

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**IN RE HEMISPHERX
BIOPHARMA, INC. LITIGATION**

X
:
:
X

CIVIL ACTION NO. 09-CV-5262-PSD

PROOF OF CLAIM AND RELEASE FORM¹

Must be Postmarked on or Before:

February 19, 2011

Please Type or Print

I. GENERAL INSTRUCTIONS

1. IN ORDER TO BE ELIGIBLE TO PARTICIPATE IN THE SETTLEMENT, YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE FORM ("PROOF OF CLAIM FORM"), BY FIRST CLASS MAIL, POSTAGE PREPAID, POSTMARKED NO LATER THAN FEBRUARY 19, 2011 TO THE FOLLOWING ADDRESS:

Claims Administrator
In re Hemispherx Biopharma, Inc. Litigation
Heffler, Radetich & Saitta LLP
P.O. Box 58578
Philadelphia, PA 19102-8578

2. If you fail to timely submit a properly addressed Proof of Claim Form, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Action.

3. Submission of this Proof of Claim Form, however, does not assure that you will share in the proceeds of Settlement in the Action.

4. If you are NOT a member of the Settlement Class (as defined below) DO NOT submit a Proof of Claim Form.

5. If you are a member of the Settlement Class and you do not validly and timely request exclusion, you are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.

II. CLAIMANT IDENTIFICATION

1. This Proof of Claim Form is directed to all persons and entities who purchased or otherwise acquired the publicly traded common stock of Hemispherx Biopharma, Inc. ("Hemispherx" or "the Company") from February 18, 2009 through and including December 1, 2009 (the "Class Period"), and who, based on conduct asserted in the Action, were damaged thereby. Excluded from the Settlement Class are Hemispherx and the Individual Defendants, any entity in which any of the foregoing has or had a controlling interest, the legal representatives, heirs, successors, or assigns of any of them, and all officers and directors of Hemispherx. Also excluded from the Settlement Class are any putative Settlement Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice.

2. If you purchased or otherwise acquired Hemispherx common stock during the Class Period and held the certificate(s) in your name, you are the beneficial owner as well as the record owner. If, however, you purchased or otherwise acquired Hemispherx common stock and the certificate(s) was registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial owner and the third party is the record owner.

3. Use Part I of this form entitled "Claimant Identification" to identify each record owner, if different from the beneficial owner of Hemispherx common stock which forms the basis of this claim. THIS PROOF OF CLAIM FORM MUST BE SUBMITTED BY THE ACTUAL BENEFICIAL OWNER OR OWNERS, OR THE LEGAL REPRESENTATIVE OF SUCH BENEFICIAL OWNER OR OWNERS OF THE HEMISPHERX COMMON STOCK UPON WHICH THE CLAIM IS BASED.

4. All joint beneficial owners must sign this Proof of Claim Form. Executors, administrators, guardians, conservators, and trustees must complete and sign this Proof of Claim Form on behalf of persons represented by them, and documentation evidencing their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or employer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

5. No acknowledgment will be made as to the receipt of Proof of Claim Forms. If you wish to be assured that your Proof of Claim Form is actually received by the Claims Administrator, then you should send it by Certified Mail, Return Receipt Requested. You should be aware that it will take a significant amount of time to fully process

¹ The definitions of certain terms used herein are set forth below. All terms used in this Proof of Claim and Release Form have the same meaning as in the Stipulation and Agreement of Settlement.

all of the Proof of Claim Forms and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim Form. Please notify the Claims Administrator of any change in address.

III. PROOF OF CLAIM FORM

1. Use Part II of this form entitled "Schedule of Transactions in Hemispherx Common Stock" to supply all required details of your transaction(s) in Hemispherx common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. On the schedules, provide the requested information with respect to **all** of your purchases or acquisitions of Hemispherx common stock and **all** of your sales of Hemispherx common stock which took place at any time during the Class Period, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction in the Class Period separately and in chronological order, beginning with the earliest. You must accurately provide the month, day, and year of the trade date of each transaction you list.

4. If you acquired or disposed of your Hemispherx common stock in a transaction other than through an open market transaction, you should supply any additional documentation that supports your claim regarding the number or amount of the Hemispherx stock acquired or disposed of and the value of the consideration paid or received in the transaction.

5. The date of covering a "short sale" is deemed to be the date of purchase of Hemispherx common stock. "Short" sales will not be recognized for any amount of loss on the cover or purchase transaction, and no Recognized Loss will be computed for any such covering purchase transaction.

6. Copies of brokers' confirmations or other documentation of your transactions, including your holdings at the beginning and end of the Class Period, in Hemispherx common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim. Do not attach originals.

7. Hemispherx common stock "transferred into," "delivered into" or "received into" the claimant's account will NOT be considered as purchased or otherwise acquired Hemispherx common stock unless the claimant submits documents supporting that the original purchase or acquisition of the Hemispherx common stock occurred during the Class Period. Also, Hemispherx common stock purchased or otherwise acquired and subsequently "transferred out" or "delivered out" of the claimant's account during the Class Period will NOT be considered part of the claimant's claim.

8. The information contained in this Proof of Claim is subject to such verification as the Claims Administrator may request or as the Court may direct, and the claimant agrees to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your claim.)

9. If you have questions concerning the Proof of Claim and Release, or need additional copies of the Proof of Claim and Release or of the Notice, you may contact the Claims Administrator, Heffler, Radetich & Saitta LLP at the above address or by its toll-free phone number at 1-800-528-7199, or you can e-mail your inquiries through or download the documents from the Claims Administrator's website, www.heb.hrsclaims.com.

PART II: SCHEDULE OF TRANSACTIONS IN HEMISPHERX COMMON STOCK

A. Number of shares of Hemispherx common stock held at the end of trading on February 17, 2009, the day before the first day of the Class Period (Must be Documented): _____

B. Purchases/Acquisitions (February 18, 2009–December 1, 2009, inclusive) of Hemispherx common stock (Must be Documented):

	Trade Date (Month / Day / Year)	Number of Shares Purchased	Price Per Share	Total Purchase Price (Excl. Commissions/Fees)	Check if Restricted Stock
1.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
2.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
3.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
4.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
5.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
6.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
7.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>

IMPORTANT: Identify by number listed above all purchases in which you covered a “short sale”: _____

C. Total Shares Purchased: _____

D. Sales (February 18, 2009–December 1, 2009, inclusive) of Hemispherx common stock (Must be Documented):

	Trade Date (Month / Day / Year)	Number of Shares Sold	Price Per Share	Total Sale Price (Excl. Commissions/Fees)	Check if Restricted Stock
1.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
2.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
3.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
4.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
5.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
6.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>
7.	□□/□□/□□	□□□□□□□□	\$ □□.□□□□□□	\$ □□□□□□□□.□□	<input type="checkbox"/>

E. Total Shares Sold: _____

F. Number of shares of Hemispherx common stock held at close of trading on December 1, 2009 (Must be Documented): _____ (A + C - E)

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page.

YOU MUST READ THE FOLLOWING RELEASE AND SIGN ON PAGE 17 BELOW

RELEASE OF CLAIMS

Definitions

For the purpose of this Proof of Claim and Release, defined terms have the following meanings. (Other defined terms have the meanings given to them in the Stipulation and Agreement of Settlement dated September 24, 2010 (the "Stipulation")).

"Effective Date" means the first business day after the date the Judgment becomes final such that: (i) the time for appeal or appellate review of the order or judgment has expired; or (ii) if there has been an appeal, (a) such appeal has been decided without causing a material change in the order or judgment; or (b) the order or judgment has been upheld on appeal and is no longer subject to appellate review by further appeal or writ of certiorari.

"Individual Defendants" means William A. Carter, M.D. and David R. Strayer. "Non-Individual Defendant" means Hemispherx Biopharma, Inc. (together, the "Defendants")

"Judgment" means the Order entered by the Court, if and upon approval of the Settlement, dismissing the Action with prejudice and without costs (except to the extent awarded by the Court) to any Released Person, certifying the Settlement Class for settlement purposes, releasing all Released Claims as against the Released Persons, and enjoining Settlement Class Members from instituting, continuing, or prosecuting any action asserting any Released Claims against any Released Person.

"Hemispherx" means Hemispherx Biopharma, Inc.

"Released Claims" means any and all manner of actions, causes of actions, suits, obligations, claims, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys' fees whatsoever, whether in law or in equity and whether based on any federal law, state law, common law or foreign law, local law, statutory law or any other law, rule or regulation, right of action or of any other type or form, foreseen or unforeseen, actual or potential, matured or unmatured, known or unknown, accrued or not accrued, liquidated or unliquidated, fixed or contingent, whether class or individual in nature which Lead Plaintiff and each Settlement Class Member, or any of them, ever had, now have, or can have, or shall or may hereafter have, either individually, or as a member of a class, against any and all Released Persons for, based on, by reason of, or arising from or relating to the conduct alleged in the Action, including but not limited to: (i) claims that could have been asserted in any forum that directly or indirectly arise out of any of the facts, transactions, events, occurrences, acts or omissions mentioned or referred to in the Consolidated Complaint or other matters that are or could have been set forth, alleged, embraced or otherwise referred to in the Consolidated Complaint or that could have been brought against Defendants relating to a Settlement Class Member's purchase or other acquisition of Hemispherx common stock during the Class Period, including all matters encompassed within the releases and covenants not to sue set forth in the Stipulation, and (ii) claims arising out of the prosecution or defense of the Action, or either of them, including, but not limited to, claims for fraud in the inducement, negligent misrepresentation, or fraud; except that nothing in this Stipulation releases any claim arising out of a violation or breach of the terms of this Stipulation.

"Released Persons" means any and all of the Defendants, and with respect to each of the Defendants, their past and present directors, officers, employees, partners, principals, agents, underwriters, issuers, insurers, co-insurers, reinsurers, shareholders, attorneys, accountants, auditors, banks and investment bankers, advisors, agents, personal and legal representatives, predecessors, successors, indemnitors, indemnitees, parents, subsidiaries, divisions, joint ventures, assigns, segments, consultants, spouses, heirs, estates, related and affiliated entities, any entity in which any of them has a controlling interest, any members of the immediate families of any Individual Defendants, any trust of which any of the Defendants is the settlor or that is for the benefit of any of the Individual Defendants and/or member(s) of any Individual Defendant's families, and anyone claiming by, through or under any of the foregoing, whether by statute, rule, contract or otherwise.

"Settled Defendants' Claims" means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, including both known claims and unknown claims, that have been or could have been asserted in the Action or any forum by the Defendants or any of them, or the successors and assigns of any of them, against Lead Plaintiff, any Settlement Class Members, or their attorneys, including Co-Lead Counsel, that arise out of or relate in any way to the institution, prosecution, or settlement of the Action.

"Unknown Claims" means any and all Released Claims that Lead Plaintiff or any Settlement Class Member do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, and any Settled Defendants' Claims which Defendants do not know or suspect to exist in their favor, which if known, might have affected their decision(s) with respect to the Settlement. With respect to any and all Released Claims, the parties stipulate and agree that upon the Effective Date, Lead Plaintiff and Defendants shall expressly, and each Settlement Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Lead Plaintiff and the Settlement Class Members may hereafter discover facts in addition to or different from those which he, she, or it knows or believes to be true with respect to the subject matter of the Released Claims, but the Lead Plaintiff shall expressly and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of

the Judgment, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Released Persons and Lead Plaintiff acknowledges, and Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a material element of the Settlement of which the release is a part.

The Release

I (we) understand and acknowledge that without further action by anyone, on and after the Effective Date:

(i) Each member of the Settlement Class, on behalf of himself, herself, or itself, and (A) all of the heirs, executors, administrators, beneficiaries, spouses, predecessors, successors, assigns and each of them, and any persons they represent, and (B) all of their former and present employees, directors, officers, accountants, agents, attorneys, representatives, affiliates, parents and subsidiaries, in their capacity as such, by operation of the Order and Final Judgment shall have, and shall be deemed to have, fully, finally, and forever released, remised, relinquished and discharged all Released Claims including Unknown Claims, against all Released Persons and each of them. The Proof of Claim to be submitted by Settlement Class Members will also contain a release of the Released Claims. Distribution of the Settlement Fund to Settlement Class Members shall be conditioned on such Settlement Class Members' execution and delivery of such release to the Claims Administrator. Copies of such releases shall be provided to counsel for Defendants on request.

(ii) Each member of the Settlement Class acknowledges that he, she, or it may have sustained Released Claims that are presently unknown and not suspected and that such Released Claims may give rise to additional damages, expenses, and losses in the future that are not now anticipated. Each Settlement Class Member also acknowledges that this Settlement and the releases in it have been negotiated and agreed on in light of this realization and, being fully advised, expressly waives any and all rights that it, he, or she may have under statute, common law principle, or in equity that would limit the effect of the foregoing releases to those claims actually known or suspected to exist at the time of the execution of this Stipulation. Lead Plaintiff and Settlement Class Members expressly waive any and all rights or benefits they may now have, or in the future may have, under any law relating to the releases of unknown claims, including without limitation Section 1542 of the California Civil Code (and all similar statutes), which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." Lead Plaintiff and the Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff shall expressly waive, and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Order and Final Judgment, shall have fully, finally and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Defendants acknowledge, and Settlement Class Members by operation of law shall be deemed by operation of the Order and Final Judgment to have acknowledged, that inclusion of these unknown claims in the release was separately bargained for and was a key element of the Settlement.

(iii) Each member of the Settlement Class on behalf of himself, herself, or itself and (A) all of the heirs, executors, administrators, beneficiaries, spouses, predecessors, successors, assigns and each of them, and any persons they represent, and (B) all of their former and present employees, directors, officers, accountants, agents, attorneys, representatives, affiliates, parents and subsidiaries, in their capacity as such, by operation of the Order and Final Judgment shall have, and shall be deemed to have, covenanted not to sue any of the Released Persons with respect to, or otherwise to assert, directly or indirectly, any of the Released Claims, including Unknown Claims, against any of the Released Persons, or otherwise to assist others in doing so, and agree to be forever barred and enjoined from doing so, in any court of law or equity, or in any other forum.

(iv) Each member of the Settlement Class on behalf of himself, herself, or itself and (A) all of the heirs, executors, administrators, beneficiaries, spouses, predecessors, successors, assigns and each of them, and any persons they represent, and (B) all of their former and present employees, directors, officers, accountants, agents, attorneys, representatives, affiliates, parents and subsidiaries, in their capacity as such, hereby expressly covenants not to assert any claim or action against any of the Lead Plaintiff or Co-Lead Counsel that (i) arises out of or relates to any of the acts, omissions, misrepresentations, facts, events, matters, transactions or occurrences referred to in the Action or otherwise alleged, asserted or contended in the Action or the Settlement (ii) that could have been alleged, asserted or contended in any forum by the Settlement Class Members or any of them against any of the Lead Plaintiff or Co-Lead Counsel which arise out of, relate to, or are based upon the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint, the Action or the Settlement, and shall forever be enjoined from commencing, instituting or prosecuting any such claim or action; and agrees that I/we and my/our heirs, executors, administrators, successors and assigns, and any persons they represent, are forever barred and enjoined from commencing, instituting, or prosecuting any such claim.

SIGNATURE AND CERTIFICATION

By signing and submitting this Proof of Claim and Release, the Claimant or the person who represents the Claimant certifies, as follows:

1. That the Claimant is a Settlement Class Member, as defined in the Notice;
2. That I (we) have read and understand the contents of the Notice and the Proof of Claim and Release;
3. That I (we) are not acting for any of the Defendants, nor am I (are we) such a Defendant or otherwise excluded from the Settlement Class;
4. That I (we) have not filed a request for exclusion from the Settlement Class and that I (we) do not know of any request for exclusion from the Settlement Class filed on my (our) behalf with respect to my (our) transactions in Hemispherx common stock;
5. That I (we) are bound by and subject to the terms of judgment that may be entered in the Action;
6. That I (we) own(ed) the Hemispherx common stock identified in the Proof of Claim and Release, or that, in signing and submitting this Proof of Claim and Release, I (we) have the authority to act on behalf of the owner(s) thereof;
7. That the Claimant may be entitled to a distribution from the Net Settlement Fund;
8. That the Claimant desires to participate in the Settlement and agrees to the terms and conditions thereof;
9. That I (we) have not submitted any other claim covering the same purchases of Hemispherx stock during the Class Period and know of no other person having done so on my/our behalf.
10. That I (we) submit to the jurisdiction of the United States District Court for the Eastern District of Pennsylvania for purposes of investigation and discovery under the Federal Rules of Civil Procedure with respect to this Proof of Claim and Release;
11. That I (we) agree to furnish such additional information with respect to this Proof of Claim and Release as the parties or the Court may require;
12. That I (we) waive trial by jury, to the extent it exists, and agree to the Court's summary disposition of the determination of the validity or amount of the claim made by this Proof of Claim and Release;
13. That I (we) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any part or portion thereof; and
14. I (We) declare, under penalty of perjury under the laws of the United States of America, that the statement made and answers given in this Proof of Claim and Release are true and correct and that the documents submitted herewith are true and genuine.

(Sign your name here)

Date

(Type or print your name here)

(Sign your name here)

Date

(Type or print your name here)

(Capacity of persons signing: e.g., Beneficial Owner, Executor, Administrator or Corporate Title)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE**

Reminder Checklist:

1. Please sign the above Release on page 17 and Certification on page 18.
2. Remember to attach copies of supporting documentation.
3. Do not send original or copies of stock certificates.
4. Keep a copy of your Proof of Claim form for your records.
5. If you desire an acknowledgment of receipt of your Proof of Claim form, please send it Certified Mail, Return Receipt Requested.
6. If you move after submitting your Proof of Claim form, please send your new address to the Claims Administrator.

Claims Administrator
In re Hemispherx Biopharma, Inc. Litigation
Heffler, Radetich & Saitta LLP
P.O. Box 58578
Philadelphia, PA 19102-8578

PLEASE FORWARD

FIRST CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE