August 10, 2006

Celsion Corporation Reports Second Quarter 2006 Financial Results

Columbia, MD., August 10, 2006: CELSION CORPORATION (AMEX: CLN) today announced financial results for its second quarter ended June 30, 2006. The Company reported revenue of $0.3 million for the quarter, compared to $2.9 million for the second quarter of 2005.

The Company recorded a net loss for the second quarter of $3.7 million or $0.35 per share, compared to a net loss of $2.4 million or $0.22 per share for the comparable quarter in 2005. The decrease in revenues and increase in the net loss for the quarter and six months to date was primarily due to a production interruption during the transition to a new manufacturer for our Proliev® catheter kit which resulted in a product recall and suspension of shipments for the duration of the second quarter.

Revenue for the six months ended June 30, 2006 was $2.7 million compared to revenue of $4.8 million in the comparable period in 2005. Net loss for six months ended June 30, 2006 was $5.5 million, or $0.51 per share, compared to a net loss of $4.6 million, or $0.43 per share for the six months ended June 30, 2005. The adoption of FAS 123®, as of January 1, 2006, resulted in non-cash employee compensation expense of $0.2 million and $0.6 million or $0.02 and $0.05 per share respectively for the three and six month periods ended June 30, 2006.

Dr. Lawrence Olanoff, Celsion's Chief Executive Officer, commented, "Although these results are in line with our earlier guidance they are nonetheless very disappointing. We are currently in discussions with the FDA concerning the supplement we filed covering the changes in the manufacturing process at our new supplier and hope to resume Prolieve shipments shortly. Due to the fact that the product has now been off the market for almost four months we are reducing our revenue guidance for the year to approximately $10 million. We are continuing to make good progress in our liver and breast cancer clinical studies. We believe we have established the dose to go forward into our planned Phase III liver cancer program next year and expect to confirm this result over the next one to two months. We have also enrolled and initiated treatment for each of the three patients in the first cohort of the recurrent chest wall breast cancer study at Duke University and hope to begin enrollment of the second cohort in September. We are encouraged by the progress we have made to date in the development of ThermoDoxTM and are optimistic that we will be able to initiate an expanded program in 2006 including a registration program for liver cancer."

The Company is holding a shareholders' conference call at 11:00 a.m. Eastern Time today, Thursday, August 10, 2006. To participate in the call, interested parties can dial 866-558-6338 to register ten minutes before the call is scheduled to begin.

The call will be archived for replay August 10, 2006 at 2:00 p.m. until Thursday, August 17, 2006. The replay can be accessed at 719-457-0820 or 888-203-1112, access code: 8947453. The call will also be available on the Company's website, http://www.celsion.com for 90 days after 2:00 p.m. on Thursday, August 10, 2006.

ABOUT CELSION: Celsion Corporation, based in Columbia, Maryland, is a biotechnology company dedicated to the development and commercialization of heat activated treatment systems for cancer.

Celsion has research, license or commercialization agreements with leading institutions such as the National Institute of Health, Duke University Medical Center, Massachusetts Institute of Technology, Harbor UCLA Medical Center, Montefiore Medical Center and Memorial Sloan-Kettering Cancer Center in New York City, Roswell Park Cancer Institute in Buffalo, New York, and Duke University. For more information on Celsion, visit our website: www.celsion.com.

Celsion wishes to inform readers that forward-looking statements in this release are made pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that such forward-looking statements involve risks and uncertainties including, without limitation, unforeseen changes in the course of research and development activities and in clinical trials by others; possible acquisitions of other technologies, assets or businesses; possible actions by customers, suppliers, competitors, regulatory authorities; and other risks detailed from time to time in the Company's periodic reports filed with the Securities and Exchange Commission.

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