

**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): June 30, 2010

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

Delaware
(State or other jurisdiction
of incorporation)

001-32587
(Commission
File Number)

20-2726770
(IRS Employer
Identification No.)

One Park Place, Suite 450, Annapolis, Maryland
(Address of principal executive offices)

21401
(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:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-
-

Item 1.02 Termination of a Material Definitive Agreement.

On June 30, 2010, PharmAthene, Inc. (the “Company”) and the National Institute of Allergy and Infectious Diseases (NIAID) entered into a modification to their existing three-year contract related to development work under the Company’s third-generation anthrax vaccine program (HHSN272200800049C) (the “3G Contract”). The modification terminates the 3G Contract as part of a no-cost settlement between the Company and NIAID.

The Company and NIAID are also parties to a \$15.9 million contract for the advanced development of Valortim® as an anti-toxin therapeutic to treat inhalation anthrax infection, which contract remains in full force and effect.

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)

Date: July 2, 2010

By: /s/ Jordan P. Karp
Jordan P. Karp
Senior Vice President, General Counsel and Secretary
