percent (200%) of the Exercise Price (as the same may be adjusted as contemplated by the terms of this Warrant),

the Company will have the right by written notice (the "Required Exercise Notice") to the Holder to require the Holder to exercise all or a portion of the unexercised portion of this Warrant in accordance with its terms (except that such requirement shall not be deemed to require the Holder to exercise the Warrant in a manner inconsistent with the provisions of Section 2.2 hereof). The Company's right to issue a Required

Exercise Notice shall expire at the close of the fifth trading day after the last day in such consecutive trading day period in which the closing bid price was at or above the standard referred to in clause (ii) of this Section 2.3. The shares which are the subject of the Required Exercise Notice are referred to as the "Required Shares." To the extent the Holder does not exercise this Warrant for the Required Shares within five (5) business days after the Holder's receipt of the Required Exercise Notice, the Holder's rights under this Warrant with respect to the unexercised portion of the Required Shares shall expire.

3. RESERVATION OF SHARES. The Company hereby agrees that at all times during the term of this Warrant there shall be reserved for issuance upon exercise of this Warrant such number of shares of its Common Stock as shall be required for issuance upon exercise of this Warrant (the "Warrant Shares").

4. 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.

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.

6.1. ADJUSTMENT MECHANISM. If an adjustment of the Exercise Price is required pursuant to this Section 6, the Holder shall be entitled to purchase such number of additional shares of Common Stock as will cause (i) the total number of shares of Common Stock Holder is entitled to purchase pursuant to this Warrant, multiplied by (ii) the adjusted Exercise Price per share, to equal (iii) the dollar amount of the total number of shares of Common Stock Holder is entitled to purchase before adjustment multiplied by the total Exercise Price before adjustment.

6.2. CAPITAL ADJUSTMENTS. In case of any stock split or reverse stock split, stock dividend, reclassification of the Common Stock, recapitalization, merger or consolidation, or like capital adjustment affecting the Common Stock of the Company, the provisions of this Section 6 shall be applied as if such capital adjustment event had occurred immediately prior to the date of this Warrant and the original Exercise Price had been fairly allocated to the stock resulting from such capital adjustment; and in other respects the provisions of this Section shall be applied in a fair, equitable and reasonable manner so as to give effect, as nearly as may be, to the purposes hereof. A rights offering to stockholders shall be deemed a stock dividend to the extent of the bargain purchase element of the rights.

6.3. ADJUSTMENT FOR SPIN OFF. If, for any reason, prior to the exercise of this Warrant in full, the Company spins off or otherwise divests itself of a part of its business or operations or disposes all or of a part of its assets in a transaction (the "Spin Off") 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

(a) the Company shall cause (i) to be reserved Spin Off Securities equal to the number thereof which would have been issued to the Holder had all of the Holder's unexercised Warrants outstanding on the record date (the "Record Date") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company (the "Outstanding Warrants") been exercised as of the close of business on the trading day immediately before the Record Date (the "Reserved Spin Off Shares"), and (ii) to be issued to the Holder on the exercise of all or any of the Outstanding Warrants, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (I) the numerator is the amount of the Outstanding Warrants then being exercised, and (II) the denominator is the amount of the Outstanding Warrants; and

(b) the Exercise Price on the Outstanding Warrants shall be adjusted immediately after consummation of the Spin Off by multiplying the Exercise Price by a fraction (if, but only if, such fraction is less than 1.0), the numerator of which is the Average Market Price of the Common Stock (as defined below) for the five (5) trading days immediately following the fifth trading day after the Record Date, and the denominator of which is the Average Market Price of the Common Stock on the five (5) trading days immediately preceding the Record Date; and such adjusted Exercise Price shall be deemed to be the Exercise Price with respect to the Outstanding Warrants after the Record Date. As used herein, the term "Average Market Price of the Common Stock" means the average closing bid price of a share of Common Stock, as reported by Bloomberg, LP or, if not so reported, as reported on the over-the-counter market for the relevant period.

7. TRANSFER TO COMPLY WITH THE SECURITIES ACT; REGISTRATION RIGHTS.

7.1. TRANSFER. This Warrant has not been registered under the Securities Act of 1933, as amended, (the "Act") and has been issued to the Holder for investment and not with a view to the distribution of either the Warrant or the Warrant Shares. Neither this Warrant nor any of the 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 Act relating to such security or an opinion of counsel satisfactory to the Company that registration is not required under the Act. Each certificate for the Warrant, the Warrant Shares and any other security issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in form and substance satisfactory to counsel for the Company, setting forth the restrictions on transfer contained in this Section.

7.2. REGISTRATION RIGHTS. (a) Reference is made to the Registration Rights Agreement. The Company's obligations under the Registration Rights Agreement and the other terms and conditions thereof with respect to the Warrant Shares, including, but not necessarily limited to, the Company's commitment to file a registration statement including the Warrant Shares, to have the registration of the Warrant Shares completed and effective, and to maintain such registration, are incorporated herein by reference.

(b) In addition to the registration rights referred to in the preceding provisions of Section 7.2(a), effective after the expiration of the effectiveness of the Registration Statement as contemplated by the Registration Rights Agreement, the Holder shall have piggy-back registration rights with respect to the Warrant Shares then held by the Holder or then subject to issuance upon exercise of this Warrant (collectively, the "Remaining Warrant Shares"), subject to the conditions set forth below. If, at any time after the Registration Statement has ceased to be effective, the Company participates (whether voluntarily or by reason of an obligation to a third party) in the registration of any shares of the Company's stock (other than a registration on Form S-4 or Form S-8), the Company shall give written notice thereof to the Holder and the Holder shall have the right, exercisable within ten (10) business days after receipt of such notice, to demand inclusion of all or a portion of the Holder's Remaining Warrant Shares in such registration statement. If the Holder exercises such election, the Remaining Warrant Shares so designated shall be included in the registration statement at no cost or expense to the Holder (other than any costs or commissions which would be borne by the Holder under the terms of the Registration Rights Agreement). The Holder's rights under this Section 7 shall expire at such time as the Holder can sell all of the Remaining Warrant Shares under Rule 144 without volume or other restrictions or limit.

8. 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 PHARMACEUTICALS, INC.
420 Lexington Avenue, Suite 620
New York, New York 10170
Attn: Judson Cooper
Telephone No.: (212) 672-9150
Telecopier No.: (212) 697-3130

and with a copy to:

Orrick Herrington & Sutcliffe, LLP
666 Fifth Avenue
New York, NY 10103
Attn: Jeffrey Fessler, Esq.
Telephone No.: (212) 506-5000
Telecopier No.: (212) 506-5151

(ii) if to the Holder, to:

Howard Gittis
35 East 62nd Street
New York, NY 10021-8016
Telephone No.: () ____-____
Telecopier No.: () ____-____

with a copy to:

Krieger & Prager LLP, Esqs.
39 Broadway
Suite 1440
New York, NY 10006
Attn: Samuel Krieger, Esq.
Telephone No.: (212) 363-2900
Telecopier No.: (212) 363-2999

Any party may be notice given in accordance with this Section to the other parties designate another address or person for receipt of notices hereunder.

9. 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 of even date herewith 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.

10. GOVERNING LAW. This Warrant shall be deemed to be a contract made under the laws of the State of New York for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws. Each of the parties consents to the jurisdiction of the federal courts whose districts encompass any part of the City of New York or the state courts of the State of New York sitting in the City of New York in connection with any dispute arising under this Warrant and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on forum non conveniens, to the bringing of any such proceeding in such jurisdictions. To the extent determined by such court, the Company shall reimburse the Holder for any reasonable legal fees and disbursements incurred by the Buyer in enforcement of or protection of any of its rights under any of the Transaction Agreements.

11. COUNTERPARTS. This Warrant may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

12. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Warrant as of the 31th day of January, 2000.

SIGA PHARMACEUTICALS, INC.

By: /s/ Judson Cooper

Name: Judson Cooper

Its: Chairman

Attest:

/s/ Joshua D. Schein

Name: Joshua D. Schein

Title: CEO

NOTICE OF EXERCISE OF WARRANT

The undersigned hereby irrevocably elects to exercise the right, represented by the Warrant Certificate dated as of _____, to purchase _____ shares of the Common Stock, par value \$.0001 per share, of SIGA PHARMACEUTICALS, INC. and tenders herewith payment in accordance with Section 1 of said Common Stock Purchase Warrant.

Please deliver the stock certificate to:

Dated: _____

[Name of Holder]

By: _____

/ / CASH: \$ _____

Less: CREDIT FOR PREVIOUSLY
UNAPPLIED WARRANT PURCHASE PRICE:

\$ _____

CURRENT PAYMENT: \$ _____

AMENDMENT AGREEMENT TO COMMON STOCK PURCHASE WARRANT

This AMENDMENT AGREEMENT TO COMMON STOCK PURCHASE WARRANT (this "AMENDMENT") is made as of May 15, 2003, between SIGA Technologies, Inc., previously known as SIGA Pharmaceuticals, Inc., a Delaware corporation ("SIGA"), and HOWARD GITTIS (the "HOLDER"). This Amendment No. 1 amends certain provisions of the Common Stock Purchase Warrant, between SIGA and the Holder, dated as of January 31, 2000 (the "WARRANT"). Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Warrant.

WHEREAS, the Holder has requested that the Expiration Date of the Warrant be extended;

WHEREAS, SIGA is willing to extend the Expiration Date; and

WHEREAS, SIGA and the Holder desire to amend the Warrant as provided in this Amendment.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, intending legally to be bound, hereby agree as follows:

1. The first portion of the first sentence of Section 1 of the Warrant which reads "is hereby granted the right to purchase at any time until 5:00 P.M., New York City time, on January 31, 2005 (the "Expiration Date")" is hereby amended to read as follows, "is hereby granted the right to purchase at

any time until 5:00 p.m., New York City time, on November 28, 2008 (the "Expiration Date")."

[SIGNATURE PAGE FOLLOWS IMMEDIATELY]

IN WITNESS WHEREOF, SIGA has caused this Amendment to be duly executed and the Holder has duly executed this Amendment, all as of the date and year first written above.

SIGA TECHNOLOGIES, INC.

/s/ Thomas N. Konatich

Name: THOMAS N. KONATICH
Title: CHIEF FINANCIAL OFFICER
ACTING CEO

Holder:
Howard Gittis

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OFFERED FOR SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES OR AN OPINION OF COUNSEL OR OTHER EVIDENCE ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

SIGA TECHNOLOGIES, INC.

COMMON STOCK PURCHASE WARRANT

1. **ISSUANCE; CERTAIN DEFINITIONS.** In consideration of good and valuable consideration, the receipt of which is hereby acknowledged by SIGA TECHNOLOGIES, INC., a Delaware corporation (the "Company"), HOWARD GITTIS or registered assigns (the "Holder") is hereby granted the right to purchase at any time until 5:00 P.M., New York City time, on August 31, 2008, (the "Expiration Date"), Thirty-four Thousand Ninety-one (34,091) fully paid and nonassessable shares of the Company's Common Stock, \$.0001 par value per share (the "Common Stock"), at an initial exercise price per share (the "Exercise Price") of \$3.552 per share, subject to further adjustment as set forth herein. This Warrant is being issued pursuant to the terms of that certain Common Stock and Warrant Purchase Agreement, dated as of August 31, 2001 (the "Agreement"), to which the Company and Holder (or Holder's predecessor in interest) are parties. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

2. **EXERCISE OF WARRANTS.**

2.1 **GENERAL.** This Warrant is exercisable in whole or in part at any time and from time to time. Such exercise shall be effectuated by submitting to the Company (either by delivery to the Company or by facsimile transmission as provided in Section 8 hereof) a completed and duly executed Notice of Exercise (substantially in the form attached to this Warrant Certificate) as provided in this paragraph. The date such Notice of Exercise is faxed to the Company shall be the "Exercise Date," provided that, if this Warrant has been fully exercised, the Holder of this Warrant tenders this Warrant Certificate to the Company within five (5) business days thereafter. The Notice of Exercise shall be executed by the Holder of this Warrant and shall indicate the number of shares then, being purchased pursuant to such exercise. Upon surrender of this Warrant Certificate, if relevant, with, together with appropriate payment of the Exercise Price for the shares of Common Stock purchased, the Holder shall be entitled to receive a certificate or certificates for the shares of Common Stock so purchased. The Exercise Price per share of Common Stock for the shares then being exercised shall be payable in cash or by certified or official bank check or wire transfer. The Holder shall be deemed

to be the holder of the shares issuable to it in accordance with the provisions of this Section 2.1 on the Exercise Date.

2.2 **LIMITATION ON EXERCISE.** Notwithstanding the provisions of this Warrant, the Agreement or of the other Transaction Agreements, in no event (except (i) as specifically provided in this Warrant as an exception to this provision, (ii) while there is outstanding a tender offer for any or all of the shares of the Company's Common Stock, or (iii) at the Holder's option, on at least sixty-five (65) days' advance written notice from the Holder) shall the Holder be entitled to exercise this Warrant, or shall the Company have the obligation to issue shares upon such exercise of all or any portion of this Warrant (and the Company shall not have the right to require a Mandatory Exercise, as defined below), to the extent that, after such exercise the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised portion of the Warrants), and (2) the number of shares of Common Stock issuable upon the exercise of the Warrants with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.99% of the outstanding shares of Common Stock (after taking into account the shares to be issued to the Holder upon such exercise). For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act"), except as otherwise provided in clause (1) of such sentence. The Holder, by its acceptance of this Warrant, further agrees that if the Holder transfers or assigns any of the Warrants to a party who or which would not be considered such an affiliate, such assignment shall be made subject to the transferee's or assignee's specific agreement to be bound by the provisions of this Section 2.2 as if such transferee or assignee were the original Holder hereof.

(a) COMPANY'S RIGHT TO ISSUE MANDATORY EXERCISE NOTICE. Subject to the terms of this Section 2.3, at its option, the Company may, by written notice (a "Mandatory Exercise Notice") given to the Holder, accelerate the Expiration Date for all or a portion of the then unexercised shares covered by this Warrant to a date (the "Mandatory Expiration Date") which is at least fifteen (15) business days after the date the Mandatory Exercise Notice is given. The exercise of the Warrant contemplated by the Mandatory Exercise Notice is referred to as the "Mandatory Exercise." The number of shares specified in the Mandatory Exercise Notice is referred to as the "Mandatory Exercise Shares." The Company may issue a Mandatory Exercise Notice if, and only if, all of the following requirements are met:

(i) REGISTRATION STATEMENT AVAILABLE. The Registration Statement must have been effective and available for the resale of all of the shares of Common Stock issuable upon the Mandatory Exercise at all times during the ten (10) consecutive trading days ending on the trading day immediately before the Company issues a Mandatory Exercise Notice (such ten trading days, the "Mandatory Period") and at all

times from the issuance of the Mandatory Exercise Notice through and including the Mandatory Expiration Date.

(ii) REQUIRED COMMON STOCK MARKET PRICE. The Closing Bid Price of the Common Stock for each trading day of the Mandatory Period shall be at least \$5.25 (adjusted to take into account any stock split effected after the Closing Date).

(iii) REQUIRED COMMON STOCK VOLUME. The average trading volume of the Common Stock during the Mandatory Period shall be at least 100,000 shares per trading day (adjusted to take into account any stock split effected after the Closing Date, except that with respect to a reverse stock split, the adjustment shall not be greater than a ratio of 1:4).

(iv) CONVERSION LIMITATION. Neither the Mandatory Exercise Shares nor the exercise of the Warrant contemplated by the Mandatory Exercise Notice shall be inconsistent with the provisions of Section 2.2 hereof, which provisions shall apply to Mandatory Exercise. If the Mandatory Exercise Notice provides for a number of Mandatory Exercise Shares which exceeds the number contemplated by Section 2.2, such Mandatory Exercise Notice shall be deemed automatically adjusted and revised to refer only to the maximum number of shares contemplated by said Section 2.2.

(b) HOLDER'S EXERCISE. Upon the proper issuance of a Mandatory Exercise Notice, the Holder may, on or before the Mandatory Expiration Date, exercise this Warrant for all or any of the Mandatory Exercise Shares at the Exercise Price. The Mandatory Exercise Shares as to which the Holder does not exercise this Warrant on or before the Mandatory Expiration Date are referred to as the "Unexercised Shares." To the extent the Holder does not exercise this Warrant with respect to any Unexercised Shares, the Holder's rights under this Warrant with respect to the Unexercised Shares shall expire as of the close of business on the Mandatory Expiration Date.

3. RESERVATION OF SHARES. The Company hereby agrees that at all times during the term of this Warrant there shall be reserved for issuance upon exercise of this Warrant such number of shares of its Common Stock as shall be required, for issuance upon exercise of this Warrant (the "Warrant Shares").

4. 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.

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 MECHANISM. If an adjustment of the Exercise Price is required pursuant to this Section 6, the Holder shall be entitled to purchase such number of additional shares of Common Stock as will cause (i) the

total number of shares of Common Stock Holder is entitled to purchase pursuant to this Warrant, multiplied by (ii) the adjusted Exercise Price per share, to equal (iii) the dollar amount of the total number of shares of Common Stock Holder is entitled to purchase before adjustment multiplied by the total Exercise Price before adjustment.

6.2 CAPITAL ADJUSTMENTS. In case of any stock split or reverse stock split, stock dividend, reclassification of the Common Stock, recapitalization, merger or consolidation, or like capital adjustment affecting the Common Stock of the Company, the provisions of this Section 6 shall be applied as if such capital adjustment event had occurred immediately prior to the date of this Warrant and the original Exercise Price had been fairly allocated to the stock resulting from such capital adjustment; and in other respects the provisions of this Section shall be applied in a fair, equitable and reasonable manner so as to give effect, as nearly as may be, to the purposes hereof. A rights offering to stockholders shall be deemed a stock dividend to the extent of the bargain purchase element of the rights.

6.3 ADJUSTMENT FOR SPIN OFF. If, for any reason, prior to the exercise of this Warrant in full, the Company spins off or otherwise divests itself of a part of its business or operations or disposes all or of a part of its assets in a transaction (the "Spin Off") 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

(a) the Company shall cause (i) to be reserved Spin Off Securities equal to the number thereof which would have been issued to the Holder had all of the Holder's unexercised Warrants outstanding on the record date (the "Record Date") for determining the amount and number of Spin Off Securities to be issued to security holders of the Company (the "Outstanding Warrants") been exercised as of the close of business on the trading day immediately before the Record Date (the "Reserved Spin Off Shares"), and (ii) to be issued to the Holder on the exercise of all or any of the Outstanding Warrants, such amount of the Reserved Spin Off Shares equal to (x) the Reserved Spin Off Shares multiplied by (y) a fraction, of which (I) the numerator is the amount of the Outstanding Warrants then being exercised, and (II) the denominator is the amount of the Outstanding Warrants; and

(b) the Exercise Price on the Outstanding Warrants shall be adjusted immediately after consummation of the Spin Off by multiplying the Exercise Price by a

fraction (if, but only if, such fraction is less than 1.0), the numerator of which is the average Closing Bid Price of the Common Stock for the five (5) trading days immediately following the fifth trading day after the Record Date, and the denominator of which is the average Closing Bid Price of the Common Stock on the five (5) trading days immediately preceding the Record Date; and such adjusted Exercise Price shall be deemed to be the Exercise Price with respect to the Outstanding Warrants after the Record Date.

7. TRANSFER TO COMPLY WITH THE SECURITIES ACT; REGISTRATION RIGHTS.

7.1 TRANSFER. This Warrant has not been registered under the Securities Act of 1933, as amended, (the "Act") and has been issued to the Holder for investment and not with a view to the distribution of either the Warrant or the Warrant Shares. Neither this Warrant nor any of the 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 Act relating to such security or an opinion of counsel satisfactory to the Company that registration is not required under the Act. Each certificate for the Warrant, the Warrant Shares and any other security issued or issuable upon exercise of this Warrant shall contain a legend on the face thereof, in form and substance satisfactory to counsel for the Company, setting forth the restrictions on transfer contained in this Section.

7.2 REGISTRATION RIGHTS.

(a) Reference is made to the Registration Rights Agreement. The Company's obligations under the Registration Rights Agreement and the other terms and conditions thereof with respect to the Warrant Shares, including, but not necessarily limited to, the Company's commitment to file a registration statement including the Warrant Shares, to have the registration of the Warrant Shares completed and effective, and to maintain such registration, are incorporated herein by reference.

(b) Reference is made to Section 4(d) of the Agreement regarding piggy-back registration rights covering, among other things, the Warrant Shares. The terms and conditions of said Section 4(d) are incorporated herein by reference.

8. 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.
420 Lexington Avenue, Suite 620
New York, NY 10170

ATTN: Thomas Konatich
Telephone No.: (212) 672-9100
Facsimile No.: (212) 697-3130

with a copy to:

Akin, Gump, Strauss, Hauer & Feld, L.L.P.
590 Madison Avenue
New York, New York 10022
ATTN: Jeffrey J. Fessler, Esq.
Telephone No.: (212) 872-1000
Facsimile No.: (212) 872-1002

(ii) if to the Holder, to:

Howard Gittis
c/o 35 East 62 St.
New York, NY 10021
Telephone No.: () -
Telecopier No.: () -

with a copy to:

Krieger & Prager LLP, Esqs.
39 Broadway
Suite 1440
New York, NY 10006
Attn: Ronald Nussbaum, Esq.
Telephone No.: (212) 363-2900
Telecopier No.: (212) 363-2999

Any party may be notice given in accordance with this Section to the other parties designate another address or person for receipt of notices hereunder.

9. 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 contains 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.

10. GOVERNING LAW. This Warrant shall be deemed to be a contract made under the laws of the State of New York for contracts to be wholly performed in such state and without giving effect to the principles thereof regarding the conflict of laws. Each of the parties consents to the jurisdiction of the federal courts whose districts encompass any part of the City of New York or the state courts of the State of New York sitting in the City of New York in connection with any dispute arising under this Warrant and hereby waives, to the maximum extent permitted by law, any objection, including

any objection based on FORUM NON CONVENIENS, to the bringing of any such proceeding in such jurisdictions. To the extent determined by such court, the Company shall reimburse the Holder for any reasonable legal fees and disbursements incurred by the Buyer in enforcement of or protection of any of its rights under any of the Transaction Agreements.

11. COUNTERPARTS. This Warrant may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

12. 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.

IN WITNESS WHEREOF, the parties hereto have executed this Warrant as of the 31st day of August, 2001.

SIGA TECHNOLOGIES, INC.

By: /s/ Thomas N. Konatich

Thomas N. Konatich

(Print Name)

VP/CFO

(Title)

NOTICE OF EXERCISE OF WARRANT

The undersigned hereby irrevocably elects to exercise the right, represented by the Warrant Certificate dated as of _____, ____, to purchase _____ shares of the Common Stock, \$.0001 par value, of SIGA TECHNOLOGIES, INC. and tenders herewith payment in accordance with Section 1 of said Common Stock Purchase Warrant.

It is the intention of the Holder to comply with the provisions of Section 2.2 of the Warrant regarding certain limits on the Holder's right to exercise thereunder. Based on the analysis on the attached Worksheet Schedule, the Holder believe this exercise complies with the provisions of said Section 2.2. Nonetheless, to the extent that, pursuant to the exercise effected hereby, the Holder would have more shares than permitted under said Section, this notice should be amended and revised, ab initio, to refer to the exercise which would result in the issuance of shares consistent with such provision. Any exercise above such amount is hereby deemed void and revoked.

Please deliver the stock certificate to:

Dated: _____

[Name of Holder]

By: _____

/ / CASH: \$ _____

8/27/01

NOTICE OF EXERCISE OF WARRANT

WORKSHEET SCHEDULE

- | | |
|---|-------|
| 1. Current Common Stock holdings of Holder and Affiliates | _____ |
| 2. Shares to be issued on current exercise | _____ |
| 3. Other shares eligible to be acquired without restriction | _____ |
| 4. Total [sum of Lines 1 through 3] | _____ |
| 5. Outstanding shares of Common Stock | _____ |
| 6. Adjustments to Outstanding | _____ |
| a. Shares from Line 1 not included in Line 5 | _____ |
| b. Shares to be issued per Line 2 | _____ |
| c. Total Adjustments [Lines 6a and 6b] | _____ |

7. Total Adjusted Outstanding [Lines 5 plus 6c]

8. Holder's Percentage (Line 4 divided by Line 7)

_____%

[Note: Line 8 not to be above 9.99%]