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Celsion Corporation and Zhejiang Hisun Pharmaceutical Company Sign Memorandum of Understanding for Future Development of ThermoDox® and Other Liposomal Formulations

Continuation of Technology Development and Commercial Supply Agreements for ThermoDox® in the Greater China Territory

LAWRENCEVILLE, N.J. and TAIZHOU CITY, China, July 19, 2013 /PRNewswire/ -- Celsion Corporation (NASDAQ: CLSN), a leading oncology drug development company and Zhejiang Hisun Pharmaceutical Company Ltd. (SSE Code: 600267), a leading Chinese pharmaceutical company, announced today that they have entered into a Memorandum of Understanding to pursue ongoing collaborations for the continued clinical development of ThermoDox® as well as the technology transfer relating to the commercial manufacture of ThermoDox® for the greater China territory.Â Â Â In June 2012, Celsion and Hisun signed a long-term commercial supply agreement for the production of ThermoDox®, Celsion's proprietary heat-activated liposomal encapsulation of doxorubicin. Hisun is one the largest manufacturers of chemotherapy agents globally, including doxorubicin.Â In January 2013, a Technology Development Agreement was signed whereby Hisun paid Celsion a non-refundable payment of $5 million in exchange for Celsion providing Hisun with support for its ThermoDox® manufacturing development program. Â In addition, the expanded collaboration will focus on next generation liposomal formulation development with the goal of creating safer, more efficacious versions of marketed cancer chemotherapeutics.

Among the key provisions of the Celsion-Hisun collaboration are:

- Hisun will provide Celsion with non-dilutive financing and the investment necessary to complete the technology transfer of its proprietary manufacturing process and the production of registration batches for China;
- Hisun will collaborate with Celsion around the clinical and regulatory approval activities for ThermoDox® as well as other liposomal formations with the China state Food and Drug Administration (SFDA). A local China partner affords Celsion access to accelerated SFDA review and potential regulatory exclusivity for the approved indication; and
- Hisun will be granted a right of first offer for a commercial license to ThermoDox® for the sale and distribution of ThermoDox® in the greater China territory.

"We are delighted with our continuing collaboration with Hisun which serves multiple strategic purposes towards successful ThermoDox® drug development and eventual product launch in the China market, potentially the largest opportunity in the world for ThermoDox®," said Michael H. Tardugno, Celsion's President and Chief Executive Officer.Â "Hisun represents an ideal strategic partner due to their regulatory and manufacturing expertise.Â We will work very closely with Hisun to accelerate our drug development program in China for ThermoDox® in primary liver cancer and other indications."

Mr. Hua Bai, CEO and Chairman of Hisun, stated, "We are pleased to announce our expanded collaboration with Celsion for the continued development of ThermoDox® to treat HCC to patients in China, the world's largest market.Â China is one of the countries with the highest HCC incidence and mortality and, up until now, there has not been any standard of care for treating intermediate HCC in China.Â This joint effort will not only focus on ThermoDox for HCC and other indications but will also facilitate the local manufacturing and potential product launch in China , thereby providing physicians with more options for better care and prolonging the survival of patients."Â

About ThermoDox®

ThermoDox® is a proprietary heat-activated liposomal encapsulation of doxorubicin, an approved and frequently used oncology drug for the treatment of a wide range of cancers. In the HEAT Study, ThermoDox® is administered intravenously in combination with RFA. Localized mild hyperthermia (39.5 - 42 degrees Celsius) created by the RFA releases the entrapped doxorubicin from the liposome. This delivery technology enables high concentrations of doxorubicin to be deposited preferentially in a targeted tumor.

For primary liver cancer, ThermoDox® is being evaluated in a 700 patient global Phase III study at 79 clinical sites under an FDA Special Protocol Assessment. The study is designed to evaluate the efficacy of ThermoDox® in combination with RFA when compared to patients who receive RFA alone as the control. On January 31, 2013, Celsion announced that ThermoDox® in combination with RFA did not meet the primary endpoint of the HEAT study in patients with hepatocellular

carcinoma, also known as primary liver cancer.Ä Celsion has conducted a comprehensive analysis of the data from the Phase III HEAT Study with key principal investigators, data experts and liver cancer experts.Â Emerging data from the HEAT Study post hoc analysis demonstrates that ThermoDox® markedly improves PFS and overall survival in patients if their lesions undergo RFA for 45 minutes or more.Â These findings apply to HCC lesions from both size cohorts of the HEAT Study (3-5 cm and 5-7 cm) and represent a sizable subgroup of approximately 300 patients.

About Celsion Corporation

Celsion is dedicated to the development and commercialization of innovative cancer drugs, including tumor-targeting treatments using focused heat energy in combination with heat-activated liposomal drug technology. Celsion has research, license or commercialization agreements with leading institutions, including the National Institutes of Health, Duke University Medical Center, University of Hong Kong, the University of Pisa, the UCLA Department of Medicine, the Kyungpook National University Hospital, the Beijing Cancer Hospital and the University of Oxford. For more information on Celsion, visit our website: http://www.celsion.com.

About Zhejiang Hisun Pharmaceutical Company Ltd.

Founded in 1956, the mission for Zhejiang Hisun Pharmaceuticals Co., Ltd. (stock code 600267) hereinafter called "Hisun" is to be persistent in pharmaceutical innovation for humans' well-being.Â The company's vision is to become a widely respected global pharmaceutical provider.Â It focuses on the integration of pharmaceutical research and development (R&D) with production resources in order to provide its global customers with outstanding products and services.Â To date, over 40 of the company's products have passed certification by many regulatory agencies such as the FDA (U.S.), EDQM (EU), TGA (Australia) , and KFDA (Korea) and are sold to more than 30 countries worldwide.

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; the significant expense, time, and risk of failure of conducting clinical trials; HEAT Study data is subject to further verification and review by the HEAT Study Data Management Committee; the need for Celsion to evaluate its future development plans; termination of the Technology Development Contract or collaboration between Celsion and HISUN at any time; possible acquisitions or licenses of other technologies, assets or businesses or the possible failure to make such acquisitions or licenses; possible actions by customers, suppliers, competitors, regulatory authorities; and other risks detailed from time to time in the Celsion 's periodic reports and prospectuses filed with the Securities and Exchange Commission. Celsion assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

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