

SIGA Announces \$4.8 Million Grant For SIGA-246, It's Smallpox Drug Candidate.

New York, August 2, 2006 - SIGA Technologies, Inc. (NASDAQ: SIGA) today announced the receipt of \$4.8 million Small Business Innovation Research (SBIR) Phase II continuation grant from the National Institutes of Health (NIH). The grant will support SIGA's ongoing development of its lead smallpox drug candidate, SIGA-246. The company recently announced that SIGA-246 successfully completed its initial human safety clinical trial.

"The NIH has been a great supporter of our efforts to develop SIGA-246 during the past 2 years. We appreciate their continued funding and will use the current grant to support activities which are essential to advance SIGA-246 towards filing of a New Drug Application," said Dr. Dennis E. Hruby, Chief Scientific Officer of SIGA.

Smallpox is classified as a Category A agent by the Center for Disease Control (CDC). It is considered one of the most significant threats for use as a biowarfare agent due to the fact that people in the United States have not been vaccinated against it since 1972. Smallpox is very easily transmitted from person to person, and has high mortality rates (30-60%) with 90% morbidity. Mass immunizations of the general population using the current live vaccine are not recommended, as there are known complications in certain individuals from vaccination (including encephalitis, myocarditis, disseminated vaccinia virus infection, and death). At present there is no approved treatment for smallpox that can be safely administered to the general population without significant risk of adverse reactions.

About SIGA Technologies, Inc.

SIGA Technologies is applying viral and bacterial genomics and sophisticated computational modeling in the design and development of novel products for the prevention and treatment of serious infectious diseases, with an emphasis on products for biological warfare defense. SIGA has the potential to become a significant force in the discovery of vaccine and pharmaceutical agents to fight emerging pathogens. SIGA's product development programs emphasize the increasingly serious problem of drug resistant bacteria. In addition to smallpox, SIGA has antiviral programs targeting other Category A viral pathogens, including arenaviruses (Lassa fever, Junin, Machupo, Guanarito, Sabia, and lymphocytic choriomeningitis), dengue virus, and the filoviruses (Ebola and Marburg). For more information about SIGA, please visit SIGA's Web site at www.siga.com.

Forward-looking statements

This Press Release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, including statements regarding the efficacy of potential products, the timelines for bringing such products to market and the availability of funding sources for continued development of such products. Forward-looking statements are based on management's estimates, assumptions and projections, and are subject to uncertainties, many of which are beyond the control of SIGA. Actual results may differ materially from those anticipated in any forward-looking statement. Factors that may cause such differences include the risks that (a) potential products that appear promising to SIGA or its collaborators cannot be shown to be efficacious or safe in subsequent pre-clinical or clinical trials, (b) SIGA or its collaborators will not obtain appropriate or necessary governmental approvals to market these or other potential products, © SIGA may not be able to obtain anticipated funding for its development projects or other needed funding, (d) SIGA may not be able to secure funding from anticipated government contracts and grants, and (e) SIGA may not be able to secure or enforce adequate legal protection, including patent protection, for its products. More detailed information about SIGA and risk factors that may affect the realization of forward-looking statements, including the forward-looking statements in this Press Release and the above-mentioned presentation, is set forth in SIGA's filings with the Securities and Exchange Commission, including SIGA's Annual Report on Form 10-K for the fiscal year ended December 31, 2005, and in other documents that SIGA has filed with the Commission. SIGA urges investors and security holders to read those documents free of charge at the Commission's Web site at <http://www.sec.gov>. Interested parties may also obtain those documents free of charge from SIGA. Forward-looking statements speak only as to the date they are made, and except for any obligation under the U.S. federal securities laws, SIGA undertakes no obligation to publicly update any forward-looking statement as a result of new information, future events or otherwise.