UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 2, 2008**

PHARMATHENE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-32587**	**20-2726770**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Park Place, Suite 450, Annapolis, Maryland	**21401**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number including area code: **(410) 269-2600**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230 .425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

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

Item 1.01 Entry into a Material Definitive Agreement.

The information provided in Item 2.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 1.01.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Completion of Acquisition of Biodefense Vaccines Business

As previously disclosed, on March 20, 2008, PharmAthene, Inc. and certain of its affiliates (including a newly-formed UK subsidiary) (collectively, "PharmAthene" or the "Company") entered into a Sale and Purchase Agreement (the "Purchase Agreement") with Avecia Biologics Limited, Avecia Biologics, Inc. and Avecia Investments Limited (collectively, "Avecia") for the acquisition of substantially all of the assets related to Avecia's biodefense vaccines business which includes a second generation recombinant protective antigen (rPA) anthrax vaccine, a recombinant dual antigen plague vaccine and a third generation rPA anthrax vaccine (the "Acquisition"). The Purchase Agreement was amended effective April 2, 2008 as described below.

On April 2, 2008, the Company completed the Acquisition acquiring substantially all of the assets and assuming the liabilities, in each case, exclusively associated with Avecia's biodefense vaccines business in accordance with the terms of the Purchase Agreement, as amended, including certain products, patents, trademarks, domain names and other intellectual property, license agreements, contracts, goodwill and other intangibles. The Avecia vaccines group has significant experience in vaccine development and biopharmaceutical manufacturing and is comprised of 51 personnel in Billingham, UK dedicated primarily to product development, operations, quality assurance, regulatory affairs and clinical operations. The group also has six persons in Milford, Massachusetts that provide supply chain function. As part of the Acquisition, PharmAthene agreed to assume the lease for facilities at the Billingham location and will have access to the Milford location and has employed the Avecia vaccines group as well for continuing vaccine operations.

At closing, PharmAthene paid to Avecia the initial consideration of $10 million in cash (which is subject to a working capital adjustment to be determined post-closing) (the "Initial Consideration") and provided a letter of credit in the amount of $7 million as security for the deferred consideration in such amount (the "Deferred Consideration") which shall be payable upon the earlier to occur of (a) the completion of a financing transaction in which PharmAthene receives gross proceeds of not less than $15 million and (b) eighteen months following the consummation of the transaction. Additional amounts may become payable to Avecia in connection with the Acquisition assuming that certain milestones are achieved (the "Milestone Consideration") as follows:

- $3 million upon the entry by PharmAthene into a multi-year funded contract or series of contracts with the US Department of Defense (or other agency or representative or sub-contractor of the US government) or the Defence Science Technology Laboratory, an agency of the UK Ministry of Defence (or any other agency or representative or sub-contractor of the US or UK government) for the further development of Avecia's pneumonic and bubonic plague ("rYP") vaccine with a total committed aggregate value in excess of $30 million; and

- $10 million upon the entry by PharmAthene into a multi-year funded contract with the US Department of Defense (or other agency or representative or sub-contractor of the US government) for the further development of rYP vaccine as a result of (a) a Resources Allocation Decision of the Resource Allocation Review Board and the Resource Allocation Advisory Committee of the US Department of Defense or (b) some other similar substantial funding in excess of $150 million (including the value of any option elements within such contract; and

- $5 million upon the entry by PharmAthene into a multi-year funded

development contract to be issued by the Biological Advanced Research and Development Authority (part of the US Department of Health and Human Services) under solicitation number RFP-BARDA-08-15 for the further development of Avecia's anthrax ("rPA") vaccine; and

- $5 million upon the entry by PharmAthene into a contract or contracts for the supply of rPA vaccine into the Strategic National Stockpile; and

- in an amount equal to 2.5% of net sales (as defined under the Purchase Agreement) of rPA vaccine made by PharmAthene to the US government within the period of ten years from the consummation of the Acquisition after the first 25 million doses; and

- in an amount equal to 1% of net sales (as defined under the Purchase Agreement) of third generation anthrax vaccine made by PharmAthene to the US government within the period of ten years from the consummation of the Acquisition.

The following is a summary description of the vaccine products that are based upon technology either transferred to PharmAthene or subject to licenses assigned to PharmAthene by Avecia:

- *Recombinant Protective Antigen (rPA) Vaccine*

The rPA vaccine is a second generation anthrax vaccine and is a highly purified protein vaccine produced by recombinant techniques. The rPA vaccine has successfully completed two Phase II clinical trials in over 700 healthy adults and has been shown to be safe and well tolerated with no serious adverse effects reported. The vaccine has also elicited a protective immune response to lethal aerosol challenge in preclinical efficacy studies.

- *Recombinant Yersinia Pestis (rYP) Vaccine*

The rYP vaccine is a recombinant vaccine for the protection of humans against pneumonic and bubonic plague caused by Yersinia pestis infection. The vaccine has successfully completed three Phase I clinical studies and will be entering Phase II trials in the second quarter of 2008. The vaccine consists of two recombinant antigens (rF1 and rV) produced in E.coli. Antibodies to rF1 have been shown to be protective against bubonic plague while antibodies to rV have been shown to enhance protection against inhalation plague. The rYP vaccine has been demonstrated to be safe and well tolerated and has elicited a protective immune response in preclinical studies and has successfully completed three Phase I clinical studies in healthy adults.

- *Third Generation rPA Vaccine*

The third generation rPA anthrax vaccine is in development to achieve greater product and therapeutic performance by being able to maintain stability for three years at 35º C and induce protective immunity in two doses or fewer. The development of this enhanced vaccine candidate has been supported by a grant from the National Institutes of Health since 2005. A government published Request for Proposal was issued on September 21, 2007 seeking proposals for such a vaccine which the Company views as reaffirming the US government commitment to rPA based vaccine development. The objective of the program is to develop an rPA-based anthrax vaccine that can be stored, transported and used without the need for a conventional cold chain – an important advantage for civilian biodefense deployment and the Strategic National Stockpile.

The vaccines described above were originally developed by the Defence Science and Technology Laboratories ("DSTL"), an agency of the UK Ministry of Defence. As part of the Acquisition, Avecia assigned to PharmAthene certain licenses to the intellectual property for the practice of the vaccine programs from DSTL and, as part of the Acquisition, PharmAthene has entered into a long-term manufacturing agreement with Avecia for the manufacture of the vaccines. In addition, PharmAthene also took assignment of three pending patent applications, two relating to a method for assaying antigens and one for vaccine composition. Various trademarks and domain names were also acquired in the transaction.

In connection with its vaccines business, Avecia has obtained approximately $220 million in government based funding to support the development of its anthrax and plague vaccine programs which may be summarized as follows:

The rPA anthrax program has been largely funded by contracts and grants from the National Institute of Allergy and Infectious Disease (the "NIAID"), with some additional funds provided by the UK Ministry of Defense through its technology arm, DSTL. The total government funding to date for the rPA anthrax program has been approximately $135 million of which $44 million in funding remains on the existing contracts. Funding from these contracts will support the development of the program through the end of 2009.

To date, Avecia has obtained approximately $50 million in funding for the plague vaccine from the NIAID and approximately $42 million in funding from a Partnering Arrangement between the US, UK and Canadian Governments to support the development of a plague vaccine for military use. Approximately $20 million in funding remains on the existing contracts which we estimate will support the rYP development program into the first half of 2009.

Amendment Agreement

On March 28, 2008, Avecia received a letter from the Defence Science and Technology Laboratory, a branch of the UK Ministry of Defence, advising Avecia of the recent resource allocation decision of the US Department of Defense (DoD) that the DoD had decided not to fund Avecia's plague vaccine candidate beyond the current contractual commitments. As a result, the parties agreed to amend the sale and purchase agreement and an Amendment Agreement (the "Amendment Agreement") was executed on April 2, 2008, immediately prior to the consummation of the Acquisition.

While the Initial Consideration remained the same, the Amendment Agreement amended the Purchase Agreement to reduce the amount of the Deferred Consideration payable to Avecia from $10 million to $7 million and to amend the time when such amount will be payable to be the earlier to occur of (a) the completion of a financing transaction in which PharmAthene receives gross proceeds of not less than $15 million and (b) eighteen months following the consummation of the transaction rather than the originally contemplated twelve months following the consummation of the transaction. The amount and duration of the letter of credit issued to secure the Deferred Consideration was correspondingly amended to reflect the reduced amount of $7 million and the extended duration of up to 18 months following the consummation of the transaction.

The Amendment Agreement also amended the Milestone Consideration potentially payable by the Company to Avecia to provide for an additional milestone payment of $3 million payable upon the entry by PharmAthene into a multi-year funded contract or series of contracts with the US Department of Defense or the Defence Science Technology Laboratory, an agency of the UK Ministry of Defence (or any other agency or representative or sub-contractor of the US or UK government) for the further development of the rYP vaccine with a total committed aggregate value in excess of $30 million. The remainder of the Milestone Consideration was left as originally set forth in the Purchase Agreement.

The Amendment Agreement also amended the restrictive covenant contained in the Purchase Agreement to allow Avecia to enter into certain manufacturing arrangements with third parties for the manufacture of plague vaccines other than the plague vaccine acquired by PharmAthene provided certain conditions are met or payments are made to PharmAthene.

Ancillary Agreements

In connection with the Acquisition, PharmAthene and Avecia also entered into certain ancillary agreements including, without limitation, transitional services agreements, laboratory facilities agreements, master services agreement, supply agreement and subcontract agreement which, in each case, provide for services to be performed by Avecia for PharmAthene both on a transitional and on a going-forward basis. One of such agreements is a long-term manufacturing agreement for the supply by Avecia of the vaccines and component ingredients comprising the vaccines business

purchased by PharmAthene in the Acquisition which is described below.

Master Services Agreement

In connection with the Acquisition, PharmAthene entered into a Master Services Agreement with Avecia under which Avecia has agreed that, for agreed upon fees, it will carry out process development, analytical development, production and disposition of protective antigens for the plague and anthrax vaccines as well as stability testing of such antigens and of the final dosage form of the vaccines which contains the protective antigens in connection with various projects. The work to be performed by Avecia and amounts to be paid to Avecia in connection with each project are based upon the specific tasks related to each project including necessary materials, method development, management supervision and costs associated therewith and are set out in various schedules to the Master Services Agreement.

The foregoing summary description of the Acquisition and the Purchase Agreement, as amended, and the Master Services Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreements. The Purchase Agreement was attached as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company on March 26, 2008, the Amendment Agreement is attached hereto as Exhibit 2.1 and the Master Services Agreement will be provided by amendment to this Current Report on Form 8-K.

Item 8.01 Other Events.

On April 2, 2008, the Company issued a press release with respect to the consummation of the acquisition of Avecia's vaccines business. A copy of the Company's press release is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Businesses Acquired

The financial statements required by this Item will be filed by amendment to this Current Report on From 8-K as soon as practicable but not later than 71 days after the date that this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information

The pro forma financial information required by this Item will be filed by amendment to this Current Report on Form 8-K as soon as practicable but not later than 71 days after the date that this Current Report on Form 8-K is required to be filed.

(d) Exhibits

EXHIBIT NO.	DESCRIPTION
2.1	Amendment Agreement, dated April 2, 2008, by and among, PharmAthene, Inc., PharmAthene UK Limited and PharmAthene US Corporation and Avecia Investments Limited, Avecia Biologics Limited and Avecia Biologics, Inc.

10.1	Master Services Agreement, dated April 2, 2008, by and between, PharmAthene UK Limited and Avecia Biologics Limited*
99.1	Press Release, dated April 2, 2008, announcing the consummation of the acquisition of Avecia's vaccines business.

*Document to be filed by amendment.

Forward Looking Statements

This Current Report on Form 8-K and the exhibits filed or furnished herewith contain forward-looking statements. Forward-looking statements may be identified by words such as "believes", "expect", "anticipates", "estimates", "projects", "intends", or the negative of such terms or other comparable terminology. Such statements include, but are not limited to, statements about the expected benefits of the proposed transaction involving Avecia and the Company, including future financial results. In addition, statements made in this Report and/or any of the exhibits filed or furnished herewith about anticipated financial results, future product advancements or potential regulatory awards or approvals are also forward-looking statements. Such forward-looking statements are subject to risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in or indicated by them. The Company can give no assurance that the proposed transaction will be consummated or that conditions to consummation of the transaction will be consummated. The Company undertakes no obligation to revise or update any forward-looking statement or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PHARMATHENE, INC.
(registrant)

Dated: April 7, 2008

By: /s/ David Wright
David Wright
President and Chief Executive Officer

Exhibit Index

EXHIBIT NO.	DESCRIPTION
2.1	Amendment Agreement, dated April 2, 2008, by and among, PharmAthene, Inc., PharmAthene UK Limited and PharmAthene US Corporation and Avecia Investments Limited, Avecia Biologics Limited and Avecia Biologics, Inc.
10.1	Master Services Agreement, dated April 2, 2008, by and between, PharmAthene UK Limited and Avecia Biologics Limited*
99.1	Press Release, dated April 2, 2008, announcing the consummation of the acquisition of Avecia's vaccines business.

*Document to be filed by amendment.

Exhibit 2.1

DATED 2nd APRIL 2008

AMENDMENT AGREEMENT

among

AVECIA INVESTMENTS LIMITED AND OTHERS

and

PHARMATHENE, INC. AND OTHERS

relating to a sale and purchase agreement entered into on 20 March 2008 in respect of the Avecia Vaccines Business

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CONTENTS

THIS AMENDMENT AGREEMENT is made on 2nd April 2008 among:

(1) AVECIA INVESTMENTS LIMITED a company incorporated in England and Wales (company number 3768296) whose registered office is at Hexagon Tower, Blackley, Manchester M9 8ZS (the "Principal Vendor");

(2) THE COMPANIES identified as Business Vendors in schedule 1 to the SPA (the "Business Vendors");

(3) AVECIA LIMITED a company incorporated in England and Wales (company number 3730853) whose registered office is at Hexagon Tower, Blackley, Manchester M9 8ZS ("Avecia Limited");

(4) THE COMPANIES identified as Local Purchasers in schedule 1 to the SPA (the "Local Purchasers"); and

(5) PHARMATHENE, INC. a company incorporated under the laws of the State of Delaware whose principal place of business is at One Park Place, Suite 450101, Annapolis, MD 21401, USA (the "Purchaser"),

(each hereinafter referred to as a "party" and together the "parties").

BACKGROUND

(A) The parties to this Amendment Agreement entered into a sale and purchase agreement dated 20 March 2008 (the "SPA").

(B) The parties to this Amendment Agreement wish to amend the terms of the SPA on the terms set forth herein.

(C) In accordance with clause 19.14 of the SPA, this Amendment Agreement is entered into by the Principal Vendor both for itself and as agent for the Business Vendors and Avecia Limited.

IT IS AGREED AS FOLLOWS

1. DEFINITIONS AND INTERPRETATION

1.1. Words and expressions defined in the SPA shall bear the same meanings in this Amendment Agreement.

1.2. The rules of construction in schedule 9 to the SPA shall apply to this Amendment Agreement.

2. AMENDMENT OF SPA – DEFERRED CONSIDERATION

In consideration for each other party's entry into this Amendment Agreement, each party agrees that with effect from the date of this Amendment Agreement, the SPA shall be amended as follows.

2.1. In the definition of "Deferred Consideration" in schedule 9 to the SPA, the figure of "US$10 million" shall be deleted and replaced with the figure of "US$7 million".

2.2. In clause 5.7.2 of the SPA, "12 months" shall be deleted and replaced with "18 months".

2.3. The form of the Letter of Credit to be delivered in respect of the Deferred Consideration in accordance with paragraph 2.2 of schedule 7 to the SPA

shall accordingly be amended such that (i) it is for an amount of US$7 million and (ii) its expiry date will be the date falling 18 months and two weeks after the Completion Date.

3. AMENDMENT OF SPA – MILESTONE CONSIDERATION

In consideration for each other party's entry into this Amendment Agreement, each party agrees that with effect from the date of this Amendment Agreement, the SPA shall be amended as follows.

3.1. The following definitions shall be added to paragraph 1 of schedule 3 to the SPA:

""Milestone 1A Condition" means the entry by a member of the Purchaser's Group into a multi-year funded contract or series of contracts with the US Department of Defence or Dstl (or any other agency or representative or sub-contractor of the US or UK government) for the further development of the rYP Vaccine with a total committed aggregate value in excess of US$30 million;

"Milestone 1A Consideration" means the sum of US$3 million;"

3.2. The definition of "Milestone Conditions" in paragraph 1 of schedule 3 to the SPA shall be amended by the addition after the phrase "Milestone 1 Condition," of the phrase "Milestone 1A Condition,".

3.3. Paragraph 2 of schedule 3 to the SPA shall be amended by the addition of the following paragraph 2.1.2 (and the consequent renumbering of the existing paragraphs 2.1.2 to 2.1.4):

"2.1.2 the Milestone 1A Consideration within 90 days of the date of satisfaction of the Milestone 1A Condition;"

4. AMENDMENT OF SPA – RESTRICTIVE COVENANT

In consideration for each other party's entry into this Amendment Agreement, each party agrees that with effect from the date of this Amendment Agreement, the SPA shall be amended as follows.

4.1. The definition of "Vaccines" in schedule 9 to the SPA will be deleted and replaced with the following:

""Vaccines" means the Anthrax Vaccine and/or the Plague Vaccine;".

4.2. The following definitions will be added to schedule 9 to the SPA:

""Anthrax Vaccine" means recombinant Protective Antigen (rPA) vaccine against anthrax;

"Plague Manufacturing Contract" means any contract entered into by a member of the Vendors' Group during the Restricted Period with a third party not being a member of the Purchaser's Group for the manufacture of any vaccine against pneumonic or bubonic plague (other than the Plague Vaccine) in the ABC5000 plant at the Billingham Site (or any alternative site or sites having a similar aggregate scale);

"Plague Manufacturing Net Sales" means net sales of one or more vaccines against pneumonic or bubonic plague other than the Plague Vaccine made by any member of the Vendors' Group in respect of each and any Plague Small Scale Contract and/or Plague Manufacturing Contract, where such net sales shall be calculated as the gross amount billed by any member of the Vendors' Group less the following (i) customary trade, quantity or cash discounts to the extent actually allowed and taken; (ii) amounts repaid or credited by reason of rejection or return; (iii) to the extent separately stated on purchase order, invoices or other documents of sale, any taxes or other governmental charges levied on the production, sale, transportation, delivery or use of any products or services delivered under the relevant Plague Small Scale Contract and/or Plague Manufacturing Contract which is paid by or on behalf of any member of the Vendors' Group; (iv) outbound transportation costs prepaid or allowed and

costs of insurance in transit, in each case in respect of deliveries outside the UK; (vi) costs of delivery devices or delivery systems used for dispensing or administering product; and (vii) deductions for premiums for government mandated insurance; provided however that Plague Manufacturing Net Sales shall (a) be calculated after addition or deduction (as appropriate) of any true-up adjustments made either to or by any member of the Vendors' Group and (b) include any royalties paid to any member of the Vendors' Group on account of any Plague Manufacturing Contract in respect of any technology relating to any vaccine against pneumonic or bubonic plague;

"Plague Small Scale Contract" means any contract entered into by a member of the Vendors' Group during the Restricted Period with a third party not being a member of the Purchaser's Group for the process development and/or scale-up for or in connection with the possible or proposed manufacture of any vaccine against pneumonic or bubonic plague (other than the Plague Vaccine) and/or the manufacture of such vaccine other than in the ABC5000 plant at the Billingham Site (or any alternative site or sites having a similar aggregate scale);

"Plague Vaccine" means *Yersinia pestis* Antigen (rYP) vaccine (comprising rF1 and rV recombinant antigens in non-fused form) against pneumonic or bubonic plague (and for the avoidance of doubt a vaccine comprising rF1 and rV recombinant antigens in fused form is not a "Plague Vaccine");".

4.3. The following provisions will be added as a new clauses 10.3.4 and 10.3.5 of the SPA (and the existing clause 10.3.4 renumbered accordingly):

"10.3.4 entering into a Plague Small Scale Contract with one or more third parties during the Restricted Period provided that, if a member of

the Vendors' Group enters into a Plague Small Scale Contract as aforesaid, then the Principal Vendor shall pay or provide for the payment to the Purchaser of a royalty of 3% of the amount of all Plague Manufacturing Net Sales made by the Vendors' Group under such Plague Small Scale Contract during the period of five years from the first date on which payments are made to a member of the Vendors' Group under the Plague Small Scale Contract, which amount shall be payable within 45 days of the end of each calendar quarter in respect of Plague Manufacturing Net Sales made in such calendar quarter and the Purchaser shall have the right to require reasonable access to personnel, books and records of the Vendors' Group to verify the amount of such payments due on the same terms and subject to the same restrictions, mutatis mutandis, as are set out in paragraph 3.3 of Schedule 3;

10.3.5 entering into a Plague Manufacturing Contract with one or more third parties during the Restricted Period provided that:

(i) at the time such Plague Manufacturing Contract is entered, no member of the Vendors' Group is also engaged under a contract with any member of the Purchaser's Group (other than in connection with the Dstl Contracts) to carry out the manufacture of two or more batches of the Plague Vaccine in the ABC5000 plant at the Billingham Site (or any alternate site or sites having a similar aggregate scale) which is intended for clinical use;

(ii) in the event that any such Plague Manufacturing Contract is entered as aforesaid, then (in substitution for the royalty payment provided for in Clause 10.3.4 above):

(a) the amount of the Milestone 1A Consideration potentially payable under Schedule 3 shall be reduced to US$1 million;

(b) if the Purchaser has already paid US$3 million in respect of the Milestone 1A Consideration to the Principal Vendor, the Principal Vendor shall repay or provide for the repayment of US$2 million of such sum within 20 Business Days of manufacturing intended

for clinical use commencing under any such Plague Manufacturing Contract;

(c) the Principal Vendor shall (save to the extent already paid under Clause 10.3.4) pay or provide for the payment to the Purchaser of a royalty of 3% of the amount of all Plague Manufacturing Net Sales made by the Vendors' Group during the period of five years from the date of first commercial sale of product under each and any such Plague Manufacturing Contract, which amount shall be payable within 45 days of the end of each calendar quarter in respect of Plague Manufacturing Net Sales made in such calendar quarter and the Purchaser shall have the right to require reasonable access to personnel, books and records of the Vendors' Group to verify the amount of such payments due on the same terms and subject to the same restrictions, mutatis mutandis, as are set out in paragraph 3.3 of Schedule 3; and

(d) notwithstanding anything in the SPA to the contrary, the Purchaser shall not be liable under Clause 5.11 to pay Manufacturing IP Consideration for Drug Substance in respect of Plague Vaccine which the Purchaser's Group sources from suppliers other than the UK Vendor (including internal sourcing)."

4.4. The following provision will be added at the end of the definitions of each of "Relevant 3G Sales" and "Relevant rPA Sales" in paragraph 1 of schedule 3 to the SPA:

"provided however that such Net Sales shall be calculated after addition or deduction (as appropriate) of any true-up adjustments made either to or by any member of the Purchaser's Group".

5. RATIFICATION OF SPA

5.1. Except as specifically set forth herein, the provisions of the SPA shall continue in full force and effect and the SPA as hereby amended by this Amendment Agreement is ratified and confirmed.

5.2. With effect from the date of this Amendment Agreement, all references in the SPA as hereby amended to "this Agreement" shall include this Amendment Agreement and the SPA as amended by this Amendment Agreement.

6. GOVERNING LAW, JURISDICTION AND COUNTERPARTS

6.1. The parties agree that the provisions of clauses 19.22 and 20 of the SPA apply to this Amendment Agreement as if those provisions were set out in full in this Amendment Agreement.

EXECUTED AS FOLLOWS

Executed for and on behalf of
AVECIA INVESTMENTS LIMITED
by: /s/Adrian Buckmaster
Director/Authorised Signatory

Executed by AVECIA INVESTMENTS
LIMITED as agent for and on behalf of /s/Adrian Buckmaster

AVECIA BIOLOGICS LIMITED, AVECIA BIOLOGICS INC and AVECIA LIMITED
by: Director/Authorised Signatory

Executed for and on behalf of
PHARMATHENE, INC
by: /s/David P. Wright
Director/Authorised Signatory

Executed for and on behalf of
PHARMATHENE UK LIMITED
by: /s/David P. Wright
Director/Authorised Signatory

Executed for and on behalf of
PHARMATHENE US CORPORATION
by: /s/David P. Wright
Director/Authorised Signatory

Exhibit 99.1

Contact:

Stacey Jurchison
PharmAthene, Inc.
Phone: 410-571-8925
jurchisons@pharmathene.com

PHARMATHENE CLOSES ACQUISITION OF
AVECIA BIODEFENSE VACCINES BUSINESS UNIT

Strategic Acquisition Creates Expanded Biodefense Pipeline

ANNAPOLIS, MD, April 2, 2008 - PharmAthene, Inc., (Amex: PIP) a biodefense company specializing in the development and commercialization of medical countermeasures against biological and chemical threats, announced today that it has completed its acquisition of Avecia's biodefense vaccines business previously announced on March 20, 2008.

David P. Wright, President and Chief Executive Officer, commented, "PharmAthene's mission is to become a leading provider of biodefense medical countermeasures that are needed by the U.S. government and its allies. We have advanced this mission by pursuing an acquisitive growth strategy focused on high priority, next generation biodefense products for which the government has expressed a clear need and an intent to procure. The acquisition of Avecia's biodefense vaccines addresses both of these aspects and adds important near-term value creation milestones to our calendar. With the addition of Avecia's vaccines, PharmAthene now has established an extensive biodefense portfolio targeting U.S. government requirements."

PharmAthene's biodefense portfolio now includes:

- A recombinant Protective Antigen (rPA) anthrax vaccine
- A recombinant dual antigen Plague vaccine manufactured in *E coli*
- A third generation rPA anthrax vaccine program
- Valortim™, a fully human monoclonal antibody being co-developed with Medarex for the prevention and treatment of anthrax infection
- Protexia® a novel bioscavenger to prevent and treat organophosphate nerve agent poisoning

Under the agreement, PharmAthene has acquired all of the assets related exclusively to Avecia's vaccines business, including the intellectual property rights associated with its rPA anthrax vaccine and plague vaccine as well as certain government contracts related to such products having an estimated value of approximately $60 million. Approximately 50 employees from Avecia's vaccines operations have transferred to PharmAthene in connection with the transaction.

In consideration for these assets, PharmAthene has paid Avecia a cash payment of $10 million, which is subject to a post-closing working capital adjustment, and will pay an additional $7 million within eighteen months from the closing date. In addition, Avecia will be eligible to receive milestone payments totaling up to $23 million in the aggregate, contingent upon the achievement of certain milestones related to the award of contracts for development and procurement of Avecia's vaccine products by the U.S. government, and potentially royalties if certain sales levels are achieved.

In connection with the acquisition, the parties have also entered into various agreements for the transitional and longer-term supply of facilities, support and services by Avecia to PharmAthene. Among these agreements are a Master Services Agreement pursuant to which Avecia has agreed to provide process development, analytical development, production, disposition, and stability testing of vaccines for PharmAthene. Under a Supply Agreement, Avecia has agreed to manufacture and supply to PharmAthene its requirements for the rPA anthrax and plague vaccines.

On March 28, 2008, Avecia received a letter from the Defence Science and Technology Laboratory, a branch of the UK Ministry of Defence, advising Avecia of the recent resource allocation decision of the US Department of Defense (DoD) that the DoD had decided not to fund Avecia's plague vaccine candidate beyond the current contractual commitments. Based on this development, the parties agreed to amend the sale and purchase agreement, as set forth above, to accommodate the change in circumstances.

BroadOak Partners, LLC and Piper Jaffray Ltd. acted as financial advisors to PharmAthene and Avecia, respectively, in connection with the transaction.

rPA Anthrax Vaccine

Avecia's rPA vaccine, which has completed Phase II clinical testing, is a second generation rPA anthrax vaccine for use against human anthrax infection.

In February 2008, the Department of Health and Human Services (DHHS) issued a formal solicitation (Request for Proposals) for an *Anthrax Recombinant Protective Antigen (rPA) Vaccine for the Strategic National Stockpile (SNS).* The solicitation outlines a requirement to procure 25 million doses of an rPA anthrax vaccine.

"There is currently an unmet need for a second generation anthrax vaccine that offers the potential for improved safety and convenience," said Mr. Wright. "We believe Avecia's vaccine is well positioned to meet this requirement, as it is a highly purified recombinant form of a single protein – protective antigen (PA), which is produced using standard biotechnology processes. In preclinical and clinical studies the vaccine was shown to produce a vaccine-induced antibody response and was safe and well tolerated. If these results are confirmed in future studies, we believe this vaccine could prove to be a superior choice for procurement in the Strategic National Stockpile for civilian defense against anthrax threats."

About PharmAthene, Inc.

PharmAthene (AMEX:PIP) was formed to meet the critical needs of the United States and its allies by developing and commercializing medical countermeasures against biological and chemical weapons. PharmAthene's lead programs include Valortim™ for the prevention and treatment of anthrax infection and Protexia® for the prevention and treatment of morbidity and mortality associated with exposure to chemical nerve agents. For more information about PharmAthene, please visit www.PharmAthene.com.

Forward Looking Statement

Except for the historical information presented herein, matters discussed may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Statements that are not historical facts, including statements preceded by, followed by, or that include the words "potential"; "believe"; "anticipate"; "intend"; "plan"; "expect"; "estimate"; "could"; "may"; "should"; "could"; or similar statements are forward-looking statements. PharmAthene disclaims, however, any intent or obligation to update these forward-looking statements. Risks and uncertainties include the likelihood that the U.S. government will choose to procure any products from the Company, the successful development of any of PharmAthene's potential products, the advancement of PharmAthene's strategy, its ability to expand its business to meet US government requirements, or its ability to enhance the timelines or opportunity for success of its programs, the ability of the rPA based anthrax vaccine to meet any stated government requirements or be a viable choice for the Strategic National Stockpile as well as risks detailed from time to time in PharmAthene's public disclosure filings with the U.S. Securities and Exchange Commission (the "SEC"). There can be no assurance that PharmAthene's development efforts will succeed or that developed products will receive required regulatory clearance, or that, even if such regulatory clearance were received, such products would ultimately achieve commercial success or be procured by the government. Copies of PharmAthene's public disclosure filings are available from its investor relations department.

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