



Annual Declaration of Compliance

Section 119402 of the California Health & Safety Code requires a pharmaceutical company to adopt a Comprehensive Compliance Program that is in accordance with the U.S. Department of Health and Human Services, Office of Inspector General's ("OIG") "Compliance Program Guidance for Pharmaceutical Manufacturers," and the Pharmaceutical Research and Manufacturers of America ("PhRMA") Code. It is important to note that the OIG Compliance Program Guidance for Pharmaceutical Manufacturers ("OIG Compliance Guidance"), and the PhRMA Code are voluntary guidelines. As such, Ligand Pharmaceuticals Incorporated (the "Company") believes that its Comprehensive Compliance Program is consistent with the OIG Compliance Guidance and the PhRMA Code. The Company further declares that, to the best of its knowledge, the Company is in compliance with its Comprehensive Compliance Program and Chapter 8, Part 15, Division 104 of the California Health and Safety Code.

We are making this Declaration of Compliance based on good-faith understanding of the California requirements and by making this declaration we are not asserting that we can completely eliminate the possibility that an individual employee will engage in improper conduct. However, our program is reasonably designed to prevent and detect violations of law and company policy, and to respond to identified violations with appropriate discipline and corrective action.

The Company's Comprehensive Compliance Program, including its Code of Conduct and this Annual Declaration are publicly available on our website, www.ligand.com. These documents may also be obtained by calling 1-800-964-5836. If you have any questions regarding this declaration, please contact us at 858-550-7500.

The Company effected the sale of its commercial products and as of February, 2007 changed its business strategy to focus on a targeted internal research and development effort. Therefore, in good-faith, we are submitting this last report in order to meet California requirements for our legacy activities in 2007.