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## **Tengion Closes \$33 Million in Series C Funding** *Deerfield Partners Joins Investor Group as Company Advances Novel Regenerative Medicine Products*

**East Norriton, PA – October 15, 2007** – Tengion, Inc., a leader in regenerative medicine, announced today that it has closed a \$33 million Series C financing, including participation from new investor, Deerfield Partners. Proceeds from this financing will be used to advance the late-stage clinical development of the Tengion Neo-Bladder Augment™, currently being evaluated in two Phase 2 trials, as well as to accelerate expansion of Tengion's novel regenerative medicine platform into the development of other autologous organs and tissues in the genitourinary and cardiovascular systems.

In addition to new investor Deerfield Partners, participants in this round included Tengion's full roster of current institutional investors: Bain Capital LLC, Johnson & Johnson Development Corporation, HealthCap, Quaker BioVentures, Oak Investment Partners, and L Capital Partners, as well as equity investments from the company's current lenders Horizon Technology Finance LLC and Oxford Finance Corp.

"The ability of Tengion to attract additional capital from an expanding roster of leading biotech investors is a testament to our significant clinical progress, the manufacturing expertise we have developed and the potential of our regenerative medicine products to provide solutions for important unmet medical needs. We enthusiastically welcome Deerfield Partners, a leading biotechnology investor," said Steven Nichtberger, M.D., President and Chief Executive Officer of Tengion. "This funding provides the Company with flexibility to accelerate our investment in pipeline programs including Tengion Neo-Vessels™ and Tengion Neo-Kidneys™, while we continue to advance the Phase 2 Neo-Bladder Augment clinical programs in pediatric patients with neurogenic bladder due to spina bifida and in adult patients with spinal cord injury."

"We believe Tengion's proprietary approach to regenerative medicine holds the promise to meet critically important unmet medical needs," commented Howard Furst, M.D., Partner at Deerfield Partners. "We join an outstanding group of existing investors in supporting an experienced management team with a leading position in the development and manufacturing of neo-organs and tissues."

### **About Tengion's Neo-Bladder Augments**

Tengion's most advanced regenerative medicine program is the Neo-Bladder Augment. There are currently two Phase 2 clinical trials ongoing evaluating the Tengion autologous Neo-Bladder Augment: one Phase 2 trial in pediatric patients with neurogenic bladder due to spina bifida, and the other Phase 2 trial in adult patients with neurogenic bladder due to spinal cord injuries. The Neo-Bladder Augments for both Phase 2 clinical trials are being developed at Tengion's state-of-the-art manufacturing facility using cells taken from a small biopsy of each patient's bladder. Each Neo-Bladder Augment consists of a biodegradable scaffold seeded with cells cultured by Tengion scientists from the patient's own (i.e., autologous) healthy cells. A surgeon implants the Neo-Bladder Augment in the patient's body, where it is designed to harness the body's inherent regenerative capabilities resulting in a regenerated bladder with improved functionality.

**About Tengion**

Tengion Inc., a clinical stage biotechnology company, is a leader in developing autologous neo-organs and tissues, such as bladders, that are derived from the patient's own (autologous) cells. Tengion's proprietary approach to regenerative medicine has the potential to enable people with organ and tissue failure to lead healthier lives without donor transplants or the side effects of current therapies. Headquartered in East Norriton, PA, Tengion also has research and pilot manufacturing facilities located in Winston-Salem, NC. For more information, visit Tengion online at: <http://www.tengion.com>.

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