

ZIOPHARM ONCOLOGY INC  
Form 10QSB  
August 14, 2006

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

**FORM 10-QSB**

- QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended June 30, 2006

OR

- TRANSITION REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-32353

**ZIOPHARM Oncology, Inc.**

(Exact Name of Small Business Issuer as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation or  
Organization)

**84-1475642**

(IRS Employer Identification No.)

**1180 Avenue of the Americas, 19th Floor, New York,  
NY**

(Address of Principal Executive Offices)

**10036**

(Zip Code)

**(646) 214-0700**

(Issuer's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registration is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

As of August 14, 2006, there were 15,264,248 shares of the issuer's common stock, \$.001 par value per share, outstanding.

Traditional Small Business Disclosure Format (check one): Yes  No

**Index**

	Page
<b>PART I FINANCIAL INFORMATION</b>	
Item 1. Financial Statements	
Balance Sheets June 30, 2006 (unaudited) and December 31, 2005	3
Statement of Operations for the three and six months ended June 30, 2006 and 2005 (unaudited) and for the period from inception (September 9, 2003) to June 30, 2006 (unaudited)	4
Statement of Cash Flows for the six months ended June 30, 2006 and 2005 (unaudited) and for the period from inception (September 9, 2003) to June 30, 2006 (unaudited)	5
Statement of Changes in Convertible Preferred Stock and Stockholders' Equity/(Deficit) for the six months ended June 30, 2006 (unaudited) and for the year ended December 31, 2005 and 2004 and for the period from inception (September 9, 2003) to December 31, 2003	6
Notes to Unaudited Financial Statements	7
Item 2. Management's Discussion and Analysis or Plan of Operation	17
Item 3. Controls and Procedures	24
<b>PART II OTHER INFORMATION</b>	
Item 1. Legal Proceedings	25
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	25
Item 3. Defaults Under Senior Securities	25
Item 4. Submission of Matters to a Vote of Security Holders	25
Item 5. Other Information	26
Item 6. Exhibits	27
Signatures	28
Exhibit Index	29

**ZIOPHARM Oncology, Inc.**  
**(A Development Stage Enterprise)**

Balance Sheets

	<b>June 30, 2006 (Unaudited)</b>	<b>December 31, 2005</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 32,577,196	\$ 8,880,717
Short-term investments	4,552,726	—
Prepaid expenses and other current assets	218,681	211,837
Total current assets	<b>37,348,603</b>	<b>9,092,554</b>
Property and equipment, net	295,083	269,702
Deposits	5,700	5,700
Other non current assets	126,097	124,343
Total assets	<b>\$ 37,775,483</b>	<b>\$ 9,492,299</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 627,129	\$ 835,997
Accrued expenses	2,012,770	1,418,819
Total current liabilities	<b>2,639,899</b>	<b>2,254,816</b>
Deferred rent	<b>37,315</b>	<b>35,557</b>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.001 par value; 280,000,000 shares authorized; 15,264,248 and 7,247,992 shares issued and outstanding at June 30, 2006 and December 31, 2005, respectively	15,264	7,248
Additional paid-in capital	59,031,111	22,559,034
Deficit accumulated during the development stage	(23,948,106)	(15,364,356)
Total stockholders' equity	<b>35,098,269</b>	<b>7,201,926</b>
Total liabilities and stockholders' equity	<b>\$ 37,775,483</b>	<b>\$ 9,492,299</b>

**ZIOPHARM Oncology, Inc.****(A Development Stage Enterprise)**

Statements of Operation (unaudited)

	<b>For the three Months Ended June 30, 2006</b>	<b>For the three Months Ended June 30, 2005</b>	<b>For the six Months Ended June 30, 2006</b>	<b>For the six Months Ended June 30, 2005</b>	<b>For the period from Inception (September 9, 2003) through June 30, 2006</b>
Research contract revenue	\$	-\$	-\$	-\$	-\$
<b>Operating expenses and other income:</b>					
Research and development	2,680,119	1,362,508	4,448,369	2,961,079	12,168,826
General and administrative	3,008,461	746,229			