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Tengion Launches Third Phase 2 Clinical Trial of Regenerated Human Bladder
Enrolling Patients with Urge Incontinence Who Have Failed Alternative Therapies

East Norriton, PA – January 3, 2008 – Tengion, Inc., a clinical stage regenerative medicine company focused on the development of neo-organs and neo-vessels, announced today it is initiating its third Phase 2 multi-center clinical trial of its Neo-Bladder Augment derived from a patient's own (autologous) cells. The U.S.-based study is being conducted at five hospitals in 10 adult patients with non-neurogenic over-active bladder (OAB) who are intolerant or not adequately responsive to medical therapy.

“OAB has a negative effect on the social and personal lives of those affected,” stated Dr. Tim Boone, Chair of Urology at The Methodist Hospital in Houston and a member of the Scott Department of Urology at Baylor College of Medicine. “Men and women with inadequately treated OAB frequently experience unpredictable urgency that can lead to episodes of incontinence. Many patients with severe urge incontinence lose their ability to work or engage in normal social activities because they simply can’t leave their homes without the fear of embarrassment. The major goals in bladder management of patients with OAB are to increase the capacity of the bladder, reduce the frequency of urination, and where relevant, reduce incontinence episodes.”

A variety of pharmacotherapy options have been tried in the treatment of OAB, with varying degrees of success and tolerability. In the absence of either symptom improvement or ability to tolerate pharmacotherapy, more aggressive measures may be utilized, including the investigational injection of botulism toxin (e.g., Botox, Allergan), neurostimulation (e.g., InterStim, Medtronic) or surgical intervention. Surgery in this population is generally reserved for when all other therapeutic interventions have failed. The goal of surgery is to increase the functional capacity of the bladder with a view toward symptomatic and quality of life improvement.

“Many patients do not achieve optimal results from the currently available treatments for OAB and urge incontinence,” said Dr. Patrick Shenot, Assistant Professor in the Department of Urology at Jefferson Medical College of Thomas Jefferson University. “While the Neo-Bladder will not be the appropriate course of treatment for all OAB patients with urge incontinence, this

procedure has the potential to dramatically improve quality of life in those patients for whom other treatment options have failed.”

This Phase 2 clinical trial in adults with OAB and urge incontinence is the third Phase 2 trial initiated since January 2007 to assess the safety and efficacy of the Tengion Neo-Bladder Augment™ in a range of patients suffering from various forms of bladder failure and impairment. In September 2007 Tengion announced the successful completion of enrollment of a Phase 2 clinical trial of the Neo-Bladder Augment for neurogenic bladder due to spina bifida and the initiation of a Phase 2 clinical trial of the Neo-Bladder Augment for neurogenic bladder due to spinal cord injury.

According to The World Journal of Urology, over-active bladder (OAB) is a condition that affects approximately 33 million people in the United States. A subset of patients with OAB has associated urge incontinence. This condition affects approximately 12 million patients. A study conducted by the National Overactive Bladder Evaluation (NOBLE) Program in 2002 showed that OAB, with or without urge incontinence, was associated with clinically and significantly lower quality-of-life, depression and poorer quality of sleep. Each year there are thousands of patients in the U.S. with severe urge incontinence who have failed all existing therapies, resulting in a loss of their ability to work and / or to engage in normal personal activities

“Tengion's novel regenerative medicine platform is focused on developing products to address significant limitations of current treatment options for patients with organ and tissue failure or loss,” said Steven Nichtberger, M.D., President and CEO of Tengion. “Our Neo-Bladders, which use a patient’s own cells, catalyze the body's ability to regenerate organs and tissues and hold the promise to meet critically important unmet medical needs and improve bladder functionality. We look forward to announcing results from our Phase 2 clinical trials over the next year.”

Phase 2 Study Design

This new Phase 2 clinical trial in adults with non-neurogenic OAB and urge predominant incontinence is an open-label, prospective, single-study group trial. Patients will undergo a small bladder biopsy to collect autologous urinary bladder smooth muscle and urothelial cells. At Tengion’s state-of-the-art manufacturing facility, each Neo-Bladder Augment will be constructed using the patient’s healthy cells from the biopsy. After approximately four to eight weeks, expanded cells will be seeded on a biodegradable scaffold to produce the Neo-Bladder Augment. Approximately one week later, a surgeon will surgically implant the Neo-Bladder Augment back into the patient’s native bladder during an augmentation cystoplasty procedure.

In addition to overall safety, efficacy will be assessed through a change from baseline in mean number of micturitions, or urinations, per day as assessed by a patient diary at 12 months, plus a 48-month long-term evaluation phase. The trial is expected to complete enrollment in 2008.

About the Tengion Neo-Bladder Augment™

The autologous Neo-Bladder Augment construct design is based on nearly two decades of research from Children's Hospital Boston (a teaching affiliate of Harvard Medical School), MIT, the Wake Forest Institute for Regenerative Medicine and Tengion. Previous academic clinical

research and results of use of the Neo-Bladder at Children's Hospital Boston were described in an article published in *The Lancet* on April 15, 2006.

About Tengion

Tengion, a clinical stage biotechnology company, has pioneered the Autologous Organ Regeneration Platform™ that catalyzes the body's innate ability to regenerate. Tengion's neo-organs and neo-tissues in development, such as bladders and vessels, combine biocompatible materials and a patient's own (autologous) cells to regenerate diseased and failing organs and tissues. Tengion's product candidates have the potential to cure - rather than treat - organ and tissue failure, enabling people to lead healthier lives without donor transplants or the side effects of related therapies. For more information on the company and current clinical trials, visit Tengion online at: <http://www.tengion.com>.