

Contact: Gary Sender
Chief Financial Officer
Tengion Inc.
610/292-8364 x 102
gary.sender@tengion.com

Tengion Inc. Completes \$50 Million Series "B" Round

Financing led by Bain Capital and Quaker BioVentures will support neo-bladder clinical trials, manufacturing capacity and pipeline development

King of Prussia, Pa., June 23, 2006 - Tengion Inc., a leader in the field of regenerative medicine, announced that the company has raised \$50 million in a recently completed Series B equity financing. The financing was led by Bain Capital LLC and Quaker BioVentures. The investment from Bain Capital LLC was comprised of funds from Bain Capital Ventures and Brookside Capital. All previous venture investors, Oak Investment Partners, Johnson and Johnson Development Corporation, HealthCap, and L Capital Partners, participated in the round.

Tengion plans to use the proceeds to fund human clinical trials to advance the development of its lead product, the autologous neo-bladder construct, for the treatment of neurogenic bladder associated with spina bifida and spinal cord injuries. The funds will also be used to develop Tengion's manufacturing facility in East Norriton, Pennsylvania, and to advance the Company's product pipeline.

"The successful completion of this financing comes at an exciting time for Tengion, as we remain on target to file an Investigational New Drug (IND) application with the U.S. Food and Drug Administration (FDA) and following FDA acceptance, begin clinical trials later this year," said Steven Nichtberger, M.D., President and Chief Executive Officer of Tengion. "We are honored to have such highly regarded and committed new investors supporting our effort to bring this transformational technology to patients. We are also fortunate to have the continued support of all of our previous venture investors."

Tengion was founded in 2003 to develop a portfolio of neo-organs and tissues primarily focused in the genitourinary and cardiovascular fields, based largely on technology developed in the laboratories of Dr. Anthony Atala. The technology was licensed from Children's Hospital Boston, Harvard's pediatric teaching hospital. Dr. Atala is currently the director of the Wake Forest Institute for Regenerative Medicine, with which Tengion has license and research agreements. Additional technology has been licensed from the laboratories of Drs. Robert S. Langer and Jay Vacanti at Massachusetts Institute of Technology.

"Tengion's strong scientific foundation and compelling pre-clinical data give us confidence that it will be able to address an enormous opportunity for tissue and organ regeneration," said James Nahirny, Managing Director of Bain Capital Ventures. "We are thrilled to partner with this exceptional management team and group of investors to bring the neo-bladder and future products to market."

"We believe Tengion is a world leader in regenerative medicine," said Brenda Gavin, Managing Partner of Quaker BioVentures. "The neo-bladder is one of the most promising developments in this field, and Quaker

BioVentures is pleased to play a role in the advancement of this technology by a Mid-Atlantic headquartered company.”

With the closing of the B round, Gavin and Nahirny will join the Tengion Board of Directors, which will also include David Scheer (Chairman); Steven Nichtberger, MD, President and CEO., Tengion; Carl-Johan Dalsgaard, M.D., Partner, HealthCap Venture Capital; David Holveck, Vice-President Corporate Development, Johnson & Johnson Corporation, and Ginger More, Independent Director.

About Tengion

Founded in 2003, Tengion 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. For more information, visit www.tengion.com.

About Bain Capital Ventures

Bain Capital Ventures is the Boston-based venture capital arm of Bain Capital. Founded in 1984, Bain Capital and its affiliates have invested in over 230 companies with such notable successes as Doubleclick, Gartner Group, and Staples. Bain Capital Ventures invests across all stages of a company’s growth from providing seed capital through offering late stage growth equity. Bain Capital Ventures and our early stage companies benefit from the broader resources of Bain Capital, including over 400 investment professionals across North America, Europe, and Asia, \$37 billion of assets under management, and the knowledge from 20 years of successful venture investing. For more information, visit www.baincapitalventures.com.

About Quaker BioVentures

Quaker BioVentures is a dedicated life science venture capital firm, focused on companies in the Mid-Atlantic region, from New York to North Carolina. Quaker BioVentures leads investments in companies at all stages of development and across the life science industry. The firm is particularly interested in companies developing human therapeutics and platform technologies for the biopharmaceutical industry. In addition, Quaker BioVentures will consider companies developing medical devices, human diagnostics, healthcare information technologies, and healthcare services. For more information, visit www.quakerbio.com.

###