AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 28, 2003

REGISTRATION NO. 333-

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CELSION CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

52-1256615
(I.R.S. Employer Identification Number)

10220-I OLD COLUMBIA ROAD
COLUMBIA, MD 21046-1705
(410) 290-5390
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

DR. AUGUSTINE Y. CHEUNG
PRESIDENT AND CHIEF EXECUTIVE OFFICER
CELSION CORPORATION
10220-I OLD COLUMBIA ROAD
COLUMBIA, MD 21046-1705
(410) 290-5390
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

COPIES TO:
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JEANNETTE C. KOONCE, ESQUIRE
VENABLE, BAETJER, HOWARD & CIVILETTI, LLP
1201 NEW YORK AVENUE, NW, SUITE 1000
WASHINGTON, DC 20005
(202) 962-4800

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

CALCULATION OF REGISTRATION FEE

TITLE OF SHARES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM AGGREGATE PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Common stock, par value $0.01 per share.	11,978,045	$1.07 (3)	$12,816,508	$1,037
Common Stock, par value $0.01 per share, issuable upon exercise of Warrants.....	6,902,113 (2)	$1.07 (3)	$ 7,385,211	$ 598

(1) Pursuant to Rule 416 under the Securities Act of 1933, this registration statement also covers an indeterminate number of additional shares of Common Stock as may be issued as a result of adjustments to prevent dilution by reason of any stock split, stock dividend or similar transaction.

(2) Consists of 18,000 shares of Common Stock underlying Warrants exercisable at $2.44 per share,18,000 shares of Common Stock underlying Warrants exercisable at $1.25 per share, 450,000 hares of Common Stock underlying

Warrants exercisable at $1.22 per share, 2,850,914 shares of Common Stock underlying Warrants exercisable at $1.20 per share, 700,000 shares of Common Stock underlying Warrants exercisable at $1.17 per share, 322,470 shares of Common Stock underlying Warrants exercisable at $1.00 per share, 125,000 shares of Common Stock underlying Warrants exercisable at $0.80 per share, 1,111,857 shares of Common Stock underlying Warrants exercisable at $0.77 per share, 400,000 shares of Common Stock underlying Warrants exercisable at $0.75 per share,118,000 shares of Common Stock underlying Warrants exercisable at $0.74 per share, 125,000 shares of Common Stock underlying Warrants exercisable at $0.65 per share, 50,000 shares of Common Stock underlying Warrants exercisable at $0.54 per share, 25,000 shares of Common Stock underlying Warrants exercisable at $0.50 per share, 137,872 shares of Common Stock underlying Warrants exercisable at $0.47 per share, 350,000 shares of Common Stock underlying Warrants exercisable at $0.44 per share, and 100,000 shares of Common Stock underlying Warrants exercisable at $0.40 per share.

(3) Calculated pursuant to Rule 457(g) and Rule 457(c) under the Securities Act of 1933. The above calculation is based on the average of the high and low prices of the Common Stock on The American Stock Exchange on August 27, 2003.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. THE SELLING STOCKHOLDERS MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION OF WHICH THIS PROSPECTUS IS A PART IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING OFFERS TO BUY THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED AUGUST 28, 2003

PRELIMINARY PROSPECTUS

CELSION CORPORATION
18,880,158 SHARES
COMMON STOCK

This Prospectus of Celsion Corporation, or the Company, a Delaware corporation, relates to the offer and sale from time to time by certain selling stockholders (the "Selling Stockholders") of up to 11,978,045 shares of the Company's common stock, par value $0.01 per share (the "Common Stock") that are presently outstanding, and up 6,902,113 shares of Common Stock issuable upon the exercise of certain Common Stock purchase warrants (the "Warrants"). The shares of Common Stock offered hereby are referred to collectively as the "Shares." See "Selling Stockholders" and "Plan of Distribution."

The Company will not receive any proceeds from sales of Shares by the Selling Stockholders. However, the Company will receive proceeds upon exercise of the Warrants, up to a maximum of $6,900,987 if all of the Warrants are exercised for cash.

The Selling Stockholders or pledgees, donees, transferees or other successors in interest that receive Shares by way of gift, partnership distribution or other non-sale transfer, may offer and sell some, all or none of the Shares under this Prospectus. The Selling Stockholders or their successors may determine the prices at which they will sell their Shares, which may be the then-prevailing market price or some other price. In connection with such sales, the Selling Stockholders or their successors may use brokers or dealers, who may receive compensation or commissions for such sales. The Company has agreed to bear all expenses in connection with the registration of the Shares. However, the Selling Stockholders will pay any brokerage commissions, discounts and fees in connection with the sale of their Shares. A Selling Stockholder's net proceeds from the sale of Shares will be the sales price of the Shares sold for the account of such Selling Stockholder, less applicable commissions, discounts and fees.

The Common Stock is traded on The American Stock Exchange under the symbol "CLN." On August 27, 2003, the closing price of the Common Stock on The American Stock Exchange was $1.07.

INVESTMENT IN THE COMPANY'S COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 8 OF THIS PROSPECTUS BEFORE PURCHASING ANY OF THE SHARES FROM THE SELLING STOCKHOLDERS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is August [__], 2003

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We have informed the Selling Stockholders that the anti-manipulative rules under the Securities Exchange Act of 1934, including Regulation M, may apply to their sales of Shares in the market. We have furnished the Selling Stockholders with a copy of these rules. We have also informed the Selling Stockholders that they must deliver a copy of this Prospectus with any sale of their Shares.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the U.S. Securities and Exchange Commission, or the SEC. You may read and copy any document that we have filed at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information about the operation of its public reference facilities. Our SEC filings are also available to you free of charge at the SEC's web site at http://www.sec.gov. The file number of the reports that we file under the Securities Exchange Act of 1934 is 000-14242.

We have filed a registration statement on Form S-3 with the SEC (File No. [333-_____]) that covers the resale of the Shares offered hereby. This Prospectus is a part of that registration statement, but does not include all of the information included in the registration statement. You should refer to the registration statement for additional information about us and the Shares. Statements that we make in this Prospectus relating to any document filed as an exhibit to or incorporated by reference into the registration statement may not be complete. You should review the referenced document itself for a complete understanding of its terms.

The SEC allows us to "incorporate by reference" certain information we file with them, which means that we can disclose important information to you in this Prospectus by referring you to those documents. The documents that have been incorporated by reference are an important part of the Prospectus, and you should be sure to review that information in order to understand the nature of any investment by you in the Shares. In addition to previously filed documents that are incorporated by reference, documents that we file with the SEC after the date of this Prospectus will automatically update the registration statement. The documents that we have previously filed and that are incorporated by reference into this Prospectus include the following:

- Our Annual Report on Form 10-K for the fiscal year ended September 30, 2002;
- Our Quarterly Reports on Form 10-Q for the quarters ended December 31, 2001, March 31, 2003 and June 30, 2003;
- Our Current Reports on Form 8-K filed on November 12, 2002, January 22, 2003, March 28, 2003 and July 28, 2003;
- Our Proxy Statement relating to our 2003 Annual Meeting of Stockholders; and
- The description of our Common Stock included in our registration statement on Form 8-A filed on May 26, 2000 (File No. 001-15911).

All documents and reports filed by us pursuant to Sections 13 (a), 13 (c), 14 or 15 (d) of the Securities Exchange Act of 1934 after the date of this Prospectus and prior to the date that the offering of Shares made hereby is terminated automatically will be incorporated by reference into this Prospectus. Any statement contained in a document incorporated or deemed to be incorporated by reference into this Prospectus shall be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus, or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference, modifies or supersedes that statement. Any statement modified or superseded shall not be deemed, except as modified or superseded, to constitute a part of this Prospectus.

We will provide you with copies of any of the documents incorporated by reference at no charge to you. However, we will not deliver copies of any exhibits to those documents unless the exhibit itself is specifically incorporated by reference. If you would like a copy of any document, please write or call us at:

Celsion Corporation
10220-I Old Columbia Road
Columbia, MD 21046-1705
Attention: Corporate Secretary
(410) 290-5390

You should only rely upon the information included in or incorporated by reference into this Prospectus or in any Prospectus supplement that is delivered to you. We have not authorized anyone to provide you with additional or different information. You should not assume that the information included in or incorporated by reference into this Prospectus or any Prospectus Supplement is accurate as of any date later than the date on the front of the Prospectus or Prospectus Supplement.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Throughout this Prospectus and the other documents incorporated by reference into this Prospectus, we make certain "forward-looking" statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements predicted, implicitly or explicitly, by such forward-looking statements. Such factors include, among other things, those listed under "Risk Factors" as well as those discussed elsewhere in this Prospectus and the documents incorporated by reference into this Prospectus. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue" or the negative of such terms or other comparable terminology.

Forward-looking statements are only predictions and involve various risks and uncertainties including:

- unforeseen changes in the course of research and development activities and in clinical trials;
- possible changes in cost and timing of development and testing, capital structure and other financial matters;
- changes in approaches to medical treatment;
- introduction of new products by others;
- possible acquisitions of other technologies, assets or businesses;
- possible actions by customers, suppliers, competitors, regulatory authorities and others; and
- other risks detailed from time to time in the Company's reports filed with the SEC.

Actual events or results may differ materially from those contemplated by this Prospectus and the other documents incorporated by reference into this Prospectus. In evaluating these statements, you should specifically consider various factors, including those listed above and outlined under "Risk Factors." Although we believe that our expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of such statements. We are under no duty to update any forward-looking statements after the date of this Prospectus to conform such statements to actual results or circumstances.

SUMMARY INFORMATION ABOUT THE COMPANY

This summary highlights selected information contained elsewhere in this Prospectus and incorporated into this Prospectus by reference. This summary may not contain all of the information that may be important to you in considering an investment in our Common Stock. You should read the entire Prospectus, including "Risk Factors" carefully before making an investment decision.

GENERAL

We develop medical treatment systems primarily to treat breast cancer and a chronic prostate enlargement condition, common in older males, known as benign prostatic hyperplasia, or BPH, using minimally invasive focused heat technology. We also are working with Duke University on the development of heat-sensitive liposome compounds for use in the delivery of chemotherapy drugs to tumor sites, and with Sloan-Kettering on the development of heat-activated gene therapy compounds.

BPH TREATMENT SYSTEM

BENIGN PROSTATIC HYPERPLASIA

Millions of aging men experience symptoms resulting from BPH, a non-cancerous urological disease in which the prostate enlarges and constricts the urethra. The prostate is a walnut-sized gland surrounding the male urethra that produces seminal fluid and plays a key role in sperm preservation and transportation. The prostate frequently enlarges with age. As the prostate expands, it compresses or constricts the urethra, thereby restricting the normal passage of urine. This restriction of the urethra may require a patient to exert excessive bladder pressure to urinate. Because the urination process is one of the body's primary means of cleansing impurities, the inability to urinate adequately increases the possibility of infection and bladder and kidney damage.

PREVALENCE OF BPH

As BPH is an age-related disorder, its incidence increases with maturation of the population. Industry estimates suggest that 9 million men in the United States experience BPH symptoms and that more than 26 million men are affected by BPH worldwide. As the United States population continues to age, the prevalence of BPH can be expected to continue to increase. It is generally estimated that approximately 50% of all men over the age of 55 and 90% of all men over 75 will have BPH symptoms at various times. Industry studies estimate the overall costs of BPH therapy for those patients currently seeking treatment to be approximately $2.5 to $3.0 billion annually in the United States and $8.0 to $10.0 billion worldwide.

CURRENT TREATMENT ALTERNATIVES FOR BPH

Like cancerous tumors, BPH historically has been treated by surgical intervention or by drug therapy. The primary treatment for BPH currently is transurethral resection of the prostate, or TURP, a surgical procedure in which the prostatic urethra and surrounding diseased tissue in the prostate are trimmed with a telescopic knife, thereby widening the urethral channel for urine flow. While the TURP procedure typically has been considered the most effective treatment available for the relief of BPH symptoms, the procedure has shortcomings. In the first instance, TURP generally requires from one to three days of post-operative hospitalization. In addition, a significant percentage of patients who undergo TURP encounter significant complications, which can include painful urination, infection, retrograde ejaculation, impotence, incontinence and excessive bleeding. Furthermore, the cost of the TURP procedure and the related hospitalization is high, ranging from $8,000 to $12,000. This cost does not take into account the costs of lost work time, which could amount to several weeks, or the costs related to adverse effects on patients' quality of life.

Other, less radical, surgical procedures, generally categorized as "minimally invasive" ("MI") therapies, are available as alternatives to the TURP procedure. The primary MI treatments use microwave heating ("TUMT") to treat BPH by incinerating the obstructing portion of the prostate. TUMT involves sedation, catheterization and high levels of heat to incinerate a portion of the prostate. Two other MI therapies - interstitial RF therapy and laser therapy - employ, respectively, concentrated radio frequency (RF) waves or laser radiation to reduce prostate swelling by cauterizing tissue instead of removing it with a surgical knife. However, these procedures require puncture incisions in order to insert cauterizing RF or laser probes into the affected tissue and, therefore, also involve the use of a full operating facility and anesthesia, as well as the burning of prostate tissue by the probes. Although these procedures result in less internal bleeding and damage to the urethra than the TURP procedure and may decrease the adverse effects

and costs associated with surgery, anesthesia and post-operative tissue recovery, they do not entirely eliminate these adverse consequences.

Finally, drug therapy has emerged as an alternative to surgery in the last several years. There are several drugs available for BPH treatment, the two most widely prescribed being Hytrin and Proscar. Hytrin works by relaxing certain involuntary muscles surrounding the urethra, thereby easing urinary flow, and Proscar is intended actually to shrink the enlarged gland. However, industry studies have asserted that drug therapy costs $500 to $800 per year or more, must be maintained for life and does not offer consistent relief to a large number of BPH patients. In fact, studies have shown that 45% of patients who begin drug therapy for BPH drop out within the first year, primarily due to the ineffectiveness of currently available drug therapies. Also, all of the currently available BPH drugs have appreciable side effects.

Accordingly, neither the medicinal treatments nor the surgical alternatives available for BPH appear to provide fully satisfactory, cost-effective treatment solutions for BPH sufferers.

CELSION BPH TREATMENT SYSTEM

We have developed a BPH treatment system -- "Microwave Uretheroplasty" - -- that combines our microwave thermotherapy capability with a proprietary balloon compression technology licensed from MMTC, Inc. The system consists of a microwave generator and conductors and a computer and computer software programs that control the focusing and application of heat, plus a specially designed balloon catheter and consists of two fundamental elements:

- Celsion's proprietary catheter, incorporating a balloon enlargement device, delivers computer-controlled transurethral microwave heating directly to the prostate at temperatures greater than 44[degree] C (111[degree] F).

- Simultaneously, the balloon inflates the device and expands to press the walls of the urethra from the inside outward as the surrounding prostate tissue is heated.

The combined effect of this "heat plus compression" therapy is twofold: first, the heat denatures the proteins in the wall of the urethra, causing a stiffening of the opening created by the inflated balloon. Second, the heat serves effectively to kill off prostate cells outside the wall of the urethra, thereby creating sufficient space for the enlarged natural opening.

Pre-clinical animal studies have demonstrated that a natural "stent," or reinforced opening, in the urethra forms after the combined heat plus compression treatment. Also, the BPH system's relatively low temperature (43[degree] C to 45[degree] C) appears to be sufficient to kill prostatic cells surrounding the urethra wall, thereby creating space for the enlargement of the urethra opening. However, the temperature is not high enough to cause swelling in the urethra.

Celsion's investigational minimally invasive Microwave Uretheroplasty treatment system is designed to overcome the limitations of all three of the current treatment systems. It is designed to be a relatively painless, rapid procedure that delivers the efficacy of surgical treatments without significant risks and the potential for life-altering side effects. The potential benefits of the Microwave Uretheroplasty system include walk-in, outpatient treatment that can be completed in less than an hour; no required sedation; generally no post-operative catheterization; and rapid symptomatic relief from BPH.

Ultimate FDA approval for a device such as our equipment typically requires two phases of clinical testing. The purpose of Phase I testing is to show feasibility and safety and involves a small group of patients. Phase II testing may involve as many as 160 patients and is designed to show safety and efficacy. The FDA approved an Investigational Device Exemption, or IDE, to allow clinical testing of our BPH system in June 1998 and we completed initial Phase I clinical feasibility human trials of the BPH system at Montefiore Medical Center in May 1999. In the Phase I trials, the combination of computer-controlled microwave heat and balloon catheter expansion was able to increase peak flow rates and to provide immediate relief of symptoms caused by BPH. In addition, we undertook an expanded Phase I study to test an accelerated treatment protocol, which was completed in May 2000, at Montefiore Medical Center. In July 2000, the FDA approved the commencement of multiple-site Phase II studies to collect the safety and efficacy data necessary for FDA premarketing approval (PMA) for commercialization. All 160 patients required to be treated under the Phase II trial were treated as of November 29, 2001 and, as of that date, we submitted the first two of three required modules to the FDA in support of the PMA. We submitted the last module, consisting of clinical data, on March 24, 2003. If our BPH system meets all requirements for FDA approval and receives such approval, we intend to begin marketing the BPH system as promptly as possible following receipt of such approval.

Based on the information we have collected to date, we believe that our BPH system has the potential to deliver a treatment that is performed in one hour or less on an outpatient basis, would not require post-treatment catheterization and that would deliver symptomatic relief and an increase in urinary flow rates promptly after the procedure is completed.

BREAST CANCER TREATMENT SYSTEM

PREVALENCE OF BREAST CANCER

Breast cancer is one of the leading causes of death among women in the United States. According to statistics published in the American Cancer Society's A Cancer Journal for Clinicians, there were an average of 183,000 newly diagnosed breast cancer cases in the United States in each of the years from 1995 through 1999.

CURRENT TREATMENT FOR BREAST CANCER

Breast cancer is presently treated by mastectomy, the surgical removal of the entire breast, or by lumpectomy, the surgical removal of the tumor and surrounding tissue. Both procedures are often followed by radiation therapy or chemotherapy. The more severe forms of surgical intervention can result in disfigurement and a need for extended prosthetic and rehabilitation therapy.

In addition, heat therapy (also known as hyperthermia or thermotherapy) is a historically recognized method of treatment of various medical conditions, and heat therapy has been used in the past to treat malignant tumors in conjunction with radiation and chemotherapy. As summarized in the Fourth Edition of Radiobiology for the Radiologist, published in 1994 by J.B. Lippincott Company, in 24 independent studies on an aggregate of 2,234 tumors, treatment consisting of heat plus radiation resulted in an average doubling of the complete response rate of tumors, compared to the use of radiation alone. The complete response rate for this purpose means the total absence of a treated tumor for a minimum of two years. Comparable increases in the complete response rate were reported with the use of heat combined with chemotherapy. In addition, it has been demonstrated on numerous occasions that properly applied heat, alone and without the concurrent use of radiation, can also kill cancer cells.

HEAT THERAPY IN CONJUNCTION WITH RADIATION; FIRST GENERATION CELSION EQUIPMENT

In 1989, we obtained FDA premarketing approval for our microwave-based Microfocus 1000 heat therapy equipment for use on surface and subsurface tumors in conjunction with radiation therapy. Until 1995, we marketed our Microfocus equipment for this use in 23 countries, but microwave heat therapy was not widely accepted in the United States medical community as an effective cancer treatment. Moreover, due to the limitations of microwave technology available at that time, it was difficult to deliver a controlled amount of heat to subsurface tumors without overheating surrounding healthy tissue.

NEW MICROWAVE TECHNOLOGY FROM MIT

In 1993, we began working with researchers at the Massachusetts Institute of Technology, or MIT, who had developed, originally for the United States Defense Department, the microwave control technology known as "Adaptive Phased Array", or APA. This technology permits properly designed microwave equipment to focus and concentrate energy targeted at diseased tissue areas deep within the body and to heat them selectively, without adverse impact on surrounding healthy tissue. In 1996, MIT granted us an exclusive worldwide license to use this technology for medical applications and since that time we have concentrated on developing a second generation of Microfocus equipment capable of focusing microwave energy on specific tissue areas. We have incorporated the APA technology in our second-generation microwave therapy equipment.

SECOND GENERATION CELSION BREAST CANCER TREATMENT SYSTEM

Using the APA technology, we have developed a prototype breast cancer treatment system intended to destroy localized breast tumors through the application of heat alone. The system consists of a microwave generator and conductors, a computer and computer software programs that control the focusing, application and duration of the thermotherapy, and a specially designed patient treatment table.

In 1998, we completed pre-clinical animal testing of our prototype system at the Massachusetts General Hospital, a teaching hospital for Harvard Medical School in Boston, Massachusetts. Using breast tissue-equivalent phantoms and tumors in live animals, these studies demonstrated that our system is capable of selectively heating tumors at temperatures up to 46[degree] C (115[degree] F) without damage to surrounding healthy tissues. High temperatures maintained for eight to ten minutes can cause complete tumor necrosis

(death), leading to the death of viable cancer cells within the tumor and in its immediate vicinity. A second prototype clinical breast cancer treatment system at Oxford University in England was used to demonstrate successfully the ability of our equipment to focus heat deep into animal tissue at precise locations and in small target areas. In our view, these animal tests demonstrate that it is possible to eliminate tumors by heat alone and without the use of radiation. Using the pre-clinical data from Massachusetts General, the FDA granted Celsion a supplemental premarketing approval to incorporate the APA technology with Celsion's already approved Microfocus 1000 system. The APA technology enhances the ability of the Microfocus 1000 system to focus energy.

In January 1999, we received an IDE from the FDA to permit clinical testing of our breast cancer treatment system, and also received FDA approval to proceed with Phase I human clinical studies. In August 2000, we completed the treatment of ten patients in the Phase I study using our breast cancer equipment at Columbia Hospital in West Palm Beach, Florida, and at Harbor UCLA Medical Center in Torrance, California. In the study, our equipment was clinically tested on female breast tumors on a minimally invasive basis through a single application of precisely controlled and targeted heat. In December 2000, we received approval from the FDA to commence Phase II trials for our breast cancer system.

The Phase II trials consist of two protocols--the first is designed to ablate (kill) small breast tumors using heat alone and the second is designed to downsize large breast cancer tumors using a combination of heat and chemotherapy, thus allowing a surgeon to perform a lumpectomy rather than a mastectomy, thereby preserving the affected breast. These trials are currently under way at St. Joseph's Hospital Breast Center in Orange, California, Harbor UCLA Medical Center in California, the University of Oklahoma, Comprehensive Breast Center of Coral Springs in Coral Springs, Florida, Mroz-Baier Breast Care Center in Memphis, Tennessee, Lynne Clark, M.D. in Tacoma, Washington, Breast Care Specialists in Norfolk, Virginia, Carolina Surgery in Gastonia, North Carolina, Breast Care in Las Vegas, Nevada and Bolton Breast Unit Royal in Bolton, England. If the Phase II trials are successful, we expect to apply for the addition of a new indication of use to the existing FDA premarketing approval for our Microfocus equipment, denoting that the system can be used to destroy cancerous tumors and viable cancer cells within the human breast through the application of focused microwave heat energy alone.

THERMO-LIPOSOMES; DUKE UNIVERSITY TECHNOLOGY

BACKGROUND

Liposomes are man-made microscopic spheres with a liquid membrane, developed in the 1980's to encapsulate drugs for targeted delivery. Commercial liposomes can now encapsulate chemotherapeutic drugs, enabling them to avoid destruction by the body's immune system, and allowing them to accumulate in tumors. However, with presently available technology, it often takes two to four hours for commercial liposomes to release their drug contents to the tumors, severely limiting the clinical efficacy of liposome chemotherapy treatments.

DEVELOPMENT OF THERMO-SENSITIVE LIPOSOMES

A team of Duke University scientists has developed heat-sensitive liposomes comprised of materials that rapidly change porosity when heated to a specific point. As the heat-sensitive liposomes circulate within the small arteries, arterioles, and capillaries, the drug contents of the liposomes are released at significantly higher levels in those tissue areas which have been heated for 30 to 60 minutes than in areas that do not receive heat. In animal trials it has been determined that 50 times the amount of drugs carried by heat-sensitive liposomes was deposited at a specific heated tissue site, when compared to conventional liposomes. We have been a sponsor of this research, which is part of a larger Duke University project to develop new temperature-sensitive liposomes, temperature-sensitive gene promoters and related compounds, and we are the exclusive licensee of Duke University's heat-activated liposome technology.

Celsion's focused microwave equipment is used to provide minimally invasive heating of cancerous tumors to trigger heat-activated liposomes within the tumors. The heat-activated liposomes, which encapsulate chemotherapeutic agents, are injected into the bloodstream where they remain encapsulated until they release their drug payload inside the heated tumor. In preliminary tumor growth delay studies conducted at Duke University, tumor-bearing mice received a single intravenous injection of the liposome with a 5 mg per kilogram Doxorubicin concentration. This was immediately followed by heating of the tumor to 42[degree] C (108[degree] F) for one hour. The result of the study was a complete disappearance of the tumors in 11 out of 11 mice. These animals remained disease free through 60 days of the study.

In November 2001, we completed large animal toxicity studies involving Thermodox(TM), our Doxorubicin-laden thermo-liposome at the Roswell Park Cancer Institute, a cancer research organization in Buffalo, New York and at Dartmouth Hitchcock Medical Center, a teaching hospital associated with Dartmouth Medical College. In March 2002, we filed an IND application with the FDA for the use of Thermodox(TM) in the treatment of prostate cancer using our Microfocus equipment as the means of heat activation. The IND became effective in June 2002 and we have had a Phase I clinical trial underway at Roswell Park and Regional Urology in Shreveport, Louisiana since May 28, 2003.

In addition, in January 2001, we entered into a Material Transfer Agreement, or MTA, with the National Cancer Institute, or NCI, under which we are supplying heat-activated liposomes to enable the NCI to conduct clinical trials on liver cancer. NCI is using an RF heating device to isolate the tumors and to heat the liver, activating Celsion's heat-activated liposomes to kill peripheral cancer cells. Liver cancer has yet to be successfully treated with existing treatment modalities. NCI is currently completing preclinical studies and we hope to file an IND for the treatment of liver cancer early in 2004.

Celsion and Duke University are pursuing further development work and pre-clinical studies aimed at using the new thermo-liposome technology in conjunction with our APA focused heat technology for a variety of applications, including cancer chemotherapy. We view the Duke thermo-liposome technology as a highly promising improvement in the delivery of medicines used to combat serious diseases. For example, the drugs used to fight cancer in chemotherapy regimens are often toxic when administered in large quantities, and produce nausea, vomiting, and exhaustion- all side effects of the body being poisoned. However, if such a drug can be delivered directly to a tissue area where it is needed, as opposed to being distributed through the entire circulatory system, the local concentration of the drug could be increased without the side effects that accompany large systemic dosing.

In addition, in the July 1, 2000 issue of Cancer Research, a Duke University research scientist reported on his initial use of heat to activate gene therapy and to increase the production in animals of Interleukin-12, a genetic protein, in order to delay tumor growth. On August 8, 2000, we entered into an agreement with Duke University, subsequently renewed for six-month periods, under which Celsion has the right, for a period of six months thereafter, to negotiate an exclusive license for this technology.

PRODUCTION OF HEAT-SENSITIVE LIPOSOMES

We have established a relationship with Celator Corporation of Vancouver, Canada to provide Quality System Regulation, or QSR (formerly Good Manufacturing Practices, or GMP), production of our heat-activated liposome for our recently completed large animal toxicity studies and our planned Phase I clinical study in humans. Celator is a leading drug formulation and discovery company that specializes in liposome drug development. Celsion will require a large-scale liposome manufacturer at such time as it reaches Phase II clinical trials and beyond. Toward that end, it has initiated discussions with a major Japanese liposome manufacturer for large-scale production of the Doxorubicin-based heat-activated liposome.

ALLIED TECHNOLOGY

On July 18, 2003, we entered into an additional license agreement with Duke, pursuant to which we have obtained exclusive rights to an advanced phased array radio frequency (RF) heating system designed specifically for use with chemotherapeutic drugs for the treatment of locally advanced breast cancer. The system, developed by Duke engineers, uses RF energy to warm a woman's breast to approximately 42[degree] C to enhance the effectiveness of liposomal chemotherapeutic compounds. During the treatment, the breast is immersed in a pool of distilled water, which helps distribute the heat evenly around the breast, thus preventing skin burns and "hot spots," which often create pain. Skin burns and hot spots have, up to now, limited the use of RF hyperthermia as an effective means for treatment of breast cancer.

This heating system is currently being clinically evaluated at Duke. A Phase I trial has been completed and a Phase II trial is underway. The combination of trials was designed to demonstrate the system's ability to enhance the combined therapeutic effect of liposomal encapsulations of doxorubicin plus traditional paclitaxel (Taxol(R)) in the management of locally advanced breast cancer. Results of the Phase I study, which included in 21 women, indicated that tumor growth was halted in all of women participating in the trial and that 50% of the treated tumors were reduced in size. Eleven percent of the trial participants had complete pathologic responses, meaning no cancer was found in the breast tissue upon analyzing its surgical remains, and 33% of patients had complete clinical responses, meaning visible signs of the tumor could no longer be detected. An additional 17% of trial participants were converted from mastectomy candidates to lumpectomy candidates. Celsion intends to work with Duke University staff to explore the potential for using this heating system in combination with Thermodox(R) to treat breast cancer.

SLOAN-KETTERING / CELSION HEAT-ACTIVATED GENE THERAPY COMPOUNDS

BACKGROUND

Cancer cells have the ability to repair themselves after radiation or chemotherapy. Thus, patients require repeated treatments to destroy substantially all of the cancer cells. Celsion has licensed from Sloan-Kettering Cancer Center, a biomedical innovation that promises significant improvements in cancer therapy. Sloan-Kettering has developed biological modifiers that inhibit cancer cells' ability to repair themselves. Activated by focused heat, this Cancer Repair Inhibitor, or CRI, temporarily disables the repair mechanism of cancer cells, making it possible to reduce significantly the number of radiation/chemotherapy treatments and/or lower the treatment dosage.

A standard approach to treating cancer is radiation therapy combined with chemotherapy. High doses of radiation kill cancer cells or keep them from dividing, but produce chronic or acute side effects, including fatigue, neutropenia, anemia and leukopenia. Also, depending on the location of the tumor, other acute side effects may occur, including diarrhea, allopecia and various foreign ulcers. Chemotherapy presents comparable or more serious side effects.

Oncologists are looking for ways to mitigate these side effects. In radiation therapy, these include hyperfractionated radiation, intra-operative radiation, three-dimensional radiation, stereotactic radiosurgery and the use of radio-labeled monoclonal antibodies and radio sensitizers. CRI falls into this latter category because it "sensitizes" a cancer cell for treatment by making it more susceptible to DNA-damaging agents such as heat, chemicals or radiation. A product of advances in the understanding of the biology of cancer, CRI is one of a new class of "biologics" that are expected to become part of the cancer treatment protocol.

THE CELSION TECHNOLOGY - CRI PLUS FOCUSED HEAT

CRI can be activated in tumors by minimally invasive focused heat in the range of 41[degree] C (106[degree] F). This focused heat may be generated by Celsion's Adaptive Phased Array microwave technology, which provides deep heating without damage to surrounding healthy tissue. Having increased the susceptibility of cancer cells to DNA-damaging agents, radiation and chemotherapy treatment may then be administered with less frequency and/or at lower doses than currently is possible. CRI would then deactivate and the patient would resume normal post-treatment care.

In September 2001, scientists at Sloan-Kettering successfully completed pre-clinical laboratory feasibility demonstrations to assess safety and biological activity of CRI. In December 2001, a small animal feasibility study was completed at Sloan-Kettering's Good Laboratory Practice (GLP) facility to assist in drug formulation. Further studies with large animals to assess toxicity effects are expected to be conducted and the Company hopes to be in a position a position to commence Phase I clinical (human) trials around the end of calendar year 2004. At such time as we determine safety and dosage in our preliminary studies, we expect to form partnership(s) with one or more drug companies to scale-up manufacturing and marketing for larger pivotal studies.

In May 2000, we entered into an exclusive worldwide agreement with Sloan-Kettering for the commercial rights to the heat-activated gene therapy technology developed by Sloan-Kettering.

RISK FACTORS

You should carefully consider the risks described below before making a decision to invest in our Common Stock. You should also refer to the other information in this Prospectus, as well as the information incorporated by reference into this Prospectus, including our financial statements and the related notes. The risks and uncertainties described below are not the only ones that could affect our Company. Additional risks and uncertainties of which we are unaware or that we currently believe are immaterial also may become important factors affecting our business. If any one or more of the following risks occur, our business, results of operations and financial condition could be materially harmed. As a result, the trading price of our Common Stock could decline, and you could lose all or part of your investment. The terms the "Company," "we," "us" and "our" used throughout this Prospectus all refer to Celsion Corporation.

WE HAVE A HISTORY OF SIGNIFICANT LOSSES AND EXPECT TO CONTINUE SUCH LOSSES FOR THE FORESEEABLE FUTURE.

Since Celsion's inception in 1982, its expenses have substantially exceeded its revenues, resulting in continuing losses and an accumulated deficit of $(53,546,798) at June 30, 2003, including losses of $9,751,082 for the year ended September 30, 2002 and $(6,923,227) for the year ended September 30, 2001. Because we presently have no revenues and are committed to continuing our product research, development and commercialization programs, we will continue to experience significant operating losses unless and until we complete the development of new products and these products have been clinically tested, approved by the FDA and successfully marketed. In addition, we have funded our operations for many years primarily through the sale of the Company's securities and have limited working capital for our product research, development, commercialization and other activities.

WE DO NOT EXPECT TO GENERATE SIGNIFICANT REVENUE FOR THE FORESEEABLE FUTURE.

We marketed and sold our original microwave thermotherapy products, which produced modest revenues from 1990 to 1994, but ceased marketing these products in 1995. We have devoted our resources in ensuing years to developing a new generation of thermotherapy and other products, but cannot market these products unless and until we have completed clinical testing and obtained all necessary governmental approvals. Accordingly, we have no current source of revenues, much less profits, to sustain our present operations, and no revenues will be available unless and until our new products are clinically tested, approved by the FDA and successfully marketed. We cannot guarantee that any or all of our products will be successfully tested, approved by the FDA or marketed, successfully or otherwise, at any time in the foreseeable future or at all.

OUR MICROWAVE HEAT THERAPY TECHNOLOGY IS STILL UNDERGOING CLINICAL TESTING AND MAY NOT ACHIEVE SUFFICIENT ACCEPTANCE BY THE MEDICAL COMMUNITY TO SUSTAIN OUR BUSINESS.

To date, microwave heat therapy has not been widely accepted in the United States medical community as an effective treatment for BPH or for cancer treatment, with or without the concurrent use of radiation. We believe that this is primarily due to the inability of earlier technology adequately to focus and control heat directed at specific tissue locations and to conclusions that were drawn from a widely publicized study by the Radiation Oncology Therapy Group that purported to show that thermotherapy in conjunction with radiation was only marginally effective. Subsequent to the publication of this study, the HealthCare Financing Administration, a HCFA (now known as the Centers for Medicare and Medicaid Services, or CMS) established a low medical reimbursement rate for all thermotherapy equipment designed to be used in conjunction with radiation. While management believes that our new technology is capable of overcoming the limitations of the earlier technology, the medical community may not embrace the perceived advantages of our "adaptive phased array," or APA, focused heat therapy without more extensive testing and clinical experience than we will be able to provide. To date, we have completed and submitted to the FDA only Phase I clinical trials of our Microwave Uretheroplasty treatment system, although we have completed patient treatments in our Phase II trials. Similarly, our new cancer treatment technology is currently in Phase II trials. Accordingly, our technology may not prove as effective in practice as we anticipate based on testing to date. If further testing and clinical practice do not confirm the safety and efficacy of our technology or, even if further testing and practice produce positive results but the medical community does not view this new form of heat therapy as effective and desirable, our efforts to market our new products may fail, with material adverse consequences to our business. We intend to petition CMS for a new reimbursement code for our breast cancer treatment. The success of our business model depends significantly upon our ability to petition successfully for reimbursement codes. However, we cannot offer any assurances as to when, if ever, CMS may act on our request to establish a reimbursement code for our breast cancer treatment system. In addition, there can be no assurance that the reimbursement level established for our breast cancer treatment system, if established, will be sufficient for us to carry out our business plan effectively.

IF WE ARE NOT ABLE TO OBTAIN NECESSARY FUNDING, WE WILL NOT BE ABLE TO COMPLETE THE DEVELOPMENT, TESTING AND COMMERCIALIZATION OF OUR TREATMENTS AND PRODUCTS.

We will need substantial additional funding in order to complete the development, testing and commercialization of our breast cancer treatment system and heat-activated liposome and cancer repair inhibitor products, as well as other potential new products. We expended approximately $9,586,000 in the nine-month period ended June 30, 2003. As of that date, we had available a total of approximately $5,501,000 to fund additional expenditures. In addition, between July 1 and August 20, we received approximately $6,513,000 (net of expenses) in a private offering of our common stock and common stock purchase warrants and approximately $1,188,000 upon exercise of stock purchase warrants. It is our current intention both to increase the pace of development work on our present products and to make a significant commitment to our heat-activated liposome and cancer repair inhibitor research and development projects. The increase in the scope of present development work and the commitment to these new

projects will require additional external funding, at least until we are able to begin marketing our products and to generate sufficient cash flow from sale of those products to support our continued operations. We do not have any committed sources of financing and cannot offer any assurances that additional funding will be available in a timely manner, on acceptable terms or at all.

If adequate funding is not available, we may be required to delay, scale back or eliminate certain aspects of our operations or attempt to obtain funds through unfavorable arrangements with partners or others that may force us to relinquish rights to certain of our technologies, products or potential markets or that could impose onerous financial or other terms. Furthermore, if we cannot fund our ongoing development and other operating requirements, particularly those associated with our obligations to conduct clinical trials under our licensing agreements, we will be in breach of these licensing agreements and could therefore lose our license rights, which could have material adverse effects on our business.

OUR BUSINESS IS SUBJECT TO NUMEROUS AND EVOLVING STATE, FEDERAL AND FOREIGN REGULATIONS AND WE MAY NOT BE ABLE TO SECURE THE GOVERNMENT APPROVALS NEEDED TO DEVELOP AND MARKET OUR PRODUCTS.

Our research and development activities, pre-clinical tests and clinical trials, and ultimately the manufacturing, marketing and labeling of our products, all are subject to extensive regulation by the FDA and foreign regulatory agencies. Pre-clinical testing and clinical trial requirements and the regulatory approval process typically take years and require the expenditure of substantial resources. Additional government regulation may be established that could prevent or delay regulatory approval of our product candidates. Delays or rejections in obtaining regulatory approvals would adversely affect our ability to commercialize any product candidates and our ability to generate product revenues or royalties.

The FDA and foreign regulatory agencies require that the safety and efficacy of product candidates be supported through adequate and well-controlled clinical trials. If the results of pivotal clinical trials do not establish the safety and efficacy of our product candidates to the satisfaction of the FDA and other foreign regulatory agencies, we will not receive the approvals necessary to market such product candidates.

Even if regulatory approval of a product candidate is granted, the approval may include significant limitations on the indicated uses for which the product may be marketed. Also, manufacturing establishments in the United States and abroad are subject to inspections and regulations by the FDA. Medical devices must also continue to comply with the FDA's Quality System Regulation, or QSR. Compliance with such regulations requires significant expenditures of time and effort to ensure full technical compliance. The FDA stringently applies regulatory standards for manufacturing.

We are also subject to recordkeeping and reporting regulations, including FDA's mandatory Medical Device Reporting, or MDR regulation. Labeling and promotional activities are regulated by the FDA and, in certain instances, by the Federal Trade Commission.

Many states in which we do or in the future may do business or in which our products may be sold impose licensing, labeling or certification requirements that are in addition to those imposed by the FDA. There can be no assurance that one or more states will not impose regulations or requirements that have a material adverse effect on our ability to sell our products.

In many of the foreign countries in which we may do business or in which our products may be sold, we will be subject to regulation by national governments and supranational agencies as well as by local agencies affecting, among other things, product standards, packaging requirements, labeling requirements, import restrictions, tariff regulations, duties and tax requirements. There can be no assurance that one or more countries or agencies will not impose regulations or requirements that could have a material adverse effect on our ability to sell our products.

The EU has a registration process that includes registration of manufacturing facilities (known as "ISO certification") and product certification (known as a "CE Mark"). We have obtained ISO certification for our existing facilities. However, there is no guarantee that we will be successful in obtaining European certifications for new facilities or for our products, or that we will be able to maintain its existing certifications in the future.

Foreign government regulation may delay marketing of our new products for a considerable period of time, impose costly procedures upon its activities and provide an advantage to larger companies that compete with it. There can be no assurance that we will be able to obtain necessary regulatory approvals, on a timely basis or at all, for any products that it develops. Any delay in

obtaining, or failure to obtain, necessary approvals would materially and adversely affect the marketing of our contemplated products subject to such approvals and, therefore, our ability to generate revenue from such products.

Even if regulatory authorities approve our product candidates, such products and our facilities, including facilities located outside the EU, may be subject to ongoing testing, review and inspections by the European health regulatory authorities. After receiving pre-marketing approval, in order to manufacture and market any of its products, we will have to comply with regulations and requirements governing manufacture, labeling and advertising on an ongoing basis.

Failure to comply with applicable domestic and foreign regulatory requirements, can result in, among other things, warning letters, fines, injunctions and other equitable remedies, civil penalties, recall or seizure of products, total or partial suspension of production, refusal of the government to grant approvals, pre-market clearance or pre-market approval, withdrawal of approvals and criminal prosecution of the Company and its employees, all of which would have a material adverse effect on our business.

OUR BUSINESS DEPENDS ON LICENSE AGREEMENTS WITH THIRD PARTIES TO PERMIT US TO USE PATENTED TECHNOLOGIES. THE LOSS OF ANY OF OUR RIGHTS UNDER THESE AGREEMENTS COULD IMPAIR OUR ABILITY TO DEVELOP AND MARKET OUR PRODUCTS.

Currently, we have three utility patents pending in the United States Patent & Trademark Office. Two are directed to our Microwave Uretheroplasty treatment for BPH and the other is directed to our breast cancer treatment system. However, even when our pending applications mature into United States patents, our business will still depend on license agreements that it has entered into with third parties until the third parties' patents expire.

Our success will depend, in substantial part, on our ability to maintain our rights under license agreements granting us rights to use patented technologies. We have entered into exclusive license agreements with MIT, for APA technology and with MMTC, a privately owned developer of medical devices, for microwave balloon catheter technology. We have also entered into a license agreement with Duke University, under which we have exclusive rights to commercialize medical treatment products and procedures based on Duke University's thermo-liposome technology, an advanced phased array radio frequency (RF) heating system designed specifically for use with chemotherapeutic drugs for the treatment of locally advanced breast cancer and a license agreement with Memorial Sloan-Kettering Cancer Center under which we have rights to commercialize certain cancer repair inhibitor products. The MIT, MMTC, Duke University and Sloan-Kettering agreements each contain license fee, royalty and/or research support provisions, testing and regulatory milestones, and other performance requirements that we must meet by certain deadlines. If we were to breach these or other provisions of the license and research agreements, we could lose our ability to use the subject technology, as well as compensation for our efforts in developing or exploiting the technology. Also, loss of our rights under the MIT license agreement would prevent us from proceeding with most our current product development efforts, which are dependent on licensed APA technology. Any such loss of rights and access to technology would have a material adverse effect on our business.

Further, we cannot guarantee that any patent or other technology rights licensed to us by others will not be challenged or circumvented successfully by third parties, or that the rights granted will provide adequate protection. We are aware of published patent applications and issued patents belonging to others, and it is not clear whether any of these patents or applications, or other patent applications of which it may not have any knowledge, will require us to alter any of our potential products or processes, pay licensing fees to others or cease certain activities. Litigation, which could result in substantial costs, may also be necessary to enforce any patents issued to or licensed by us or to determine the scope and validity of others' claimed proprietary rights. We also rely on trade secrets and confidential information that we seek to protect, in part, by confidentiality agreements with our corporate partners, collaborators, employees and consultants. We cannot guarantee that these agreements will not be breached, that, even if not breached, that they are adequate to protect our trade secrets, that we will have adequate remedies for any breach or that our trade secrets will not otherwise become known to, or will not be discovered independently by, competitors.

TECHNOLOGIES FOR THE TREATMENT OF CANCER ARE SUBJECT TO RAPID CHANGE AND THE DEVELOPMENT OF TREATMENT STRATEGIES THAT ARE MORE EFFECTIVE THAN OUR THERMOTHERAPY TECHNOLOGY COULD RENDER OUR TECHNOLOGY OBSOLETE.

Various methods for treating cancer currently are, and in the future may be expected to be, the subject of extensive research and development. Many possible treatments that are being researched, if successfully developed, may not require, or may supplant, the use of our thermotherapy technology. These alternate treatment strategies include the use of radio frequency (RF), laser and ultrasound energy sources. The successful development and acceptance of any one or more of these alternative forms of treatment could render our technology obsolete as a cancer treatment method.

WE MAY NOT BE ABLE TO HIRE OR RETAIN KEY OFFICERS OR EMPLOYEES THAT WE NEED TO IMPLEMENT ITS BUSINESS STRATEGY AND DEVELOP ITS PRODUCTS AND BUSINESSES.

Our success depends significantly on the continued contributions of our executive officers, scientific and technical personnel and consultants, and on our ability to attract additional personnel as we seek to implement our business strategy and develop our products and businesses. During our operating history, we have assigned many essential responsibilities to a relatively small number of individuals. However, as our business and the demands on our key employees expand, we have been, and will continue to be, required to recruit additional qualified employees. The competition for such qualified personnel is intense, and the loss of services of certain key personnel or our inability to attract additional personnel to fill critical positions as we implement our business strategy could adversely affect our business. Further, we do not carry "key man" insurance on any of our personnel. Therefore, loss of the services of key personnel would not be ameliorated by the receipt of the proceeds from such insurance.

OUR SUCCESS WILL DEPEND IN PART ON OUR ABILITY TO GROW AND DIVERSIFY, WHICH IN TURN WILL REQUIRE THAT WE MANAGE AND CONTROL OUR GROWTH EFFECTIVELY.

Our business strategy contemplates growth and diversification. As manufacturing, marketing, sales, and other personnel, and expand our manufacturing and research and development capabilities we add, our operating expenses and capital requirements will increase. Our ability to manage growth effectively will require that we continue to expend funds to improve our operational, financial and management controls, reporting systems and procedures. In addition, we must effectively expand, train and manage our employees. We will be unable to manage our businesses effectively if we are unable to alleviate the strain on resources caused by growth in a timely and successful manner. There can be no assurance that we will be able to manage our growth and a failure to do so could have a material adverse effect on our business.

THE SUCCESS OF OUR PRODUCTS MAY BE HARMED IF THE GOVERNMENT, PRIVATE HEALTH INSURERS AND OTHER THIRD- PARTY PAYORS DO NOT PROVIDE SUFFICIENT COVERAGE OR REIMBURSEMENT.

Our ability to commercialize our thermotherapy technology successfully will depend in part on the extent to which reimbursement for the costs of such products and related treatments will be available from government health administration authorities, private health insurers and other third-party payors. The reimbursement status of newly approved medical products is subject to significant uncertainty. We cannot guarantee that adequate third-party insurance coverage will be available for us to establish and maintain price levels sufficient for us to realize an appropriate return on our investment in developing new therapies. Government, private health insurers and other third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement for new therapeutic products approved for marketing by the FDA. Accordingly, even if coverage and reimbursement are provided by government, private health insurers and third-party payors for uses of our products, market acceptance of these products would be adversely affected if the reimbursement available proves to be unprofitable for health care providers.

WE FACE INTENSE COMPETITION AND THE FAILURE TO COMPETE EFFECTIVELY COULD ADVERSELY AFFECT OUR ABILITY TO DEVELOP AND MARKET OUR PRODUCTS.

There are many companies and other institutions engaged in research and development of thermotherapy technologies, both for prostate disease and cancer treatment products that seek treatment outcomes similar to those that we are pursuing. In addition, a number of companies and other institutions are pursuing alternative treatment strategies through the use of microwave, infrared, radio frequency, laser and ultrasound energy sources, all of which appear to be in the early stages of development and testing. We believe that the level of interest by others in investigating the potential of thermotherapy and alternative technologies will continue and may

increase. Potential competitors engaged in all areas of prostate and cancer treatment research in the United States and other countries include, among others, major pharmaceutical and chemical companies, specialized technology companies, and universities and other research institutions. Most of our competitors and potential competitors have substantially greater financial, technical, human and other resources, and may also have far greater experience, than do we, both in pre-clinical testing and human clinical trials of new products and in obtaining FDA and other regulatory approvals. One or more of these companies or institutions could succeed in developing products or other technologies that are more effective than the products and technologies that we have been or are developing, or which would render our technology and products obsolete and non-competitive. Furthermore, if we are permitted to commence commercial sales of any of our products, we will also be competing, with respect to manufacturing efficiency and marketing, with companies having substantially greater resources and experience in these areas.

LEGISLATIVE AND REGULATORY CHANGES AFFECTING THE HEALTH CARE INDUSTRY COULD ADVERSELY AFFECT OUR BUSINESS.

There have been a number of federal and state proposals during the last few years to subject the pricing of health care goods and services to government control and to make other changes to the United States health care system. It is uncertain which legislative proposals, if any, will be adopted (or when) or what actions federal, state, or private payors for health care treatment and services may take in response to any health care reform proposals or legislation. We cannot predict the effect health care reforms may have on our business and we can offer no assurances that any of these reforms will not have a material adverse effect on that business.

WE MAY BE SUBJECT TO SIGNIFICANT PRODUCT LIABILITY CLAIMS AND LITIGATION.

Our business exposes us to potential product liability risks inherent in the testing, manufacturing and marketing of human therapeutic products. We presently have product liability insurance limited to $5,000,000 per incident. If we were to be subject to a claim in excess of this coverage or to a claim not covered by our insurance and the claim succeeded, we would be required to pay the claim with our own limited resources, which could have a material adverse effect on our business. In addition, liability or alleged liability could harm the business by diverting the attention and resources of our management and by damaging our reputation.

WE PRESENTLY HAVE LIMITED MARKETING AND SALES CAPABILITY AND WILL BE REQUIRED TO DEVELOP SUCH CAPABILITIES AND TO ENTER INTO ALLIANCES WITH OTHERS POSSESSING SUCH CAPABILITIES IN ORDER TO COMMERCIALIZE OUR PRODUCTS SUCCESSFULLY.

We intend to market our Microwave Uretheroplasty treatment system directly, at such time, if any, as it is approved for commercialization by the FDA, and to market our breast cancer treatment system, if and when so approved, through strategic alliances and distribution arrangements with third parties. There can be no assurance that we will be able to establish such sales and marketing capabilities successfully or successfully enter into third-party marketing or distribution arrangements. We have limited experience and capabilities in marketing, distribution and direct sales, although we expect to attempt to recruit experienced marketing and sales personnel as we pursue commercialization. In attracting, establishing and maintaining a marketing and sales force or entering into third-party marketing or distribution arrangements with other companies, we expect to incur significant additional expense. There can be no assurance that, to the extent we enter into any commercialization arrangements with third parties, such third parties will establish adequate sales and distribution capabilities or be successful in gaining market acceptance for our products and services. There also can be no assurance that our direct sales, marketing, licensing and distribution efforts would be successful or that revenue from such efforts would exceed expenses.

WE DEPEND ON THIRD-PARTY SUPPLIERS TO PROVIDE US WITH COMPONENTS REQUIRED FOR OUR PRODUCTS AND MAY NOT BE ABLE TO OBTAIN THESE COMPONENTS ON FAVORABLE TERMS OR AT ALL.

We are not currently manufacturing any products, but are using our facilities to assemble prototypes of the equipment for research and development purposes. We currently purchase certain specialized microwave and thermometry components and applicator materials and the catheter unit used for our Microwave Uretheroplasty equipment from single or limited source suppliers because of the small quantities involved. While we have not experienced any significant difficulties in obtaining these components, the loss of an important current supplier could require that we obtain a replacement supplier, which might result in delays and additional expense in being able to make prototype equipment available for clinical trials and other research purposes. In addition, inasmuch as we expect to manufacture our Microwave Uretheroscopy equipment at least for some period subsequent to FDA approval and the commencement of commercialization, such manufacturing and commercialization also could be delayed. In addition, in the event that we succeed in marketing our products, we intend to use outside contractors to supply components and the Microwave

Uretheroplasty catheter, and may use such contractors to assemble finished equipment in the future, which could cause us to become increasingly dependent on key vendors.

WE HAVE NOT PAID DIVIDENDS IN THE PAST AND DO NOT INTEND TO DO SO FOR THE FORESEEABLE FUTURE.

We have never paid cash dividends and do not anticipate paying cash dividends on our common or preferred stock in the foreseeable future. Therefore, our stockholders cannot achieve any degree of liquidity with respect to their shares of common stock except by selling such shares.

THE EXERCISE OR CONVERSION OF OUR OUTSTANDING OPTIONS, WARRANTS AND CONVERTIBLE PREFERRED STOCK COULD RESULT IN SIGNIFICANT DILUTION OF OWNERSHIP INTERESTS IN OUR COMMON STOCK OR OTHER CONVERTIBLE SECURITIES.

Options and Warrants. As of August 20, 2003, we had outstanding and exercisable warrants and options to purchase a total of 24,041,545 shares of our common stock at exercise prices ranging from $0.25 to $5.00 per share (and a weighted average exercise price of approximately ($0.78 per share). In addition, we had outstanding but unexercisable and unvested warrants and options to purchase a total of 4,134,996 shares of our common stock at exercise prices ranging from $0.40 to $1.36 per share. Some of the prices are below the current market price of our common stock, which has ranged from a low of $1.03 to a high of $1.25 over the 20 trading days ending August 20, 2003. If holders choose to exercise such warrants and options at prices below the prevailing market price for the common stock, the resulting purchase of a substantial number of shares of our Common would have a dilutive effect on our stockholders and could adversely affect the market price of our issued and outstanding common stock and convertible securities. In addition, holders of these options and warrants who have the right to require registration of the common stock under certain circumstances and who elect to require such registration, or who exercise their options or warrants and then satisfy the one-year holding period and other requirements of Rule 144 of the Securities Act of 1933, will be able to sell in the public market shares of common stock purchased upon such exercise.

Preferred Stock. As of August 20, 2003 we had outstanding a total of 855 shares of Series A 10% Convertible Preferred Stock (plus 311 shares representing accrued dividends). The shares of Series A Preferred Stock are subject to exchange and conversion privileges upon the occurrence of major events, including a public offering of our securities or our merger with a public company. In addition, the holders of the Series A Preferred Stock are entitled to convert their preferred shares into shares of common stock at a conversion price of $0.41 per share of common stock, subject to certain adjustments. The conversion of the Series A Preferred Stock could have a dilutive effect on our stockholders and could adversely affect the market price of our issued and outstanding common stock and convertible securities. The holders of the Series A Preferred Stock also have registration rights at such time, if any, as we undertake a registered public offering of securities. Even without such registration, holders of the Series A Preferred Stock who satisfy the requirements of Rule 144 of the Securities Act of 1933 will be able to sell in the public market shares of common stock acquired upon the conversion of Series A Preferred Stock. There also were outstanding warrants to purchase 26 shares of Series A Preferred Stock (convertible into an additional 63,415 shares of common stock) as of August 20, 2003.

IF THE PRICE OF OUR SHARES REMAINS LOW, WE MAY BE DELISTED BY THE AMERICAN STOCK EXCHANGE AND BECOME SUBJECT TO SPECIAL RULES APPLICABLE TO LOW PRICED STOCKS

Our common stock currently trades on The American Stock Exchange (the "Amex"). The Amex, as a matter of policy, will consider the suspension of trading in, or removal from listing of, any stock when, in the opinion of the Amex, (i) the financial condition and/or operating results of an issuer appear to be unsatisfactory; (ii) it appears that the extent of public distribution or the aggregate market value of the stock has become so reduced as to make further dealings on the Amex inadvisable; (iii) the issuer has sold or otherwise disposed of its principal operating assets; or (iv) the issuer has sustained losses which are so substantial in relation to its overall operations or its existing financial condition has become so impaired that it appears questionable, in the opinion of the Amex, whether the issuer will be able to continue operations and/or meet its obligations as they mature. For example, the Amex will consider suspending dealings in or delisting the stock of an issuer if the issuer has sustained losses from continuing operations and/or net losses in its five most recent fiscal years. Another instance where the Amex would consider suspension or delisting of a stock is if the stock has been selling for a substantial period of time at a low price per share and the issuer fails to effect a reverse split of such stock within a reasonable time after being notified that the Amex deems such action to be appropriate. We have sustained net losses for our last five fiscal years (and beyond) and our common stock has been trading at relatively low prices. Therefore, our common stock may be at risk for delisting by the Amex.

Upon any such delisting, the common stock would become subject to the penny stock rules of the SEC, which generally are applicable to equity securities with a price of less than $5.00 per share (other than securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with bid and ask quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, prior to a transaction in a penny stock that is not otherwise exempt from such rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements are likely to have a material and adverse effect on price and the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules. If our common stock were to become subject to the penny stock rules it is likely that the price of the common stock would decline and that our stockholders would be likely to find it more difficult to sell their shares.

OUR STOCK PRICE HAS BEEN, AND COULD BE, VOLATILE.

Market prices for our common stock and the securities of other medical, high technology companies have been volatile. Our common stock has had a high price of $1.80 and a low price of $0.34 in the 52-week period ending August 20, 2003. Factors such as announcements of technological innovations or new products by us or by our competitors, government regulatory action, litigation, patent or proprietary rights developments and market conditions for medical and high technology stocks in general can have a significant impact on the market for our common stock.

OUR STOCK HISTORICALLY HAS BEEN THINLY TRADED. THEREFORE, STOCKHOLDERS MAY NOT BE ABLE TO SELL THEIR SHARES FREELY.

While our common stock is listed on the Amex, the volume of trading historically has been relatively light. Although trading volume has increased recently, there can be no assurance that this increased trading volume, our historically light trading volume, or any trading volume whatsoever will be sustained in the future. Therefore, there can be no assurance that our stockholders will be able to sell their shares of our common stock at the time or at the price that they desire, or at all.

ANTI-TAKEOVER PROVISIONS IN OUR CHARTER DOCUMENTS AND DELAWARE LAW COULD PREVENT OR DELAY A CHANGE IN CONTROL.

Our Certificate of Incorporation and Bylaws may discourage, delay or prevent a merger or acquisition that a stockholder may consider favorable by authorizing the issuance of "blank check" preferred stock. This preferred stock may be issued by the Board of Directors, on such terms as it determines, without further stockholder approval. Therefore, the Board may issue such preferred stock on terms unfavorable to a potential bidder in the event that is opposes a merger or acquisition. In addition, our classified Board of Directors may discourage such transactions by increasing the amount of time necessary to obtain majority representation on the Board. We also have implemented a stockholder rights plan and distributed rights to our stockholders. When these rights become exercisable, these rights entitle their holders to purchase one share of our Series C Junior Participating Preferred Stock at a price o f $4.46 per one ten-thousandth of a share of Series C Preferred Stock. If any person or group acquires more than 15% of our common stock, the holders of rights (other than the person or group crossing the 15% threshold) will be able to purchase, in exchange for the $4.46 exercise price, $8.92 of our common stock or the stock of any company into which we are merged. Because these rights may substantially dilute stock ownership by a person or group seeking to take us over without the approval of our Board of Directors, our rights plan could make it more difficult for a person or group to take us over (or acquire significant ownership interest in us) without negotiating with our Board regarding such a transaction. Certain other provisions of our Bylaws and of Delaware law may also discourage, delay or prevent a third party from acquiring or merging with us, even if such action were beneficial to some, or even a majority, of our stockholders.

USE OF PROCEEDS

The Selling Stockholders will receive all of the net proceeds from the sale of their respective Shares; we will not receive any proceeds from these sales. The holders of the Warrants are under no obligation to exercise them at any time or at all.

The exercise price for the Warrants is payable in cash, (except that Warrants to purchase 1,111,857 shares at $0.77 per share are subject to "cashless" or "net" exercise provisions). If all of the Warrants (including those subject to "cashless" exercise) are exercised for cash, we will receive aggregate consideration of $6,900,987. We intend to use any proceeds from exercise of the Warrants for working capital and general corporate purposes.

RESALES BY SELLING STOCKHOLDERS

This Prospectus relates to the proposed resale by the Selling Stockholders of the Shares, consisting of up to 11,978,045 shares of Common Stock, and up to 6,902,113 shares of Common Stock issuable upon the exercise of the Warrants. The following table sets forth, as of August 21, 2003 certain information with respect to the persons for whom the Company is registering the Shares for resale to the public. Except as indicated by footnote below, no such person has had a material relationship or has held any position or office, with the Company within the last three years and, to our knowledge, based on information provided by the Selling Stockholders, no such person is a broker-dealer or an affiliate of a broker-dealer. The Company will not receive any of the proceeds from the sale of the Shares, but may receive up to $6,900,987 upon the cash exercise of the Warrants.

	SECURITIES BENEFICIALLY OWNED PRIOR TO OFFERING (1)		SECURITIES OFFERED HEREBY (2)	SECURITIES BENEFICIALLY OWNED AFTER OFFERING (3)	
NAME OF SELLING STOCKHOLDER	COMMON STOCK	WARRANTS	COMMON STOCK	AMOUNT	PERCENT
Kim R. Baker	909,091	272,727	1,181,818	0	*
Stephen M. Shea	259,740	567,922	337,662	490,000	*
Marc R. Paul	129,870	38,961	168,831	0	*
Silver Lake Enterprises LLC	1,298,701	389,610	1,688,311	0	*
Gryphon Master Fund, LP	649,351	194,805	844,156	0	*
Nav Capital Management	50,000	15,000	65,000	0	*
Samuel D. Skinner and Jennifer Skinner TTEES fbo Samuel D. Skinner and Jennifer Skinner 2000 Trust Dtd 7/26/00 (4)	32,500	32,162	64,662	0	*
UBS Paine Webber as IRA Custodian for Samuel D. Skinner IRA R/O (4)	67,500	20,250	87,750	0	*
Marshall Senk	100,000	30,000	130,000	0	*
Vincent C. Smith	324,675	97,403	422,078	0	*
Joseph Giamanco, Sr	129,870	238,961	168,831	200,000	*
Elliott International, LP	687,500	180,000	780,000	87,500	*
Elliott Associates, LP	487,500	120,000	520,000	87,500	*
Jas Securities, LLC	129,870	38,961	168,831	0	*
Maybach Capital, Inc.	64,935	19,481	84,416	0	*
Truk Opportunity Fund, LLC	64,935	19,481	84,416	0	*
Alpha Capital, Ag	649,351	194,805	844,156	0	*
Selwyn Partners LP	130,000	39,000	169,000	0	*
Ying Jia Huang	1,298,701	1,259,610	1,688,311	870,000	*
Chan Wai	400,000	120,000	520,000	0	*
Liu Chi Kong	150,000	45,000	195,000	0	*
Steve Kevorkian	129,870	138,961	168,831	100,000	*
John Kevorkian	546,584	238,961	168,831	616,714	*
George Kevorkian	316,518	323,309	168,831	470,996	*
Nu Vision Holdings, LLC	359,740	107,922	467,662	0	*
Ira Leemon	880,700	330,000	130,000	1,080,700	*
Wayne Lee (4)	1,201,405	82,000	130,000	1,153,405	*
Excalibur Limited Partnership	260,000	78,000	338,000	0	*
Arthur H. Dunkin	64,935	19,481	84,416	0	*
UBS Financial Services, Inc. (Custodian For David M. Spada, IRA Acct Cp-28131-92)	653,938	197,401	422,071	429,268	*
Everspring Master Fund, LP	65,000	19,500	84,500	0	*

NAME OF SELLING STOCKHOLDER	SECURITIES BENEFICIALLY OWNED PRIOR TO OFFERING (1)		SECURITIES OFFERED HEREBY (2)	SECURITIES BENEFICIALLY OWNED AFTER OFFERING (3)	
	COMMON STOCK	WARRANTS	COMMON STOCK	AMOUNT	PERCENT
Alexis Korybut (4)	0	165,372	165,372	0	*
Charles D. Garcia (4)	0	165,372	165,372	0	*
Ricardo Ali Rivas (4)	0	249,452	249,452	0	*
Jaime Alfaro (4)	0	29,347	29,347	0	*
Ronald J. Zimmerer (4)	0	58,695	58,695	0	*
Goldpac Investment Partners Ltd	0	478,246	368,246	110,000	*
Moors & Cabot, Inc.(4)	60,000	316,178	39,942	336,236	*
Intercoastal Financial Services Corporation (4)	0	21,136	21,163	0	*
National Securities Corporation (4)	20,000	3,583	23,583	0	*
Mark Goldwasser (4)	0	1,250	1,250	0	*
Michael Bresner (4)	0	1,000	1,000	0	*
Brian Friedman (4)	0	750	750	0	*
Robert Daskal (4)	0	500	500	0	*
Frank Salvatore (4)	0	3,000	3,000	0	*
Douglas Kaiser (4)	0	3,000	3,000	0	*
Samuel A. Ruth (4)	0	3,800	3,800	0	*
He Yao Zong (4)	900,000	0	900,000	0	*
Madhoomatee Lowtan (4)	1,050,000	0	1,050,000	0	*
Kathy H. Liu (4)	225,000	0	225,000	0	*
David Weinstein (4)	0	30,000	30,000	0	*
Mirador Consulting Inc.	100,000	185,000	285,000	0	*
Ira Weingarten	15,000	25,000	25,000	15,000	*
Ira Mark Weingarten	50,000	0	50,000	0	*
John H. Dakin (4)	25,000	380,938	25,000	380,938	*
Steve Chizzik	50,000	100,000	150,000	0	*
Ciro Didonna	0	40,000	40,000	0	*
Broadmark Capital, LLC (4)	0	50,000	50,000	0	*
Mark Dewhirst	0	24,000	14,000	10,000	*
Claude Tihon (5)	109,997	161,000	61,000	209,997	*
Lasalle D. Leffall, Jr (6)	89,216	150,000	50,000	189,216	*
Donald S. Beard	346,000	146,872	146,872	346,000	*
Gloria Li	102,491	24,000	14,000	112,491	*
Robert A. Barnett	0	24,000	14,000	10,000	*
David Needham	0	24,000	14,000	10,000	*
Arnold Melman	0	35,470	25,470	10,000	*
Spencer J. Volk (7)	2,115,085	1,850,000	1,850,000	2,115,085	2%
Strategic Growth International, Inc.	0	350,000	350,000	0	*

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(1) We have computed "beneficial ownership" in accordance Rule 13d-3(d) promulgated by the SEC under the Securities Exchange Act of 1934 for purposes of this table. Therefore, the table reflects a person as having "beneficial ownership" of shares of Common Stock if such person has the right to acquire such shares within 60 days of August 20, 2003. For purposes of computing the percentage of outstanding shares of Common Stock held by each person or group of persons named above, we have assumed to be outstanding any security which such person or persons has or have the right to acquire within that 60-day period. All of the Warrants are currently exercisable and, therefore, the Selling Stockholders may be deemed to be the beneficial owner of the shares of Common Stock underlying such Warrants pursuant to Rule 13d-3(d). However, securities that may be acquired within that 60-day period are not deemed to be outstanding for purposes of computing the percentage ownership of any other person. Notwithstanding the foregoing, for purposes of this table, we have not, however, included the Shares underlying warrants and registered hereby under the column "Securities Beneficially Owned Prior to Offering--Common Stock." Instead, the Shares are reflected under the column "Securities Offered Hereby." Except as indicated in the footnotes to this table and pursuant to applicable community property laws, the Company believes, based on information supplied by such persons, that the persons named in this table have sole voting and investment power with respect to all shares of Common Stock which they beneficially own.

(2) Represents the maximum number of shares of Common Stock issuable to each Selling Stockholder upon exercise in full of Warrants issued or issuable thereto.

(3) Assumes the eventual sale of all Shares by each Selling Stockholder. There can be no assurance that any Selling Stockholder will sell any or all of the Shares owned thereby or issuable thereto.

(4) The Selling Stockholder is a registered broker-dealer or an affiliate of a registered broker-dealer.

(5) Dr. Tihon is a member of our Board of Directors.

(6) Dr. Leffall was a member of our Board of Directors until September 2002.

(7) Mr. Volk was our President, Chief Executive Officer and a member of our Board of Directors until October 2002.

* Less than 1%.

PLAN OF DISTRIBUTION

The Selling Stockholders may, in their discretion, offer and sell Shares from time to time on The American Stock Exchange or otherwise at prices and on terms then prevailing at prices related to the then-current market price, or at negotiated prices. The distribution of the Shares may be effected from time to time in one or more transactions including, without limitation:

- ordinary brokerage transactions and transactions in which the broker solicits purchasers;
- transactions involving block trades;
- purchases by a broker, dealer or underwriter as principal and resale by that person for its own account under this Prospectus;
- put or call option transactions;
- privately negotiated transactions; or
- by any other legally available means.

In effecting sales, broker-dealers or agents engaged by the Selling Stockholders may arrange for other broker-dealers or agents to participate. From time to time, one or more of the Selling Stockholders may pledge, hypothecate or grant a security interest in some or all of the Shares owned thereby, and the pledgees, secured parties or persons to whom such securities have been hypothecated shall, upon foreclosure in the event of default, be deemed to be Selling Stockholders under this Prospectus. In addition, the Selling Stockholders may from time to time sell short the Common Stock of the Company and, in such instances, this Prospectus may be delivered in connection with such short sale and the Shares offered hereby may be used to cover such short sale.

Sales of Selling Stockholders' Shares may also be made pursuant to Rule 144 under the Securities Act of 1933, where applicable. The Selling Stockholders' Shares may also be offered in one or more underwritten offerings, on a firm commitment or best efforts basis. The Company will receive no proceeds from the sale of Shares by the Selling Stockholders, although it will receive the exercise price upon any exercise of Warrants.

To the extent required under the Securities Act of 1933, the aggregate amount of Selling Stockholders' Common Stock being offered and the terms of the offering, the names of any such agents, brokers, dealers or underwriters and any applicable commission with respect to a particular offer will be set forth in an accompanying Prospectus supplement. Any underwriters, dealers, brokers or agents participating in the distribution of the Shares may receive compensation in the form of underwriting discounts, concessions, commissions or fees from a Selling Stockholder and/or purchasers of Selling Stockholders' Shares, for whom they may act. In addition, Selling Stockholders may be deemed to be underwriters under the Securities Act and any profits on the sale of Shares by them may be deemed to be discounts or commissions under the Securities Act. Selling Stockholders may have other business relationships with the Company or its affiliates in the ordinary course of business.

From time to time, each of the Selling Stockholders may transfer, pledge, donate or assign their Shares to lenders, family members and others and each of such persons will be deemed to be a Selling Stockholder for purposes of this Prospectus. The number of Shares beneficially owned by those Selling Stockholders who transfer, pledge, donate or assign Shares will decrease as and when they take such actions. The plan of distribution for the Shares sold hereunder will otherwise remain unchanged, except that the transferees, pledgees, donees or other successors will be Selling Stockholders hereunder.

Without limiting the foregoing, in connection with distributions of the Shares, a Selling Stockholder may enter into hedging transactions with broker-dealers and the broker-dealers may engage in short sales of the Common Stock in the course of hedging the positions they assume with such Selling Stockholder. A Selling Stockholder may also enter into option or other transactions with broker-dealers that involve the delivery of Shares to the broker-dealers, who may then resell or otherwise transfer such Shares. A Selling Stockholder may also lend or pledge Shares to a broker-dealer and the broker-dealer may sell the Shares so borrowed or, upon default, may sell or otherwise transfer the pledged Shares.

Under applicable rules and regulations under the Securities Exchange Act, any person engaged in the distribution of the Common Stock may not bid for or purchase shares of Common Stock during a period which commences one business day (five business days, if the Company's public float is less than $25 million or its average daily trading volume is less than $100,000) prior to such person's participation in the distribution, subject to exceptions for certain passive market making activities. In addition and without limiting the foregoing, each Selling Stockholder will be subject to applicable provisions of the Securities Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M, which provisions may limit the timing of purchases and sales of shares of the Company's Common Stock by such Selling Stockholder.

The Company is bearing all costs relating to the registration of the Shares (other than fees and expenses, if any, of counsel or other advisors to the Selling Stockholders). Any commissions, discounts or other fees payable to broker-dealers in connection with any sale of the Shares will be borne by the Selling Stockholders selling such Shares.

The Company may indemnify the Selling Stockholders in certain circumstances, against certain liabilities, including liabilities arising under the Securities Act of 1933.

LEGAL MATTERS

The legality of the securities in this offering has been passed upon for us by our counsel, Venable, Baetjer, Howard & Civiletti, LLP of Washington, DC.

EXPERTS

Our financial statements at September 30, 2000, 2001 and 2002 and for the years ended September 30, 2000, 2001 and 2002 are incorporated by referenced into this Prospectus from our Annual Report on Form 10-K/A for the year ended September 30, 2002 have been audited by Stegman & Co., independent accountants, and are so incorporated by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

We estimate that our expenses to be paid in connection with the offering (other than placement agent discounts, commissions and reasonable expense allowances), all of which will be paid by the Company, will be as follows:

SEC Registration Fee	$ 1,635
American Stock Exchange Listing Fee	$ 21,500
Accounting Fees and Expenses	$ 500 *
Legal Fees and Expenses	$ 40,000 *
Printing and Engraving	$ 500 *
Miscellaneous	$ 2,500 *
Total	$ 66,635

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*These are estimated amounts.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Company is organized under the laws of the State of Delaware. Our Certificate of Incorporation provides that we shall indemnify our current and former directors and officers, and may indemnify our current and former employees and agents, against any and all liabilities and expenses incurred in connection with their services in those capacities to the maximum extent permitted by Delaware law.

The Delaware General Corporation Law (the "DGCL") provides that a Delaware corporation has the power generally to indemnify its current and former directors, officers, employees and other agents (each, a "Corporate Agent") against expenses and liabilities (including amounts paid in settlement) in connection with any proceeding involving such person by reason of his being a Corporate Agent, other than a proceeding by or in the right of the corporation, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, such person had no reasonable cause to believe his conduct was unlawful.

In the case of an action brought by or in the right of the corporation, indemnification of a Corporate Agent is permitted if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. However, no indemnification is permitted in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which such proceeding was brought shall determine upon application that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to such indemnification.

To the extent that a Corporate Agent has been successful on the merits or otherwise in the defense of such proceeding, whether or not by or in the right of the corporation, or in the defense of any claim, issue or matter therein, the corporation is required to indemnify such person for expenses in connection therewith. Under the DGCL, the corporation may advance expenses incurred by a Corporate Agent in connection with a proceeding, provided that the Corporate Agent undertakes to repay such amount if it shall ultimately be determined that such person is not entitled to indemnification. Our Certificate of Incorporation requires us to advance expenses to any person entitled to indemnification, provided that such person undertakes to repay the advancement if it is determined in a final judicial decision from which there is no appeal that such person is not entitled to indemnification.

The power to indemnify and advance the expenses under the DGCL does not exclude other rights to which a Corporate Agent may be entitled to under the Certificate of Incorporation, by laws, agreement, vote of stockholders or disinterested directors or otherwise.

Our Certificate of Incorporation permits us to secure insurance on behalf of our directors, officers, employees and agents for any expense, liability or loss incurred in such capacities, regardless of whether the Certificate of Incorporation or Delaware law would permit indemnification against such expense, liability or loss.

The purpose of these provisions is to assist us in retaining qualified individuals to serve as our directors, officers, employees and agents by limiting their exposure to personal liability for serving as such.

ITEM 16. EXHIBITS.

EXHIBIT NO.	DESCRIPTION
4.1	Certificate of Incorporation of Celsion Corporation (the "Company"), as amended through June 5, 2001, and as in effect on August 14, 2001 (incorporated by reference to Exhibit 3.1 of the Quarterly Report of the Company on Form 10-Q for the quarter ended June 30, 2001).
4.2	By-laws of the Company, as amended, incorporated herein by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q of the Company for the Quarter Ended June 30, 2001.
4.3+	Form of Warrant to Purchase Common Stock pursuant to the Private Placement Memorandum (the "PPM") of the Company dated May 30, 2003 as supplemented.
4.4+	Form of Warrant issued to the Placement Agents pursuant to the PPM
4.5+	Agreement dated April 8, 2003 between the Company and Strategic Growth International, Inc.
4.6+	Letter Agreement dated June 1, 2003 between the Company and Goldpac Investment Partners Ltd.
4.7+	Finder's Fee Agreement dated as of June 30, 2003,between the Company and National Securities Corporation
4.8+	Finder's Fee Agreement dated as of June 30, 2003 between the Company and Intercoastal Financial Services Corporation
5.1*	Opinion of Venable, Baetjer, Howard & Civiletti, LLP re: Legality
10.1+	License Agreement dated July 18, 2003 between the Company and Duke University. (Confidential treatment requested.)
10.2+	Agreement Regarding Retirement and Resignation dated October 4, 2001 between the Company and Spencer J. Volk.
23.1+	Consent of Stegman & Company, independent public accountants of the Company.
23.2*	Consent of Venable, Baetjer, Howard & Civiletti, LLP. (included in Exhibit 5.1).
24.1+	Power of Attorney (included in Signature Page).

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+ Denotes exhibits filed herewith.
* Denotes exhibits to be filed by amendment.

ITEM 17. UNDERTAKINGS.

(A) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs A(1)(i) and A(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment to this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(B) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(C) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Under the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Columbia, Maryland, on the 26th day of August 2003.

CELSION CORPORATION

By: /s/Augustine Y.Cheung

Augustine Y. Cheung
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Augustine Y. Cheung and John Mon and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, or any related registration statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Augustine Y. Cheung Augustine Y. Cheung	Director, President and Chief Executive Officer (Principal Executive Officer)	August 26, 2003
/s/ Anthony P. Deasey Anthony P. Deasey	Executive Vice President--Finance and Administration and Chief Financial Officer (Principal Financial and Accounting Officer)	August 26, 2003
/s/ John Mon John Mon	Vice President, Secretary, Treasurer and Director	August 26, 2003
/s/ Max E. Link Max E. Link	Chairman of the Board of Directors	August 26, 2003
/s/ Gary W. Pace Gary W. Pace	Director	August 26, 2003
/s/ Claude Tihon Claude Tihon	Director	August 26, 2003
/s/ Kris Venkat Kris Venkat	Director	August 26, 2003

Definitive

CORPORATION

FORM OF WARRANT

THE SECURITIES REPRESENTED HEREBY AND ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. SUCH SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Serial Number:

CELSION CORPORATION

WARRANT TO PURCHASE SHARES OF COMMON STOCK

VOID AFTER _____, 2008

1. Warrant to Purchase Common Stock.

1.1 Warrant to Purchase Shares. This warrant (this "Warrant") certifies that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____(the "Warrant Holder") is entitled, effective as of _____, 2003, subject to the terms and conditions of this Warrant, to purchase from Celsion Corporation, a Delaware corporation (the "Company"), up to a total of _____ shares (the "Shares") of Common Stock, par value $0.01 per share, of the Company (the "Common Stock"), at the price of $1.20 per share (the "Exercise Price") prior to 5:00 p.m. prevailing Eastern time on _____, 2008 (the "Expiration Date"), subject to earlier call by the Company as provided in Section 4 hereof (the "Call"). The Warrant must be exercised, if at all, in whole or in part, any time on or before the Expiration Date, subject to earlier Call by the Company. Unless the context otherwise requires, the term "Shares" shall mean and include the Common Stock of the Company and other securities and property at any time receivable or issuable upon exercise of this Warrant. The term "Warrant" as used herein, shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein.

1.2 Adjustment of Exercise Price and Number of Shares. The number and character of Shares issuable upon exercise of this Warrant (or any shares of stock or other securities or property at the time receivable or issuable upon exercise of this Warrant) and the Exercise Price therefor, are subject to adjustment upon occurrence of the following events:

(a) Adjustment for Stock Splits, Stock Dividends, Recapitalizations, etc. The Exercise Price of this Warrant and the number of Shares issuable upon exercise of this Warrant each

Definitive

shall be proportionally adjusted to reflect any stock dividend, stock split, reverse stock split, combination of shares, reclassification, recapitalization or other similar event altering the number of outstanding shares of the Company's Common Stock.

(b) Adjustment for Other Dividends and Distributions. In case the Company shall make or issue, or shall fix a record date for the determination of eligible holders entitled to receive, a dividend or other distribution with respect to the Common Stock payable in securities of the Company then, and in each such case, the Warrant Holder, on exercise of this Warrant at any time after the consummation, effective date or record date of such event, shall receive, in addition to the Shares (or such other stock or securities) issuable on such exercise prior to such date, the securities of the Company to which such Warrant Holder would have been entitled upon such date if such Warrant Holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

(c) Adjustment for Capital Reorganization, Consolidation, Merger. If any capital reorganization of the capital stock of the Company, or any consolidation or merger of the Company with or into another corporation, or the sale of all or substantially all of the Company's assets to another corporation shall be effected in such a way that holders of the Company's Common Stock will be entitled to receive stock, securities or assets with respect to or in exchange for the Company's Common Stock, then in each such case the Warrant Holder, upon the exercise of this Warrant at any time after the consummation of such capital reorganization, consolidation, merger, or sale, shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise of this Warrant prior to such consummation, the stock or other securities or property to which such Warrant Holder would have been entitled upon such consummation if such Warrant Holder had exercised this Warrant immediately prior to the consummation of such capital reorganization, consolidation, merger, or sale, all subject to further

adjustment as provided in this Section 1.2; and in each such case, the terms of this Warrant shall be applicable to the shares of stock or other securities or property receivable upon the exercise of this Warrant after such consummation.

2. Manner of Exercise.

2.1 Exercise Agreement. This Warrant may be exercised, in whole or in part, on any business day on or prior to the Expiration Date, subject to earlier Call by the Company. To exercise this Warrant, the Warrant Holder must surrender to the Company this Warrant and deliver to the Company: (a) a duly executed exercise agreement in the form attached hereto as Exhibit A, or in such other form as may be approved by the Company from time to time (the "Warrant Exercise Agreement"); (b) if applicable, a spousal consent in the form attached hereto as Exhibit B (a "Spousal Consent"); and (c) payment in full of the Exercise Price for the number of Shares to be purchased upon exercise hereof. If someone other than the Warrant Holder exercises this Warrant, then such person must submit to the Company each of the items set forth in clauses (a) through (c) of the foregoing sentence (to the extent applicable) and, in addition, must submit documentation acceptable to the Company that such person has the right to exercise this Warrant. Upon a partial exercise, this Warrant shall be surrendered, and a new Warrant of like tenor for purchase of the number of remaining Shares not previously purchased shall be issued by the Company to the Warrant Holder. This Warrant shall be deemed to have been exercised

immediately prior to the close of business on the date of its surrender or, if such date is not a business day, then as of the close of business on the next succeeding business day, for exercise as provided above, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such deemed exercise date.

2.2 Limitations on Exercise. This Warrant may not be exercised as to fewer than one hundred (100) Shares unless it is exercised as to all Shares as to which this Warrant is then exercisable.

2.3 Payment. The Exercise Agreement shall be accompanied by full payment of the Exercise Price for the Shares being purchased in cash (by certified or cashiers check or wire transfer or other immediately available funds) or, where permitted by law and provided that a public market for the Company's stock exists, (a) through a "same day sale" commitment from the Warrant Holder and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer"), whereby the Warrant Holder irrevocably elects to exercise this Warrant and to sell a portion of the Shares so purchased to pay for the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company or (b) through a "margin" commitment from the Warrant Holder and an NASD Dealer, whereby the Warrant Holder irrevocably elects to exercise this Warrant and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company.

2.4 Tax Withholding. Prior to the issuance of the Shares upon exercise of this Warrant, the Warrant Holder must pay or provide for any applicable federal or state withholding obligations of the Company.

2.5 Issuance of Shares. Provided that the Exercise Agreement, the spousal consent, if necessary, and payment have been received by the Company as provided in Section 2.3 hereof, the Company shall issue the Shares (adjusted as provided herein) registered in the name of the Warrant Holder, the Warrant Holder's authorized assignee, or the Warrant Holder's legal representative, and shall deliver one or more certificates representing the Shares as the Warrant Holder reasonably may request with the appropriate legends affixed thereto.

3. Registration of the Shares. The Shares are subject to registration under the Securities Act of 1933, as amended pursuant to Section 4 of the Subscription Agreement entered into between the Company and the Warrant Holder in connection with the sale and purchase of this Warrant (the "Subscription Agreement").

4. Redemption. The Company, at its sole discretion, may, at any time and from time to time after the date hereof, Call, redeem and cancel all or any part of the outstanding Warrants upon the payment of consideration consisting of $0.0001 per Share for each Share subject to a Warrant redeemed and cancelled; provided, however, that any such redemptions and cancellations may be made by the Company only upon thirty (30) calendar days' prior written notice (the "Redemption Date" being the close of business on the thirtieth (30th) day following the date the notice is deemed to be given to Warrant

Holders pursuant to Section 9 hereof or, if such day is not a business day, then the close of business on the next succeeding business day) and only if the closing sales price for a share of the Company's Common Stock as reported on The American Stock Exchange or similar national market has been equal to or greater than $2.75 for any period of at least twenty (20) consecutive trading days commencing on or after the date hereof; and provided further that the holder of any Warrant subject to such redemption and cancellation may exercise such Warrant at any time prior to the expiration of the thirty (30)-day notice period; and provided further that the Company's right to redeem and cancel the Warrant shall be suspended in the event the shelf registration statement required under Section 4 of the Subscription Agreement is subject to a stop order or is otherwise not in effect or if a Warrant Holder is advised under Section 4(c) of the Subscription Agreement that the prospectus thereto contains a material misstatement or omission during any portion of the thirty (30)-day notice period, with such suspension to terminate and the Company's right to redeem and cancel to be reinstated on the day following the day on which (i) a registration statement covering the Shares is effective and not subject to any stop orders and (ii) the Company has delivered to the Warrant Holder a prospectus covering the Shares of such Warrant Holder under Section 4(c) of the Subscription Agreement. The notice period shall then be extended for a period equal to the number of days during the notice period during which registration was not effective or the prospectus was not available or contained a material misstatement or omission. If less than all of the outstanding Warrants are Called, redeemed and cancelled, Warrants shall be Called, redeemed and cancelled on a pro rata basis.

5. Compliance with Laws and Regulations. The exercise of this Warrant and the issuance and transfer of Shares shall be subject to compliance by the Company and the Warrant Holder with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange and/or over-the-counter market on which the Company's Common Stock may be listed at the time of such issuance or transfer.

6. Transfer and Exchange. This Warrant and the rights hereunder may not be transferred in whole or in part without the Company's prior written consent, which consent shall not be unreasonably withheld, and may not be transferred unless such transfer complies with all applicable securities laws. If a transfer of all or part of this Warrant is permitted as provided in the preceding sentence, then this Warrant and all rights hereunder may be transferred, in whole or in part, on the books of the Company or its agent maintained for such purpose at the principal office of the Company or its agent, as the case may be, by the Warrant Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant properly endorsed and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. Upon any permitted partial transfer, the Company will issue and deliver to the Warrant Holder a new Warrant or Warrants of like tenor with respect to the portion of the Warrant not so transferred. Each taker and holder of this Warrant or any portion hereof, by taking or holding the same, consents and agrees to be bound by the terms, conditions, representations and warranties hereof, including the registration provisions contained in Section 4 of the Subscription Agreement, (and as a condition to any transfer of this Warrant the transferee shall execute a Subscription Agreement or such other document of instrument as the Company may require confirming the same), and, when this Warrant shall have been so endorsed, the person in possession of this Warrant may be treated by the Company, and all other persons dealing with this Warrant, as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, any notice to the contrary notwithstanding; provided, however

that until a transfer of this Warrant is duly registered on the books of the Company or its agent, the Company may treat the holder of this Warrant as the owner of this Warrant for all purposes.

7. Privileges of Stock Ownership. The Warrant Holder shall not have any of the rights of a shareholder with respect to any Shares until such time, if any, as the Warrant Holder exercises this Warrant and pays the Exercise Price in accordance with the terms of Section 2 hereof and complies with any other applicable provisions of this Agreement.

8. Entire Agreement. The Warrant Exercise Agreement attached as Exhibit A hereto and, to the extent applicable, the Spousal Consent attached as Exhibit B hereto, are incorporated herein by reference. This Warrant, the Warrant Exercise Agreement, the Spousal Consent, to the extent applicable, the Representations and Warranties of the Warrant Holder, as Investor, set forth in the Subscription Agreement and the Subscription Agreement otherwise for the purposes and to the extent set forth herein, constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof.

9. Notices. Any notice required to be given or delivered to the Company under the terms of this Warrant shall be in writing and addressed to the Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to the Warrant Holder shall be in writing and addressed to the Warrant Holder at the address indicated below or at such other address as such Warrant Holder may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered: upon personal delivery; five (5) calendar days after deposit in the United States mail by certified or registered mail (return receipt requested) with postage thereon prepaid; one (1) business day after deposit for next business day delivery with any reputable return receipt express courier (prepaid); or one (1) business day after transmission by fax or telecopier with confirmation of transmission thereof.

10. Successors and Assigns. This Warrant shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Warrant shall be binding upon and inure to the benefit of the Warrant Holder and the Warrant Holder's heirs, executors, administrators, legal representatives, successors and permitted assigns.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Maryland as such laws are applied to agreements between Maryland residents entered into and to be performed entirely within Maryland.

12. Acceptance. The Warrant Holder has read and understands the terms of this Warrant, and accepts this Warrant subject to all the terms and conditions hereof. The Warrant Holder acknowledges that there may be adverse tax consequences upon exercise of this Warrant or disposition of the Shares and that the Warrant Holder should consult a tax adviser prior to such exercise or disposition.

[Signature Page Follows.]

COMPANY SIGNATURE

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its Chief Financial Officer as of _____, 2003.

CELSION CORPORATION

Signed: _____

Printed: Anthony P. Deasey

Title: Executive Vice President-Finance and Administration, Chief Financial Officer

Address: 10220-I Old Columbia Road
Columbia, Maryland 21046-1785

WARRANT HOLDER SIGNATURE

IN WITNESS WHEREOF, the Warrant Holder has executed this Warrant or has caused this Warrant to be executed by its _____ as of _____ ____, 2003.

INDIVIDUAL WARRANT HOLDER:

Signed: _____

Printed: _____

Address: _____

_____

_____

WARRANT HOLDER THAT IS AN ENTITY

Name of Entity: _____

Signed: _____

Printed: _____

Title: _____

Address: _____

_____

_____

[SIGNATURE PAGE TO WARRANT]

EXHIBIT A

CELSION CORPORATION
WARRANT EXERCISE AGREEMENT

CELSION CORPORATION
10220-I Old Columbia Road
Columbia, Maryland 21046-1785
Attention: Chief Financial Officer

The Warrant Holder hereby elects to purchase the number of shares (the "Shares") of the Common Stock, par value $0.01 per share, of Celsion Corporation (the "Company"), as set forth below, pursuant to that certain Warrant dated as of the date set forth below (the "Warrant"), the terms and conditions of which are hereby incorporated by reference herein (please print):

Warrant Holder:_____

Social Security or Tax I.D. No.:_____

Address: _____

Warrant Date:_____

Date of Exercise:_____

Exercise Price Per Share:_____

Number of Shares Subject to Exercise and Purchase:_____

Total Exercise Price:_____

Exact Name of Title to Shares:_____

The Warrant Holder hereby delivers to the Company the Total Exercise Price as follows (check and complete as appropriate):

1. in cash in the amount of $_____, receipt of which is acknowledged by the Company;

2. through a "same day sale commitment" from the Warrant Holder and the broker named below in the amount of $_____ and substantially in the form attached hereto as Attachment 1; or

3. through a "margin commitment" from the Warrant Holder and the broker named below in the amount of $_____ and substantially in the form attached hereto as Attachment 2.

Broker: Brokerage Firm:

Tax Consequences. THE COMPANY IS UNDER NO OBLIGATION TO REPORT THE EXERCISE OF THIS WARRANT TO THE INTERNAL REVENUE SERVICE OR ANY TAXING AUTHORITY OF ANY STATE, LOCAL OR OTHER JURISDICTION. THE WARRANT HOLDER

UNDERSTANDS THAT HE, SHE OR IT MAY SUFFER ADVERSE TAX CONSEQUENCES AS A RESULT OF THE WARRANT HOLDER'S PURCHASE OR DISPOSITION OF THE SHARES. THE WARRANT HOLDER REPRESENTS THAT HE, SHE OR IT HAS CONSULTED WITH ANY TAX CONSULTANT(S) THE WARRANT HOLDER DEEMS ADVISABLE IN CONNECTION WITH THE PURCHASE OR DISPOSITION OF THE SHARES AND THAT THE WARRANT HOLDER IS NOT RELYING ON THE COMPANY FOR ANY TAX ADVICE.

- ---
Name of Warrant Holder

- ---
Signature of Warrant Holder

- ---
Printed Name

- ---
Title

EXHIBIT B

CELSION CORPORATION
SPOUSAL CONSENT
TO
WARRANT EXERCISE AGREEMENT

The undersigned spouse of the Warrant Holder has read, understands, and hereby approves the Warrant Exercise Agreement between the Warrant Holder and the Company (the "Agreement"). In consideration of the Company's granting the Warrant Holder the right to purchase the Shares as set forth in the Agreement, the undersigned hereby agrees to be bound irrevocably by the Agreement and further agrees that any community property interest shall similarly be bound by the Agreement. The undersigned hereby appoints the Warrant Holder as his or her attorney in fact with respect to any amendment or exercise of any rights under the Agreement.

Date:

Signature of Warrant Holder's Spouse

Address:

ATTACHMENT 1

SAME DAY SALE COMMITMENT

--------------, -------

Celsion Corporation
10220-I Old Columbia Road
Columbia, Maryland 21046-1785
Attention: Chief Financial Officer

The undersigned Warrant Holder ("Warrant Holder") desires to exercise that certain warrant described in the attached Warrant Exercise Agreement (the "Warrant") with respect to _____ shares of Celsion Corporation (the "Company") Common Stock (the "Number of Shares"), and to sell immediately _____ of the Number of Shares (the "Same Day Sale Shares") through the undersigned broker (the "Broker") and for the Broker to pay directly to the Company from the proceeds from such sale $_____ (the "Exercise Price").

Accordingly, the Warrant Holder hereby represents that the Warrant Holder: (i) hereby irrevocably exercises the Warrant with respect to the Number of Shares and (ii) hereby irrevocably elects to sell through the Broker the Same Day Sale Shares and unconditionally authorizes the Company or its transfer agent to deliver certificates representing the Same Day Sale Shares to the Broker.

The Broker hereby represents that the Broker: (i) is a member in good standing of the National Association of Securities Dealers, Inc. and (ii) irrevocably commits to pay to the Company, no more than one (1) business day after receiving certificates representing the Same Day Sale Shares, the Exercise Price by check or wire transfer to an account specified by the Company.

WARRANT HOLDER:	BROKER:
- ----------	----------
(Name)	(Name of Firm)
- ----------	----------
(Signature)	(Signature)
- ----------	----------
(Printed Name)	(Printed Name)
- ----------	----------
(Title)	(Title)

ATTACHMENT 2

MARGIN COMMITMENT

----------, -------

CELSION CORPORATION
10220-I Old Columbia Road
Columbia, Maryland 21046-1785
Attention: Chief Financial Officer

The undersigned Warrant Holder ("Warrant Holder") desires to exercise that certain warrant described in the attached Warrant Exercise Agreement (the "Warrant") with respect to _____ shares of Celsion Corporation (the "Company") Common Stock (the "Number of Shares"), and to pledge immediately _____ of the Number of Shares (the "Margin Shares") through the undersigned broker (the "Broker") as security for a loan from the Broker and for the Broker to pay directly to the Company $_____ (the "Exercise Price").

Accordingly, the Warrant Holder hereby represents that the Warrant Holder: (i) hereby irrevocably exercises the Warrant with respect to the Number of Shares and (ii) hereby irrevocably elects to pledge to the Broker the Margin Shares and unconditionally authorizes the Company or its transfer agent to deliver certificates representing the Margin Shares to the Broker.

The Broker hereby represents that the Broker: (i) is a member in good standing of the National Association of Securities Dealers, Inc. and (ii) irrevocably commits to pay to the Company, no more than one (1) business day after receiving certificates representing the Margin Shares, the Exercise Price by check or wire transfer to an account specified by the Company.

WARRANT HOLDER:	BROKER:
- ----------	----------
(Name)	(Name of Firm)
- ----------	----------
(Signature)	(Signature)
- ----------	----------
(Printed Name)	(Printed Name)
- ----------	----------
(Title)	(Title)

EXHIBIT 4.4

CELSION CORPORATION

FORM OF PLACEMENT AGENT WARRANT

THE SECURITIES REPRESENTED HEREBY AND ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. SUCH SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION THEREUNDER OR EXEMPTIONS FROM SUCH REGISTRATION REQUIREMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

CELSION CORPORATION
WARRANT TO PURCHASE SHARES OF COMMON STOCK
VOID AFTER JULY 23, 2008

1. Warrant to Purchase Common Stock.

1.1 Warrant to Purchase Shares. This warrant (this "Warrant") certifies that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____ (the "Warrant Holder") is entitled, effective as of July 23, 2003, subject to the terms and conditions of this Warrant, to purchase from Celsion Corporation, a Delaware corporation (the "Company"), up to a total of _____ shares (the "Shares") of Common Stock, par value $0.01 per share, of the Company (the "Common Stock"), at the price of $1.20 per share (the "Exercise Price") prior to 5:00 p.m. prevailing Eastern time on July 23, 2008 (the "Expiration Date"), subject to earlier call by the Company as provided in Section 4 hereof (the "Call"). The Warrant must be exercised, if at all, in whole or in part, any time on or before the Expiration Date, subject to earlier Call by the Company. Unless the context otherwise requires, the term "Shares" shall mean and include the Common Stock of the Company and other securities and property at any time receivable or issuable upon exercise of this Warrant. The term "Warrant" as used herein, shall include this Warrant and any warrants delivered in substitution or exchange therefor as provided herein.

1.2 Adjustment of Exercise Price and Number of Shares. The number and character of Shares issuable upon exercise of this Warrant (or any shares of stock or other securities or property at the time receivable or issuable upon exercise of this Warrant) and the Exercise Price therefor, are subject to adjustment upon occurrence of the following events:

(a) Adjustment for Stock Splits, Stock Dividends, Recapitalizations, etc. The Exercise Price of this Warrant and the number of Shares issuable upon exercise of this Warrant each shall be proportionally adjusted to reflect any stock dividend, stock split, reverse stock split, combination of shares, reclassification, recapitalization or other similar event altering the number of outstanding shares of the Company's Common Stock.

(b) Adjustment for Other Dividends and Distributions. In case the Company shall make or issue, or shall fix a record date for the determination of eligible holders entitled to receive, a dividend or other distribution with respect to the Common Stock payable in securities of the Company then, and in each such case, the Warrant Holder, on exercise of this Warrant at any time after the consummation, effective date or record date of such event, shall receive, in addition to the Shares (or such other stock or securities) issuable on such exercise prior to such date, the securities of the Company to which such Warrant Holder would have been entitled upon such date if such Warrant Holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

(c) Adjustment for Capital Reorganization, Consolidation, Merger. If any capital reorganization of the capital stock of the Company, or any consolidation or merger of the Company with or into another corporation, or the sale of all or substantially all of the Company's assets to another corporation shall be effected in such a way that holders of the Company's Common Stock will be entitled to receive stock, securities or assets with respect to or in exchange for the Company's Common Stock, then in each such case the Warrant Holder, upon the exercise of this Warrant at any time after the consummation of such capital reorganization, consolidation, merger, or sale, shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise of this Warrant prior to such consummation, the stock or other securities or property to which such Warrant Holder would have been entitled upon such consummation if such Warrant Holder had exercised this Warrant immediately prior to the consummation of such capital reorganization, consolidation, merger, or sale, all subject to further adjustment as provided in this Section 1.2; and in each such case, the terms of this Warrant shall be applicable to the shares of stock or other securities or property receivable upon the exercise of this Warrant after such consummation.

2. Manner of Exercise.

2.1 Exercise Agreement. This Warrant may be exercised, in whole or in part, on any business day on or prior to the Expiration Date, subject to earlier Call by the Company. To exercise this Warrant, the Warrant Holder must surrender to the Company this Warrant and deliver to the Company: (a) a duly executed exercise agreement in the form attached hereto as Exhibit A,

or in such other form as may be approved by the Company from time to time (the "Warrant Exercise Agreement"); (b) if applicable, a spousal consent in the form attached hereto as Exhibit B (a "Spousal Consent"); and (c) payment in full of the Exercise Price for the number of Shares to be purchased upon exercise hereof in accordance with Section 2.3 hereof. If someone other than the Warrant Holder exercises this Warrant, then such person must submit to the Company each of the items set forth in clauses (a) through (c) of the foregoing sentence (to the extent applicable) and, in addition, must submit documentation acceptable to the Company that such person has the right to exercise this Warrant. Upon a partial exercise, this Warrant

shall be surrendered, and a new Warrant of like tenor for purchase of the number of remaining Shares not previously purchased shall be issued by the Company to the Warrant Holder. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender or, if such date is not a business day, then as of the close of business on the next succeeding business day, for exercise as provided above, and the person entitled to receive the Shares issuable upon such exercise shall be treated for all purposes as the holder of record of such Shares as of the close of business on such deemed exercise date.

2.2 Limitations on Exercise. This Warrant may not be exercised as to fewer than one hundred (100) Shares unless it is exercised as to all Shares as to which this Warrant is then exercisable.

2.3 Payment.

(a) Cash; Same Day Sale; Margin Commitment. Except as otherwise provided in Paragraph (b) of this Section 2.3, the Exercise Agreement shall be accompanied by full payment of the Exercise Price for the Shares being purchased in cash (by certified or cashiers' check or wire transfer or other immediately available funds) or, where permitted by law and provided that a public market for the Company's stock exists, (a) through a "same day sale" commitment from the Warrant Holder and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer"), whereby the Warrant Holder irrevocably elects to exercise this Warrant and to sell a portion of the Shares so purchased to pay for the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company or (b) through a "margin" commitment from the Warrant Holder and an NASD Dealer, whereby the Warrant Holder irrevocably elects to exercise this Warrant and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company.

(b) Net Exercise. Notwithstanding any provisions herein to the contrary, if the per share fair market value of the Common Stock is greater than the Exercise Price (at the date of calculation as set forth below, which date shall be the date of surrender of this Warrant or, if such date is not a business day, then as of the close of business on the next succeeding business day), the Holder may elect to receive Shares equal to the net value (as determined below) of this Warrant by surrender of this Warrant at the principal office of the Company together with the properly Warrant Exercise Agreement reflecting such election, in which event the Company shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where X = the number of Shares to be issued to the Holder

Y = the number of Shares purchasable under the Warrant

A = the fair market value of one Share (at the date of calculation)

B = the Exercise Price (as adjusted to the date of calculation)

For purposes of the above calculation, the fair market value of one Share shall be determined by the Company's Board of Directors in good faith; provided, however, that where there exists a public market for the Company's Common Stock at the time of such exercise, the fair market value per Share shall be equal to the average of last reported sale prices of the Common Stock or the closing prices quoted on The American Stock Market or on any other exchange on which the Common Stock is listed, whichever is applicable, for the five (5) trading days prior to the date of determination of fair market value or, if the Common Stock is not then traded on an exchange, then average of the closing bid and asked prices of the Common Stock quoted in the Over-The-Counter Market Summary for such five- (5)-day period.

2.4 Tax Withholding. Prior to the issuance of the Shares upon exercise of this Warrant, the Warrant Holder must pay or provide for any applicable federal or state withholding obligations of the Company.

2.5 Issuance of Shares. Provided that the Exercise Agreement, the spousal consent, if necessary, and payment have been received by the Company as provided in Section 2.3 hereof, the Company shall issue the Shares (adjusted as provided herein) registered in the name of the Warrant Holder, the Warrant Holder's authorized assignee, or the Warrant Holder's legal representative, and shall deliver one or more certificates representing the Shares as the Warrant Holder reasonably may request with the appropriate legends affixed thereto.

3. Registration of the Shares. The Shares are subject to registration under the Securities Act of 1933, as amended pursuant to Section 4 of the Subscription Agreement entered into between the Company and the Warrant Holder in connection with the issuance and acquisition of this Warrant (the "Subscription Agreement").

4. Redemption. The Company, at its sole discretion, may, at any time and from time to time after the date hereof, call, redeem and cancel ("Call") all or any part of the outstanding Warrants upon the payment of consideration consisting of $0.0001 per Share for each Share subject to a Warrant redeemed and cancelled; provided, however, that any such redemptions and cancellations may be made by the Company only upon thirty (30) calendar days' prior written notice (the "Redemption Date" being the close of business on the thirtieth (30th) day following the date the notice is deemed to be given to Warrant Holders pursuant to Section 9 hereof or, if such day is not a business day, then the close of business on the next succeeding business day) and only if the closing sales price for a share of the Company's Common Stock as reported on The American Stock Exchange or similar national market has been equal to or greater than $2.75 for any period of at least twenty (20) consecutive trading days commencing on or after the date hereof; and provided further that the holder of any Warrant subject to such redemption and cancellation may exercise such Warrant at any time prior to the expiration of the thirty (30)-day notice period; and provided further that the Company's right to redeem and cancel the Warrant shall be suspended in the event the shelf registration statement required under Section 4 of the Subscription Agreement is subject to a stop order or is otherwise not in effect or if a Warrant Holder is advised under

Section 4(c) of the Subscription Agreement that the prospectus thereto contains a material misstatement or omission during any portion of the thirty (30)-day notice period, with such suspension to terminate and the Company's right to redeem and cancel to be reinstated on the day following the day on which (i) a registration statement covering the Shares is effective and not subject to any stop orders and (ii) the Company has delivered to the Warrant Holder a prospectus covering the Shares of such Warrant Holder under Section 4(c) of the Subscription Agreement. The notice period shall then be extended for a period equal to the number of days during the notice period during which registration was not effective or the prospectus was not available or contained a material misstatement or omission. If less than all of the outstanding Warrants are Called, redeemed and cancelled, Warrants shall be Called, redeemed and cancelled on a pro rata basis.

5. Compliance with Laws and Regulations. The exercise of this Warrant and the issuance and transfer of Shares shall be subject to compliance by the Company and the Warrant Holder with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange and/or over-the-counter market on which the Company's Common Stock may be listed at the time of such issuance or transfer.

6. Transfer and Exchange. This Warrant and the rights hereunder may not be transferred in whole or in part without the Company's prior written consent, which consent shall not be unreasonably withheld, and may not be transferred unless such transfer complies with all applicable securities laws. If a transfer of all or part of this Warrant is permitted as provided in the preceding sentence, then this Warrant and all rights hereunder may be transferred, in whole or in part, on the books of the Company or its agent maintained for such purpose at the principal office of the Company or its agent, as the case may be, by the Warrant Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant properly endorsed and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. Upon any permitted partial transfer, the Company will issue and deliver to the Warrant Holder a new Warrant or Warrants of like tenor with respect to the portion of the Warrant not so transferred. Each taker and holder of this Warrant or any portion hereof, by taking or holding the same, consents and agrees to be bound by the terms, conditions, representations and warranties hereof, including the registration provisions contained in Section 4 of the Subscription Agreement, (and as a condition to any transfer of this Warrant the transferee shall execute a Subscription Agreement or such other document of instrument as the Company may require confirming the same), and, when this Warrant shall have been so endorsed, the person in possession of this Warrant may be treated by the Company, and all other persons dealing with this Warrant, as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, any notice to the contrary notwithstanding; provided, however that until a transfer of this Warrant is duly registered on the books of the Company or its agent, the Company may treat the holder of this Warrant as the owner of this Warrant for all purposes.

7. Privileges of Stock Ownership. The Warrant Holder shall not have any of the rights of a shareholder with respect to any Shares until such time, if any, as the Warrant Holder exercises this Warrant and pays the Exercise Price in accordance with the terms of Section 2 hereof and complies with any other applicable provisions of this Agreement.

8. Entire Agreement. The Warrant Exercise Agreement attached as Exhibit A hereto and, to the extent applicable, the Spousal Consent attached as Exhibit B hereto, are incorporated herein by reference. This Warrant, the Warrant Exercise Agreement, the Spousal Consent, to the extent applicable, the Representations and Warranties of the Warrant Holder, as Investor, set forth in the Subscription Agreement and the Subscription Agreement otherwise for the purposes and to the extent set forth herein, constitute the entire agreement of the parties and supersede all prior undertakings and agreements with respect to the subject matter hereof.

9. Notices. Any notice required to be given or delivered to the Company under the terms of this Warrant shall be in writing and addressed to the Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to the Warrant Holder shall be in writing and addressed to the Warrant Holder at the address indicated below or at such other address as such Warrant Holder may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered: upon personal delivery; five (5) calendar days after deposit in the United States mail by certified or registered mail (return receipt requested) with postage thereon prepaid; one (1) business day after deposit for next business day delivery with any reputable return receipt express courier (prepaid); or one (1) business day after transmission by fax or telecopier with confirmation of transmission thereof.

10. Successors and Assigns. This Warrant shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Warrant shall be binding upon and inure to the benefit of the Warrant Holder and the Warrant Holder's heirs, executors, administrators, legal representatives, successors and permitted assigns.

11. Governing Law. This Warrant shall be governed by and construed in accordance with the laws of the State of Maryland as such laws are applied to agreements between Maryland residents entered into and to be performed entirely within Maryland.

12. Acceptance. The Warrant Holder has read and understands the terms and provisions of this Warrant, and accepts this Warrant subject to all the terms and conditions hereof. The Warrant Holder acknowledges that there may be adverse tax consequences upon exercise of this Warrant or disposition of the Shares and that the Warrant Holder should consult a tax adviser prior to such exercise or disposition.

[Signature Page Follows.]

COMPANY SIGNATURE

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its _____ as of _____ ____, 2003.

CELSION CORPORATION

Signed:

Printed:

Title:

Address: 10220-I Old Columbia Road
Columbia, Maryland 21046-1785

WARRANT HOLDER SIGNATURE

IN WITNESS WHEREOF, the Warrant Holder has executed this Warrant or has caused this Warrant to be executed by its _____ as of _____ ____, 2003.

INDIVIDUAL WARRANT HOLDER:

Signed:

Printed:

Address:

WARRANT HOLDER THAT IS AN ENTITY

Name of Entity:

Signed:

Printed:

Title:

Address:

[SIGNATURE PAGE TO WARRANT]

EXHIBIT A

CELSION CORPORATION
WARRANT EXERCISE AGREEMENT

CELSION CORPORATION
10220-I Old Columbia Road
Columbia, Maryland 21046-1785
Attention: Chief Financial Officer

The Warrant Holder hereby elects to purchase the number of shares (the "Shares") of the Common Stock, par value $0.01 per share, of Celsion Corporation (the "Company"), as set forth below, pursuant to that certain Warrant dated as of the date set forth below (the "Warrant"), the terms and conditions of which are hereby incorporated by reference herein (please print):

Warrant Holder:_____

Social Security or Tax I.D. No.:_____

Address:_____

Warrant Date:_____

Date of Exercise: _____

Exercise Price Per Share:_____

Number of Shares Subject to Exercise and Purchase:_____

Total Exercise Price:_____

Exact Name of Title to Shares:_____

The Warrant Holder hereby delivers to the Company the Total Exercise Price as follows (circle and complete as appropriate):

1. in cash in the amount of $_____, receipt of which is acknowledged by the Company;

2. through a "same day sale commitment" from the Warrant Holder and the broker named below in the amount of $_____ and substantially in the form attached hereto as Attachment 1; or

3. through a "margin commitment" from the Warrant Holder and the broker named below in the amount of $_____ and substantially in the form attached hereto as Attachment 2.

Broker: Brokerage Firm:

4. through the "net exercise" procedure set forth in Section 4.2 of the Agreement.

Tax Consequences. THE COMPANY IS UNDER NO OBLIGATION TO REPORT THE EXERCISE OF THIS WARRANT TO THE INTERNAL REVENUE SERVICE OR ANY TAXING AUTHORITY OF ANY STATE, LOCAL OR OTHER JURISDICTION. THE WARRANT HOLDER UNDERSTANDS THAT HE, SHE OR IT MAY SUFFER ADVERSE TAX CONSEQUENCES AS A RESULT OF THE WARRANT HOLDER'S PURCHASE OR DISPOSITION OF THE SHARES. THE WARRANT HOLDER REPRESENTS THAT HE, SHE OR IT HAS CONSULTED WITH ANY TAX CONSULTANT(S) THE WARRANT HOLDER DEEMS ADVISABLE IN CONNECTION WITH THE PURCHASE OR DISPOSITION OF THE SHARES AND THAT THE WARRANT HOLDER IS NOT RELYING ON THE COMPANY FOR ANY TAX ADVICE.

- ----------
Name of Warrant Holder

- ----------
Signature of Warrant Holder

- ----------
Printed Name

- ----------
Title

EXHIBIT B

CELSION CORPORATION
SPOUSAL CONSENT
TO
WARRANT EXERCISE AGREEMENT

The undersigned spouse of the Warrant Holder has read, understands, and hereby approves the Warrant Exercise Agreement between the Warrant Holder and the Company (the "Agreement"). In consideration of the Company's granting the Warrant Holder the right to purchase the Shares as set forth in the Agreement, the undersigned hereby agrees to be bound irrevocably by the Agreement and further agrees that any community property interest shall similarly be bound by the Agreement. The undersigned hereby appoints the Warrant Holder as his or her attorney in fact with respect to any amendment or exercise of any rights under the Agreement.

Date:_____

_____
Signature of Warrant Holder's Spouse

Address: _____

_____

_____

ATTACHMENT 1

SAME DAY SALE COMMITMENT

--------------, -------

Celsion Corporation
10220-I Old Columbia Road
Columbia, Maryland 21046-1785

Attention: Chief Financial Officer

The undersigned Warrant Holder ("Warrant Holder") desires to exercise that certain warrant described in the attached Warrant Exercise Agreement (the "Warrant") with respect to _____ shares of Celsion Corporation (the "Company") Common Stock (the "Number of Shares"), and to sell immediately _____ of the Number of Shares (the "Same Day Sale Shares") through the undersigned broker (the "Broker") and for the Broker to pay directly to the Company from the proceeds from such sale $_____ (the "Exercise Price").

Accordingly, the Warrant Holder hereby represents that the Warrant Holder: (i) hereby irrevocably exercises the Warrant with respect to the Number of Shares and (ii) hereby irrevocably elects to sell through the Broker the Same Day Sale Shares and unconditionally authorizes the Company or its transfer agent to deliver certificates representing the Same Day Sale Shares to the Broker.

The Broker hereby represents that the Broker: (i) is a member in good standing of the National Association of Securities Dealers, Inc. and (ii) irrevocably commits to pay to the Company, no more than one (1) business day after receiving certificates representing the Same Day Sale Shares, the Exercise Price by check or wire transfer to an account specified by the Company.

WARRANT HOLDER:	BROKER:
- ----------	----------
(Name)	(Name of Firm)
- ----------	----------
(Signature)	(Signature)
- ----------	----------
(Printed Name)	(Printed Name)
- ----------	----------
(Title)	(Title)

ATTACHMENT 2

MARGIN COMMITMENT

--------------, -------

CELSION CORPORATION
10220-I Old Columbia Road
Columbia, Maryland 21046-1785
Attention: Chief Financial Officer

The undersigned Warrant Holder ("Warrant Holder") desires to exercise that certain warrant described in the attached Warrant Exercise Agreement (the "Warrant") with respect to _____ shares of Celsion Corporation (the "Company") Common Stock (the "Number of Shares"), and to pledge immediately _____ of the Number of Shares (the "Margin Shares") through the undersigned broker (the "Broker") as security for a loan from the Broker and for the Broker to pay directly to the Company $_____ (the "Exercise Price").

Accordingly, the Warrant Holder hereby represents that the Warrant Holder: (i) hereby irrevocably exercises the Warrant with respect to the Number of Shares and (ii) hereby irrevocably elects to pledge to the Broker the Margin Shares and unconditionally authorizes the Company or its transfer agent to deliver certificates representing the Margin Shares to the Broker.

The Broker hereby represents that the Broker: (i) is a member in good standing of the National Association of Securities Dealers, Inc. and (ii) irrevocably commits to pay to the Company, no more than one (1) business day after receiving certificates representing the Margin Shares, the Exercise Price by check or wire transfer to an account specified by the Company.

WARRANT HOLDER:	BROKER:
- ----------	----------
(Name)	(Name of Firm)
- ----------	----------
(Signature)	(Signature)
- ----------	----------
(Printed Name)	(Printed Name)
- ----------	----------
(Title)	(Title)

April 8, 2003

Mr. Anthony Deasey
Executive Vice President
Finance and Administration
Chief Financial Officer
CELSION CORPORATION
10220-I Old Columbia Road
Columbia, MD 21046

Dear Tony:

This letter will serve as an agreement between Celsion Corporation (the "Company") and Strategic Growth International, Inc. ("SGI") pursuant to which the Company will, on the terms and conditions set forth herein, retain SGI to serve as an investor relations consultant for the Company and SGI will serve in such capacity for the Company.

1. DUTIES:

(a) As an investor relations consultant, SGI will:

(i) Consult with the management of the Company from time to time, as members of such management reasonably shall request, on investor relations aspects of shareholder communications, arrange and conduct meetings with members of the professional investment community (including, without limitation, securities analysts and the financial press) and investor groups, communicate the Company's corporate message, as the same shall be approved in advance by the Company, to such audiences as the Company shall direct, and enhance the Company's relations with the professional investment community (including, without limitation, securities analysts and the financial press).

(ii) Assist the Company in developing and implementing a comprehensive Investor Relations Program. The program will be designed to achieve results-oriented goals and objectives.

(iii) Provide professional staff services as may be reasonably required to help the Company carry out its investor relations programs and objectives under the direction and subject to ultimate control and approval by the Company, including, without limitation, providing services with respect to the following:

(1) Developing a coordinated package of financial public relations materials, including PowerPoint, fact sheet, press releases, corporate package, etc.;

(2) Reviewing and advising on features and functionality of the Company's website;

(3) Immediately introducing the Company to investment business firms with the goal of fulfilling the Company's financial needs;

(4) Assisting the Company in increasing the liquidity of the Company's common stock, par value $0.01 per share ("Common Stock"), with the goal of co-ordinating with the Amex Specialist and introducing the Company to professionals in the investment community;

(5) Developing and encouraging institutional ownership in the Common Stock;

(6) Assisting in initiating research coverage from reputable institutional sales boutiques and small cap research analysts;

(7) Creating financial media opportunities for the Company as appropriate;

(8) Obtaining invitations for the Company to, and coordinating participation by the Company in, financial industry conferences;

(9) Coordinating all day-to-day investor relations activities including, without limitation, press releases, dissemination of information, earnings conference calls, etc.; and

(10) Assisting the Company in creating, enhancing and sustaining interest in the Common Stock in European markets.

(b) Anything to the contrary contained herein notwithstanding, SGI shall not have the authority to obligate or commit the Company in any manner whatsoever and shall not hold itself out as having any other relationship with the Company other than as a consultant for the limited purposes set forth herein.

(c) SGI confirms that it and each of its officers, employees, agents and affiliates will perform investor relations services as outlined above for the Company which shall, at no time necessitate any such officer, employee, agent or affiliate holding licenses and authorizations, including, without limitation, licensure as a broker-dealer, finder, investment adviser or otherwise, under and of the various state and federal securities or "blue sky" laws.

2. CONFIDENTIALITY; LIMITATION ON LIABILITY

(a) Except as required by applicable law, SGI shall keep confidential any and all material non-public information provided to it by or on behalf of the Company, and shall not disclose such information to any third party, other than such of its employees, affiliates, agents and advisors as SGI reasonably determines to have a need to know in order to permit SGI to discharge its obligations hereunder. Notwithstanding the expiration or termination of this Agreement, SGI shall continue to keep confidential any and all material non-public information or data about the Company that it learns during the course of its engagement hereunder.

(b) The Company shall indemnify and hold harmless SGI from and against any and all losses, claims, damages, expenses or liabilities which SGI may reasonably and actually incur and which are proximately related to the use, by SGI, of information, representations, reports or data furnished by the Company to the extent that such information, representations, reports or data is furnished or prepared by the Company and its use is specifically approved by the Company in advance of such use. Without limiting the generality of the foregoing, the Company shall have no indemnification obligation, and SGI shall have no right to indemnification, in the event of any losses, claims, damages, expenses or liabilities incurred thereby and which are related to the selective use of any upon information, representations, reports or data furnished or prepared by the Company. SGI shall indemnify and hold harmless the Company from and against all losses, claims, damages, expenses or liabilities which the Company may reasonably and actually incur which are proximately related to use, by SGI, of information, representation reports or data furnished or prepared by the Company other than as expressly permitted by this Section 2(b).

3. OUT-OF-POCKET-EXPENSES

The Company will reimburse SGI for all reasonable out-of-pocket disbursements, including travel expenses, meals with the professional investment community, graphic design and printing, postage and long distance telephones calls, made in the performance of its duties under this Agreement; provided, however, that, any expenditure in excess of $250 shall be subject to reimbursement only if approved, in writing in advance, by the Company and provided further that the Company shall be obligated to make reimbursement only upon receipt of documentation reasonably acceptable to it evidencing the expenses for which reimbursement is sought.

4. RECORDS AND RECORDING-KEEPING

SGI will maintain accurate and complete records of all (a) expenditures made; (b) time expended; and (c) all activities undertaken and contacts made, on behalf of the Company. Without limiting the generality of the foregoing or of Section 3 hereof, the Company shall seek prior written authorization for any and all projects and operating activities on behalf of the Company.

5. COMPENSATION AND RELATED MATTERS

(a) Subject to early termination of this Agreement pursuant to Section 7 and to the provisions of Section 8(b) hereof, commencing on April 8, 2003 (the "Commencement Date") and continuing until October 8, 2004, the Company will pay SGI a monthly retainer fee of $10,000.00 (the "Retainer Fee") for services under this Agreement.

(b) In addition, the Company shall grant SGI warrants (the "Warrants") to purchase up to 850,000 shares of the Company Common Stock (the "Warrant Shares") at an exercise price of $0.44 per share. Such Warrants to purchase 350,000 Warrant Shares (the "Commencement Warrants") shall fully vest on the Commencement Date, and Warrants to purchase 250,000 Warrant Shares (the "Follow-On Warrants") shall vest on each of the nine (9) month anniversary (January 8, 2004) and the fifteen month (15) anniversary (July 8, 2004) of the Commencement Date. Notwithstanding the foregoing and subject to Section 7 and Section 8(b) hereof, (i) in the event that the Company shall issue notice of its intent to terminate this Agreement pursuant to Section 7 hereof on or after October 1, 2003 but no later than January 8, 2004, then the Follow-On Warrants to purchase 500,000 Warrant Shares shall not vest and all such Follow-On Warrants shall be null and void and the Company shall have no further obligation with respect thereto and (ii) in the event that the Company shall issue notice of its intent to terminate this

Agreement on or after January 8, 2004 but no later than July 8, 2004, then the Follow-On Warrants to purchase 250,000 Warrant Shares that otherwise would vest on the fifteen (15) month anniversary of the Commencement Date shall not vest and such Follow-On Warrants shall be null and void and the Company shall have no further obligation with respect thereto. All Warrants shall have a term of five (5) years from the Commencement Date. The Warrants Shares shall be subject to piggyback registration rights for a period of six (6) years from the Commencement Date, which piggyback registration rights shall be on customary terms and subject to customary conditions and limitations and such Warrant Shares shall be transferable and assignable by SGI, provided that, prior to any such assignment or transfer, and as a condition precedent thereto, SGI shall provide to the Company an opinion of counsel reasonably acceptable to the Company, which opinion shall be in form and substance reasonable acceptable to the Company, to the effect that such assignment or transfer conforms to the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities or "blue sky" laws or is being made pursuant to valid exemptions therefrom. In the event of a stock dividend, stock split or reverse stock split, the number of shares of Common Stock underlying the Warrants shall be adjusted proportionately.

(c) SGI will not, and will ensure that any permitted transferee of any Warrants or Warrant Shares will not, during the term of this Agreement, or within the thirty (30) day period prior to any exercise of a Warrant (whether or not during the term of this Agreement), sell, offer to sell, solicit offers to buy, dispose of, loan, pledge, or grant any right with respect to (such acts being referred to collectively as a "Disposition") any Common Stock of the Company, nor will SGI engage, or permit any permitted transferee to engage, in any hedging or other transaction which is designed to or could reasonably be expected to lead to or result in a Disposition of Common Stock of the Company by the SGI, such permitted transferee or any other person or entity. Such prohibited hedging or other transactions would include, without limitation, effecting any short sale or having in effect any short position (whether or not such sale or position is against the box and regardless of when such position was entered into) or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to the Common Stock of the Company or with respect to any security (other than a broad-based market basket or index) that includes, relates to or derives any significant part of its value from the Common Stock of the Company. Anything herein to the contrary notwithstanding, any Disposition by SGI or any permitted transferee shall comply in all respects with the requirements and limitations imposed by the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

6. TERMS OF PAYMENT

SGI shall bill monthly, in advance, for the Retainer Fee due pursuant to Section 4(a) hereof. Expenses, together with supporting documentation therefor, shall be billed in the calendar month following the month in which such expenses are incurred. Billed amounts shall be due within ten (10) days following receipt of the invoice with respect thereto.

7. TERM AND TERMINATION

The term of this Agreement shall commence on the date hereof and shall continue for a period of eighteen (18) months thereafter. Notwithstanding the foregoing, from and after October 1, 2003, the Company has the right to terminate this Agreement upon ninety (90) days prior written notice to SGI, subject to the provisions of Section 5(b) hereof, concerning vesting and cancellation of Follow-On Warrants.

8. OTHER TERMS OF THE AGREEMENT

(a) Any notice or other communication between parties hereto shall be sufficiently given if delivered by hand, sent by certified or registered mail, postage prepaid or by reputable overnight delivery service, or faxed and confirmed, if to the Company, addressed to it at Celsion Corporation, 10220-I Columbia Road, Columbia, MD 21046, or if to SGI, addressed to it at Strategic Growth International, Inc. 150 East 52nd Street, 22nd Floor, New York, New York 10022. Such notice or other communication shall be deemed to be given, if delivered by hand or sent by facsimile, on the day of such delivery or facsimile transmission, if sent by overnight delivery service, on the business day next succeeding the date of dispatch and, if sent by certified or registered mail, on the fifth (5th) business day following the date of dispatch.

(b) If SGI shall cease to do business, the provisions hereof relating to duties thereof and compensation thereof by the Company shall thereupon cease to be in effect, except for the Company's obligation of payment for services rendered prior thereto. Without limiting the generality of the foregoing, upon such a cessation of business, any Warrants not yet vested shall be null and void and the Company shall have no further obligation with respect thereto.

(c) This Agreement and the rights of either party hereunder may not be assigned, including without limitation assignments by operation of law or otherwise, without the written consent of the other party and shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted assigns.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State of Maryland, without giving effect to principles of conflicts of laws thereof.

(e) Nothing contained in this Agreement shall be construed to constitute or render SGI as a partner, employee or agent of the Company, it being intended that SGI is, and shall remain, an independent contractor.

(f) This Agreement and the rights hereunder may not be assigned by either party (except by operation of law) and shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives.

(g) In the event that any one or more of the provisions contained in this Agreement, or the application thereof to any person(s) or in any circumstance(s), shall, for any reason, be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, such court shall have the power, and hereby is directed, to substitute for or limit such provision(s) in order as closely as possible to effectuate the original intent of the parties with respect to such invalid, illegal or unenforceable provision(s) and to enforce such substituted provision(s) or, if such substitution or limitation is not possible, to deem such provision(s) to be deleted from this Agreement as if never included herein. Subject to the foregoing, the invalidity, illegality or unenforceability of any one or more of the provisions contained herein shall not affect the validity of any other provision of this Agreement.

(h) None of the terms of this Agreement shall be deemed to be waived or modified except by an express agreement in writing signed by each of the parties hereto. The failure of either party at any time to require performance by the other party of any provision hereof shall, in no way, affect the full right to require such performance at any time thereafter and the waiver by either party of a breach of any provision hereof shall not be deemed or to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

(i) As the context requires, any word used herein in the singular shall extend to and include the plural, any word used herein in the plural shall extend to and include the singular, and any word used in either gender or in the neuter shall extend to and include the other gender or be neutral.

(j) The headings contained in this Agreement are for convenience of reference of the parties only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

(k) This Agreement may be executed in counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered (which deliveries may be by facsimile) by all of the parties.

(l) This Agreement embodies the entire agreement and understanding between the Company and SGI with respect to the subject matter hereof and supersedes any and all negotiations, prior discussions and preliminary and prior agreements and understandings related to such subject matter.

* * * * *

Please confirm agreement to the above by endorsing all three (3) copies and returning two (2) copies to SGI.

AGREED TO AND ACCEPTED BY:

ATTEST:

STRATEGIC GROWTH INTERNATIONAL,

By: /s/ Richard C. Cooper

Print Name: Richard C. Cooper

Title: Chairman

ATTEST:

CELSION CORPORATION

By: /s/Anthony P. Deasey

Print Name: Anthony P. Deasey

Title: Executive Vice President

GOLDPAC INVESTMENT PARTNERS LTD.

June 1, 2003

Celsion Corporation
102201 Old Columbia Road
Columbia MD USA 210411

Attention: Dr. Augustine Y. Cheung
President and Chief Executive Officer

RE: CELSION CORPORATION--INTRODUCTION OF
STRATEGIC CANADIAN AND HONG KONG INVESTORS

Dear Sir:

We refer to the various discussions with you recently and propose to act as an advisor to Celsion Corporation (the "COMPANY") in respect of the introduction of strategic investors in Canada and Hong Kong (the "ENGAGEMENT") on the terms and conditions set forth in this letter agreement (this "AGREEMENT").

1. BACKGROUND INFORMATION

Based on our various discussions, we understand the following:

(A) The Company is a research and development company dedicated to commercializing medical treatment systems, for cancer and other diseases using focused heat technology delivered by patented microwave technology,

(B) The Company currently is seeking US$6-US$9 million through one or more private placements either within the United States or abroad to fund its further development and the commercialization of certain of its products (collectively, the "FINANCING").

(C) The Company has retained Sterling Financial Investment Group, Inc. ("STERLING") to serve as placement agent with respect to effecting the Financing with investors within the United States and, in consultation with STERLING, has developed a package of information to be utilized in connection with the Financing (the "PRIVATE PLACEMENT PACKAGE").

2. SCOPE OF SERVICES

Goldpac Investment Partners Ltd., a British Virgin Islands corporation ("GOLDPAC") shall act as an advisor to the Company with respect to potential participation in the Financing by one or more investors in Canada and/or Hong Kong. In its role as advisor, Goldpac will, at the request and subject to the control of the Company, identify, on a "best efforts" basis, investors who are residents of Canada and/or Hong Kong (or otherwise are non-resident aliens in the United States) willing to make an aggregate investment of up to US$3.0 million pursuant to the Financing and facilitate meetings between such potential investors and Company representatives. In addition, to the extent that the Company deems necessary and appropriate and so directs Goldpac, Goldpac will arrange road shows in Hong Kong and/or Canada for such potential investors. All activities of Goldpac will be conducted outside of the United States and all investors

identified or contacted by Goldpac will be either individuals who are neither U.S. citizens, nor resident aliens of the U.S. or who are foreign (non-U.S.) corporations or other entities not engaged in any U.S. trade or business ("PERMITTED INVESTORS"). Anything to the contrary contained herein notwithstanding, Celsion shall have the right, in its sole and absolute discretion, to reject any proposed investment from any Permitted Investor for any reason or for no reason.

3. FEE STRUCTURE

As compensation for its services hereunder, Celsion shall compensate Goldpac as follows:

(A) The Company shall pay to Goldpac a Success Fee, in U.S. dollars, in an amount equal to seven and one half percent (7.5%) of the purchase price of any securities of Celsion purchased by Permitted Investors introduced to the Company by Goldpac.

(B) The Company will grant to Goldpac common stock purchase warrants ("WARRANTS"), exercisable for a period of five (5) years from the date of the final closing of the Financing, at an exercise price equal to the price per common share paid by the Permitted Investors. Goldpac shall be entitled to receive Warrants to purchase nine (9) shares of the Company's Common Stock, par value $0.01 per share, for each 100 shares acquired in the Financing by each Permitted Investor introduced to the Company by Goldpac pursuant hereto. Additionally, Goldpac shall be entitled to receive Warrants to purchase nine (9) shares of the Company's Common Stock, par value $0.01 per share, for each warrant to purchase100 shares acquired by each Permitted Investor introduced to the Company by Goldpac pursuant hereto.

4. TERM AND TERMINATION OF ENGAGEMENT

(A) Subject to Section 4(B) below, the Engagement will be for a period of three (3) months commencing with the date of this Agreement and will be subject to extension or renewal upon mutual agreement by the parties.

(B) The Engagement may be terminated by the Company or by Goldpac at any time, for any reason, upon written notice to that effect to Goldpac or the Company, as the case may be; provided, however, that Sections 3(A), 3(B), 7, 8 and 9 under this Agreement shall survive any such termination and shall remain in full force and effect.

5. RESPONSIBILITIES OF THE COMPANY

In agreeing to the terms of this letter, the Company undertakes to:

(A) Bear and pay all of its own professional fees and out-of-pocket expenses, such as the fees of legal and other financial advisors and the expenses such as printing, translation, photocopying and issuance of press releases, if any;

(B) Provide Goldpac with, and allow Goldpac to disclose to potential Permitted Investors, the same information that the Company makes available to Sterling, including, without limitation, such number of copies of the Private Placement Package prepared in connection with the Financing as Goldpac reasonably may request; and

(C) Accept full responsibility for the accuracy of all information and facts provided by the Company to Goldpac pursuant to clause (B) above, and promptly notify Goldpac of any of any material

events or developments relating to the Company's financial condition, business operation or prospects that have not been previously disclosed to Goldpac.

6. REPRESENTATIONS AND WARRANTIES

(A) The Company hereby represents and warrants to Goldpac that, as of the date hereof:

(1) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has all necessary corporate power and authority to own its assets and to carry on its business as now being conducted and presently proposed to be conducted. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which its ownership or leasing of assets, or the conduct of its business, makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a material adverse effect on the Company.

(2) The Company has all necessary corporate power and authority to execute, deliver and carry out the terms of this Agreement. All corporate action on the part of the Company required for the lawful execution and delivery of this Agreement has been taken. Upon execution and delivery, this Agreement constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforcement may be limited by insolvency and similar laws affecting the enforcement of creditors' rights generally and equitable; remedies, and except as the indemnity Provisions or Section 7 this Agreement may be limited by law.

(3) Neither the execution and delivery of, nor the consummation by the Company of any transaction or execution of any instrument contemplated by, this Agreement has constituted or resulted in, or will constitute or result in, a material default under or breach or violation of any term or provision of the Company's Bylaws, Certificate of Incorporation or of any material contracts with third parties.

(B) Goldpac hereby represents and warrants to the Company that, as of the date hereof:

(1) Goldpac is a corporation duly organized, validly existing and in good standing under the laws of the British Virgin Islands. Goldpac has all necessary corporate power and authority to own its assets and to carry on its business as now being conducted and presently proposed to be conducted. Goldpac is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction in which its ownership or leasing of assets, or the conduct of its business, makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a material adverse effect on Goldpac.

(2) Goldpac has all necessary corporate power and authority to execute, deliver and carry out the terms of this Agreement. All corporate action on the part of Goldpac required for the lawful execution and delivery of this Agreement has been taken. Upon execution and delivery, this Agreement constitutes a valid and binding obligation of Goldpac, enforceable in accordance with its terms, except as enforcement may be limited by insolvency and similar laws affecting the enforcement of creditors' rights generally and equitable remedies, and except as the indemnity provisions of Section 7 of this Agreement may be limited by law.

(3) Neither the execution and delivery of, nor the consummation by Goldpac of any transaction or execution of any instrument contemplated by, this Agreement, has constituted or resulted in, or will constitute or result in, a material default under or breach or violation of any term or provision of Goldpac's Bylaws, Certificate of Incorporation, other constitutive documents, or material contracts with third parties, or of the laws of the United States or any jurisdiction thereof or of any non-U.S., jurisdiction or any rules or regulations thereunder. Without limiting the generality of the foregoing, Goldpac acknowledges and agrees that it is responsible for compliance with all securities laws, rules and regulations applicable to it or to the Company or to the Company's securities by virtue of the Financing, this Agreement or any agreement with Permitted Investors entered into pursuant to or in connection with this Agreement and Goldpac's activities pursuant hereto and to the Engagement, such rules and regulations to include, without limitation any registration requirements applicable to brokers, dealers, finders, issuer's agents or others acting in a similar capacity.

7. INDEMNIFICATION AND CONTRIBUTION

(A) The Company will indemnify Goldpac and its officers, directors, employees, authorized agents and representatives (collectively, "Goldpac Representatives") against all claims, damages, liability and litigation expenses (including Goldpac's reasonable attorney fees and expenses) arising out of the Company's activities hereunder, except as provided in Section 7(B) below and to the extent that any claims, damages, liability or expenses are found in a final judgment by a court of competent jurisdiction to have resulted from Goldpac's misconduct or negligence in performing the services described above. The indemnity provisions contained in this Section 7(A) will remain in full force and effect regardless of any termination of this Agreement or the Engagement.

(B) Goldpac will indemnify the Company and its officers, directors, employees, authorized agents and representatives (collectively, "Company Representatives") against all claims, damages, liability rind litigation expenses (including the Company's reasonable attorney fees and expenses) arising out of Goldpac's activities hereunder including, without limitation, (i) any untrue statement or alleged untrue statement of a material fact, made either orally or in writing or any omission or alleged omission to state a material fact by Goldpac or any Goldpac Representative in connection with this Agreement or the Engagement, (ii) the failure of Goldpac to comply with any laws of any jurisdiction applicable to it by virtue of its activities pursuant this Agreement or the Engagement or otherwise as contemplated by Section 6(B)(3) hereof, or (iii) any violation of any securities laws, rules and regulations applicable to Goldpac, to the Company or to the Company's securities by virtue of this Agreement or any agreement with any Permitted Investor entered into pursuant to or in connection with this Agreement. The indemnity provisions contained in this Section 7(B) will remain in full force and effect regardless of any termination of this Agreement or the Engagement.

(C) If for any reason the foregoing indemnity is unavailable to Goldpac and the Goldpac Representatives on the one hand, or to the Company and the Company Representatives on the other (each, an "Indemnified Person") or is insufficient to hold the Indemnified Person harmless, then the party required to provide indemnification hereunder (the "Indemnifying Person") shall contribute to the amount paid or payable to the Indemnified Person as a result of such claims, liability, loss or damage in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Person on the

one hand and the Indemnified Person on the other, but also the relative fault of the Indemnifying Person on the one hand, and Indemnified Person on the other, that result in such losses, claims, damages or liability, as well as any relevant suitable considerations. The contribution provisions contained in this Section shall remain in full force and effect regardless of the termination of this Agreement or the Engagement.

8. CONFIDENTIALITY

All information and documents received by Goldpac or Goldpac Representatives shall be used by Goldpac solely for the purposes described in this Agreement and in furtherance of the Engagement shall be held in the strictest confidence, except for such information and documents that are available to the general public through no act or omission of Goldpac or the Goldpac Representatives or are required to be disclosed by applicable law. With respect to disclosures required by law, prior to making any such disclosure Goldpac will provide the Company with a written opinion of Goldpac's counsel to the effect that such disclosure is required and will use its best efforts to provide the Company with sufficient time to seek a protective order or otherwise preserve the confidentiality of the subject information. In all events, Goldpac shall disclose only such information as its counsel advises it, in a written opinion, is legally required to be disclosed. If the Engagement is terminated, Goldpac, upon written request of the Company, shall return to the Company all documents concerning the Company received by Goldpac or the Goldpac Representatives or developed or created by Goldpac or the Goldpac Representatives on the basis of or containing information obtained from the Company, except for documents that are or solely contain information then available to the general public through no act of Goldpac or the Goldpac Representatives.

9. GENERAL

A) This Agreement shall be governed by the laws of the State of Maryland governing contracts made and to be performed in such state without giving effect to the principles of conflicts of law.

B) This Agreement shall be assignable by either party only upon the prior written consent of the other party. Subject to the foregoing, this Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective representatives and permitted successors and assignees.

(C) In the event that any one or more of the provisions contained in this Agreement, or the application thereof to any person(s) or under any circumstance(s), shall, for any reason, be found by a regulatory body or court of competent jurisdiction to be invalid, illegal or unenforceable, such regulatory body or court shall have the power, and hereby is directed, to substitute for or limit such provision(s) in order as closely as possible to effectuate the original intent of the parties with respect to such invalid, illegal or unenforceable provision(s) and this Agreement generally and to so enforce such substituted provision(s). Subject to the foregoing, the invalidity, illegality or unenforceability of any one or more of the provisions contained herein shall not affect the validity of any other provision of this Agreement.

(D) This Agreement represents the entire understanding of the parties pertaining to the subject matter hereof and supersedes any and all prior agreements, understandings, negotiations and discussions, whether written or oral, between the parties with respect to such subject matter.

(E) No amendment, supplement, modification, waiver, termination, rescission, discharge or cancellation of this Agreement or any provision hereof shall be binding unless in writing and executed by each of the parties hereto. No waiver of any provision hereof or any default hereunder shall be deemed to be, or shall constitute, a waiver of any other such provision or default (whether or not similar) and no such. waiver shall constitute a continuing waiver unless expressly so provided.

(F) Captions to and headings of the various provisions hereof are solely .for the convenience of the parties, are not a part of this agreement, and shall not be used for the interpretation of or determination of the validity of this Agreement or any term or provision hereof.

(G) Notices or other communications required or contemplated hereby or in connection herewith shall be deemed adequately given if in writing and delivered in person or by recognized international courier for first possible delivery or facsimile transmission (in the case of courier, notice to be deemed received on the date following the date of delivery contracted for and in the case of facsimile transmission on the date following confirmation of successful transmission) or mailed by certified mail, postage prepaid and return receipt requested (such notice to be deemed received on the earlier of the date of actual receipt or the fifth (5th) business day following dispatch) as follows:

CELSION CORPORATION

Celsion Corporation
102201 Old Columbia Road
Columbia, MD USA 21046
Attention: Chief Financial Officer
Facsimile No. (410) 290-5394

GOLDPAC:

Goldpac Investment Partners Ltd.
Suite 630, 1090 West Pender Street
Vancouver, B.C. V6E 2N7 Canada
Attention: Mr. Joseph Tai
Facsimile No. 604 488 0868

or any other addresses of which either party shall notify the other party in writing in accordance with the terms hereof.

(H) As the context requires, any term used herein in the singular shall extend to and include the plural, any term used in the plural shall extend to and include the singular and any term used in either gender or the neuter shall extend to and include each gender or be neutral.

(I) This Agreement may be executed in counterparts, each of which when so executed and delivered shall constitute an original, but all of such counterparts taken together shall constitute one and the same instrument.

We very much look forward to being of service to you and should be grateful if you could signify your agreement and acceptance of the above terms of Engagement by signing and returning the enclosed copy of this letter to us. Should you have any queries or require any further explanation, please do not hesitate to contact the undersigned at 604-483-8878.

Yours faithfully,

Yours faithfully For and on behalf of Goldpac Investment Partners Ltd.	Agreed and accepted by: For and on behalf of Celsion Corporation
/s/ Joe Tai - ---------- Signature	/s/ Anthony P. Deasey ---------- Signature
Joe Tai - ---------- Print Name	Anthony P. Deasey ---------- Print Name
President Title	Executive Vice President Title

EXHIBIT 4.7

FINDERS FEE AGREEMENT

June 30, 2003

Celsion Corporation
10220-1, Old Columbia Road
Columbia, MD 21046

This letter will serve as the agreement ("Agreement") between National Securities Corporation, a Washington Corporation ("Finder"), with its principal place of business at 875 North Michigan Avenue, Suite 1560, Chicago, Illinois 60611 and Celsion Corporation, a Delaware Corporation (the "Company") with respect to the subject matter hereto.

On Seller's behalf, Finder has located various individuals and entities, (the "Prospective Purchasers") for the purpose of purchasing the Company's securities. In consideration of Finder's efforts in locating the Prospective Purchaser, the Company will pay to Finder, simultaneous with the closing of any such purchase, a cash fee equal to 7.5% of the amount of any and all monies (or the corresponding value of any non-cash consideration) paid or to be paid by the Prospective Purchaser to the Company for the Shares, as well as issue to the Finder warrants equal 7.5 % of the sum of (i) the number of shares of Common Stock and (ii) the number of Warrant Shares underlying Warrants, sold in the Offering. Such Placement Agent Warrants shall have an exercise price equal to the price per share of the Common Stock sold in the Offering, cashless exercise provisions and the same other terms, conditions, rights and preferences as the Warrants sold in the Offering.

There is no relationship of partnership, agency, employment, franchise or joint venture between the parties - neither party has the authority to bind the other or incur any obligation on its behalf. Seller hereby acknowledges that Finder acts solely as a finder in connection with the contemplated sale of the Shares and not as a placement agent or underwriter. Furthermore, the Company is relying on its own investment advisors and/or legal counsel in connection with any transaction contemplated by this Agreement.

If you are in agreement with the foregoing, please execute and return one copy of this Agreement to Finder.

Sincerely,

NATIONAL SECURITIES CORPORATION

By: /s/ Michael Bresner

Name: Michael Bresner
Title: President

Agreed to and accepted this 30th day of June, 2003.

CELSION CORPORATION

By: /s/ Anthony P. Deasey

Name: Anthony P. Deasey
Title: Executive Vice President, CFO

EXHIBIT 4.8

FINDERS FEE AGREEMENT

June 30, 2003

Celsion Corporation
10220-1, Old Columbia Road
Columbia, MD 21046

This letter will serve as the agreement ("Agreement") between Intercoastal Financial Services Corporation ("Finder"), with its principal place of business at 760 US Highway One Suite 206, North Palm Beach, FL 33408 and Celsion Corporation, a Delaware Corporation (the "Company") with respect to the subject matter hereto.

On Seller's behalf, Finder has located various individuals and entities, (the "Prospective Purchasers") for the purpose of purchasing the Company's securities. In consideration of Finder's efforts in locating the Prospective Purchaser, the Company will pay to Finder, simultaneous with the closing of any such purchase, a cash fee equal to 7.5% of the amount of any and all monies (or the corresponding value of any non-cash consideration) paid or to be paid by the Prospective Purchaser to the Company for the Shares, as well as issue to the Finder warrants equal 7.5 % of the sum of (i) the number of shares of Common Stock and (ii) the number of Warrant Shares underlying Warrants, sold in the Offering. Such Placement Agent Warrants shall have an exercise price equal to the price per share of the Common Stock sold in the Offering, cashless exercise provisions and the same other terms, conditions, rights and preferences as the Warrants sold in the Offering.

There is no relationship of partnership, agency, employment, franchise or joint venture between the parties - neither party has the authority to bind the other or incur any obligation on its behalf. Seller hereby acknowledges that Finder acts solely as a finder in connection with the contemplated sale of the Shares and not as a placement agent or underwriter. Furthermore, the Company is relying on its own investment advisors and/or legal counsel in connection with any transaction contemplated by this Agreement.

If you are in agreement with the foregoing, please execute and return one copy of this Agreement to Finder.

Sincerely,

INTERCOASTAL FINANCIAL SERVICES CORPORATION

By: /s/ Marilyn R. O'Leary

Name: Marilyn O'Leary
Title: Secretary/Treasurer

Agreed to and accepted this 30th day of June, 2003.

CELSION CORPORATION

By: /s/ Anthony P. Deasey

Name: Anthony P. Deasey
Title: Executive Vice President

LICENSE AGREEMENT

THIS AGREEMENT made and entered into this eighteenth day of July, 2003, by and between DUKE UNIVERSITY, a North Carolina corporation not-for-profit, (hereinafter called the "LICENSOR"), having its principal office at Durham, North Carolina 27708, and CELSION CORPORATION, a corporation organized under the laws of Delaware (hereinafter called the "LICENSEE"), having its principal offices at 10220-1 Old Columbia Road, Columbia, MD 21046-1785.

WHEREAS, LICENSOR has the right to grant licenses under the invention covered by the Patent Rights (as hereinafter defined), and wishes to have the invention covered by the Patent Rights utilized in the public interest; and

WHEREAS, the LICENSOR represents that it is the sole owner of the entire right, title and interest in and to said invention and patent applications; and

WHEREAS, LICENSOR has certain data, know-how and other information relating to said invention and patent rights and its manufacture and use, which it is willing to make available to LICENSEE subject to the terms of this Agreement; and

WHEREAS, LICENSEE has certain know-how, abilities, and facilities which will enable LICENSEE to perfect and develop the invention covered by the PATENT RIGHTS into a marketable and saleable form

NOW THEREFORE, in consideration of the premises and the faithful performance of the covenants herein contained, IT IS AGREED:

ARTICLE 1 - DEFINITIONS

1.01 - For the purposes of this Agreement, and solely for that purpose, the terms and phrases set forth hereinafter in capital letters shall be defined as follows:

a. "FIELD" shall mean all applications of the SUBJECT TECHNOLOGY.

b. "SUBJECT TECHNOLOGY" shall mean the technology licensed hereunder described in detail in Exhibit A attached hereto and made a part hereof, and alterations thereto for use in the FIELD which have heretofore been conceived and/or reduced to practice by LICENSOR, its employees, faculty members or students, as

evidenced by written records. Exhibit A is hereby acknowledged to consist of pending U. S. Patent Application(s) Serial No(s) 10/437,838

c. "PATENT RIGHTS" shall mean all U.S. and foreign Patent Application(s) filed and any patent now issued or hereafter issuing on any such patent application, substitutes, continuations, continuations-in-part, divisionals, or reissues thereof.

d. "LICENSED PRODUCT" shall mean any product which is produced or sold by LICENSEE that utilizes the SUBJECT TECHNOLOGY or infringes one or more claims of the PATENT RIGHTS, and which is intended for use in, or is used in, the FIELD.

e. "NET SALES" shall mean the gross sales of LICENSED PRODUCT sold pursuant to this Agreement, less allowances to customers for spoiled, damaged and returned goods less any freight, taxes, or shipping insurance. LICENSED PRODUCTS used by LICENSEE for its own use in the FIELD shall be considered to be "Net Sales" for purposes of computing royalty obligations, except such LICENSED PRODUCT used for non-revenue producing activity such as promotional items or field trials.

f. "EFFECTIVE DATE" shall be the date when the License Issue Fee (*)1 is received by LICENSOR.

ARTICLE 2 - LICENSE

2.01 - The LICENSOR hereby grants to the LICENSEE and LICENSEE hereby accepts from LICENSOR, upon the terms and conditions herein specified, an exclusive license to make, have made, use and sell LICENSED PRODUCTS, with the right to sub-license. Such license is worldwide to the full end of the term or terms for which PATENT RIGHTS are issued, unless sooner terminated as hereinafter provided.

2.02 - LICENSEE shall have the right to grant sub-licenses with the prior written approval of the LICENSOR, such approval not to be unreasonably withheld. Any such sub-licenses shall be subject to terms of this Agreement. Royalties due to LICENSOR on sublicenses of the SUBJECT TECHNOLOGY shall be calculated as though sales of LICENSED PRODUCT by the sublicensee were made by LICENSEE; i.e., for the purposes of calculating royalties due on sublicenses, Net Sales shall be based upon gross sales of LICENSED PRODUCT by sublicensee less deductions as allowed by Section 1.01 (e). Should revenues

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(1) Material has been omitted and filed separately with the Commission.

to LICENSEE under a sublicense not be based upon product sales by sublicensee, or include payments to LICENSEE in addition to those based upon product sales by sublicensee, then LICENSEE shall pay LICENSOR a royalty equal to (*2) of LICENSEE's revenues from the sublicense that are not based upon product sales by sublicensee. Royalties from sublicenses shall not be creditable against minimum royalty requirements (3.03) or due diligence requirements (4.02) herein. LICENSOR and LICENSEE will negotiate the terms of any non-cash sub-licenses. LICENSEE agrees to be responsible for the performance hereunder by its sub-licensees, if any. If, for any reason, this license agreement is terminated, LICENSEE agrees to assign all such sub licenses directly to LICENSOR.

2.03 - Within thirty days following the execution of this Agreement and thereafter during the period of this Agreement, the LICENSOR agrees to provide LICENSEE with access to all technical know-how it may have relative to the SUBJECT TECHNOLOGY, and copies of any and all patents or patent applications owned or controlled by the LICENSOR covering the SUBJECT TECHNOLOGY or the use of the SUBJECT TECHNOLOGY or processes for the manufacture of the SUBJECT TECHNOLOGY, including all Patent Office actions received and amendments filed, if any, relative thereto.

2.04 - LICENSOR shall provide reasonable opportunities for LICENSEE'S personnel to have access to the inventor so that inventor can provide training and information with respect to the SUBJECT TECHNOLOGY and PATENT RIGHTS. Once available information concerning SUBJECT TECHNOLOGY and PATENT RIGHTS has been transferred to LICENSEE, inventor shall be entitled to be compensated by LICENSEE if additional training or consulting is necessary. Such arrangements shall be made between inventor and LICENSEE and shall comply with all regulations and policies of LICENSOR governing faculty consulting relationships. Information disclosed under this provision shall be subject to the confidentiality constraints of Section 6.03.

ARTICLE 3 - LICENSE FEE, ROYALTIES, RECORDS AND REPORTS

3.01 - LICENSEE shall pay to LICENSOR a license issue fee of (*3) on execution of this AGREEMENT. License issue fees shall not be creditable against minimum annual royalties (3.03).

3.02 - LICENSEE shall pay to LICENSOR an annual license maintenance fee of (*4) in year 2 and year 3 which is creditable against royalties due in each year, respectively.

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(2) Material has been omitted and filed separately with the Commission.
(3) Materials has been omitted and filed separately with te Commission.
(4) Materials has been omitted and filed separately with te Commission.

3.03 - At the times and in the manner set forth hereinafter, LICENSEE shall pay to LICENSOR a running royalty on NET SALES of LICENSED PRODUCTS. These LICENSED PRODUCTS shall include both disposable and non-disposable items designed for use with the INVENTION. Such royalty shall be at the rate of (*5) of NET SALES.

If LICENSEE demonstrates, through written records, that it is necessary to license additional technology from third parties in order to commercialize the LICENSED PRODUCT and that additional license for necessary technology obligates LICENSEE to pay royalties on NET SALES of LICENSED PRODUCT such that aggregate royalties on NET SALES due to third parties exceeds (*6) of NET SALES, then LICENSEE shall be permitted to reduce the royalty due LICENSOR under this AGREEMENT by one-half such additional royalties to third parties in excess of (*7) of NET SALES of LICENSED PRODUCT; provided, however, in no case shall royalty payable by LICENSEE to LICENSOR when reduced by any royalties to third parties for necessary technology, be less than (*8) of NET SALES.

3.04 - Minimum annual royalties shall commence at the earlier of the first commercial sale or 3 years from execution of this AGREEMENT, and shall be payable to LICENSOR as specified in paragraph 3.05 below. Should the running royalties due for the calendar year not equal the amount specified for minimum royalties, LICENSEE shall pay to LICENSOR in each such year the difference between the minimum sum specified below in paragraph 3.05 and the total earned running royalties paid in such year. Minimum annual royalties, when they are due, will be prorated based upon the fraction of the calendar year for which the obligation is effective. For example, if the obligation to pay minimum annual royalties begins on June first of the year, the minimum annual royalty for that calendar year will be 7/12 of (*9) or $(*10).

3.05 - Minimum annual royalties shall be (*11) per calendar year.

3.06 - LICENSEE shall render to LICENSOR prior to February 28th and August 31st of each year a written account of the NET SALES of LICENSED PRODUCTS subject to royalty hereunder made during the prior six month periods ending December 31st and June 30th, respectively, and shall simultaneously pay to LICENSOR the royalties due on such NET SALES in United States Dollars. Minimum annual royalties, if any, which are due

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(5) Materials has been omitted and filed separately with the Commission.
(6) Materials has been omitted and filed separately with the Commission.
(7) Materials has been omitted and filed separately with the Commission.
(8) Materials has been omitted and filed separately with the Commission.
(9) Materials has been omitted and filed separately with the Commission.
(10) Materials has been omitted and filed separately with the Commission.
(11) Materials has been omitted and filed separately with the Commission.

LICENSOR for any calendar year, shall be paid by LICENSEE along with the written report due on February 28 of each year. All payments required by this AGREEMENT, if not paid within thirty days of the due date, shall bear interest at the rate of one and one-half percent (11/2%) per month, compounded monthly, or the maximum interest rate allowed by applicable law, whichever is less.

3.07 - LICENSOR may terminate this Agreement or convert this Agreement to a non-exclusive Agreement if at least *%(12) of the minimum royalties due (3.05) are not earned in each year following the second calendar year after first commercial sale.

3.08 - LICENSEE shall keep full, true and accurate books of accounts and other records containing all particulars which may be necessary to properly ascertain and verify the royalties payable by them hereunder. Upon LICENSOR's request, LICENSEE shall permit an independent Certified Public Accountant selected by LICENSOR (except one to whom LICENSEE has some reasonable objection) to have access during ordinary business hours to such of LICENSEE's records as may be necessary to determine, in respect of any quarter ending not more than two (2) years prior to the date of such request, the correctness of any report and/or payment made under this Agreement. If such examination results in a determination that LICENSEE has underpaid its obligations to LICENSOR by more than five percent (5%), then the cost of such examination shall be borne by LICENSEE.

ARTICLE 4 - PERFORMANCE OBLIGATIONS

4.01 - LICENSEE shall use its best efforts to bring LICENSED PRODUCTS to market through a thorough, vigorous and diligent program for exploitation of the PATENT RIGHTS, to develop manufacturing capabilities, and to continue active, diligent marketing efforts, in all applicable fields of use, for LICENSED PRODUCTS throughout the life of this Agreement.

4.02 - In addition, LICENSEE shall adhere to the following requirements:

(a) Promptly upon execution of this Agreement, LICENSEE shall determine the first LICENSED PRODUCT to be developed by LICENSEE, and LICENSEE shall then promptly notify LICENSOR of LICENSEE's plan with respect to that first product, including a firm plan and schedule for acquiring any necessary regulatory approvals.

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(12) Material has been omitted and filed separately with the Commission.

(b) LICENSEE shall secure the first Regulatory Approval (if required), on a country by country basis within 48 months of the EFFECTIVE DATE.
(c) LICENSEE shall achieve first sale of a LICENSED PRODUCT within 6 months of receipt of regulatory approval (if required), on a country by country basis, or within 12 months of EFFECTIVE DATE if regulatory approval is not required
(d) LICENSEE shall make a (*13) dollar (*14) payment to LICENSOR upon first regulatory approval, or first sale if regulatory approval is not required
(e) LICENSEE shall provide a production sample to LICENSOR for approval prior to first sale, such approval not to be unreasonably withheld.
(f) LICENSEE shall diligently seek sublicensees to exploit any areas of the FIELD not pursued by the LICENSEE.

4.03 - LICENSEE agrees to explore the feasibility of developing and commercializing the SUBJECT TECHNOLOGY in the additional areas listed below, and shall notify LICENSOR of LICENSEE's decision in each area within the timeframes set forth below:

(a) In conjunction with existing chemotherapeutic agents for the breast within 6 months of the EFFECTIVE DATE.
(b) In conjunction with standard radiation therapy for the breast within 12 months of the EFFECTIVE DATE.
(c) In conjunction with heat sensitive gene therapy for the breast within 24 months of the EFFECTIVE DATE.

Each area chosen by LICENSEE shall be subject to performance obligations as set forth in Section 4.02. Should LICENSEE decide not to pursue any area through its own resources or through an allowed sublicense then this Agreement shall not extend to that area, and LICENSOR shall be free to license rights in that area to a third party. Said performance obligations for each area shall commence on the date when LICENSEE gives LICENSOR its decision whether or not to develop and commercialize each area. (vida supra)

4.04 - During the term of this Agreement, LICENSEE will submit annual progress reports to LICENSOR by February 28 of each year which discuss the progress and results, as well as ongoing plans, including a three year rolling forecast of global sales, with respect to the SUBJECT TECHNOLOGY. LICENSOR shall have the right to request one meeting per year to discuss such information. The first plan, which will include major global target markets and

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(13) Materials has been omitted and filed separately with the Commission.
(14) Materials has been omitted and filed separately with the Commission.

a three year forecast of sales in terms of units and US dollars, will be submitted within 12 months of the EFFECTIVE DATE of this AGREEMENT.

4.05 - If LICENSEE fails to meet any of the performance milestones of this Article 4, and fails to correct the shortcomings within a ninety (90) day period, LICENSOR may immediately terminate the AGREEMENT in accordance with Section 7.03.

ARTICLE 5 - PATENTS

5.01 - Subsequent to the EFFECTIVE DATE of this Agreement, the LICENSOR shall continue to have sole responsibility for the filing, prosecuting and maintaining of the appropriate United States patent protection for the SUBJECT TECHNOLOGY, and all of the expenses of such protection shall be reimbursed by LICENSEE. LICENSEE shall reimburse LICENSOR for all out-of-pocket legal expenses, which have been incurred to date. LICENSOR shall keep LICENSEE advised as to the prosecution of such applications by forwarding to LICENSEE copies of all official correspondence relating thereto. LICENSEE agrees to cooperate with LICENSOR in the prosecution of the U.S. Patent Applications to insure that the application reflects, to the best of LICENSEE's knowledge, all items of commercial and technical interest and importance. All final decisions with respect to the prosecution of said application are reserved to LICENSOR.

5.02 - LICENSEE shall designate the foreign countries, if any, in which LICENSEE desires patent protection, and LICENSOR agrees to proceed to obtain such protection. LICENSEE shall pay all expenses with regard to such foreign patent protection. LICENSOR may elect to seek patent protection in countries not so designated by LICENSEE, in which case LICENSOR shall be responsible for all expenses attendant thereto; however, in such instances LICENSEE shall forfeit its rights under this license agreement as to those countries unless LICENSEE shall agree to pursue such protection within thirty (30) days after receiving written notice.

5.03 - Upon learning of the infringement of PATENT RIGHTS by a third party, the party learning of such infringement shall promptly inform the other party in writing of that fact along with any evidence available pertaining to the infringement. LICENSEE may at its own expense take whatever steps are necessary to stop the infringement and recover damages. In such case, LICENSEE will keep LICENSOR informed of the steps taken and the progress of any legal actions taken. LICENSEE will pay to LICENSOR twenty percent (20%) of any such damages recovered that are in excess of legal expenses incurred by the LICENSEE in enforcing its PATENT RIGHTS. If LICENSEE does not undertake, within sixty (60) days of notice, to enforce the PATENT RIGHTS against the infringing party, the LICENSOR shall have the right, at its own

expense to take whatever steps are necessary to stop the infringement and recover damages, and shall be entitled to retain all damages so recovered.

5.04 - LICENSEE shall give LICENSOR prompt notice of each claim or allegation received by it that the manufacture, use or sale of LICENSED PRODUCTS constitutes a significant infringement of a third party patent or patents. LICENSEE shall have the primary right and responsibility at its own expense to defend and control the defense of any such claim against LICENSEE, by counsel of its choosing. The settlement of any such actions must be approved by LICENSOR, which approval may not be unreasonably withheld. LICENSOR agrees to cooperate with LICENSEE in any reasonable manner deemed by LICENSEE to be necessary in defending or prosecuting such action. LICENSEE shall reimburse LICENSOR for all expenses incurred in providing such assistance. Notwithstanding the foregoing, LICENSOR shall, in its sole discretion, be entitled to participate through counsel of its own choosing in any such action.

ARTICLE 6 - GOVERNMENT CLEARANCE, PUBLICATION, CONFIDENTIALITY, OTHER USE, EXPORT

6.01 - LICENSEE agrees to use commercially reasonable best efforts to have the SUBJECT TECHNOLOGY cleared for marketing in those countries in which LICENSEE intends to sell LICENSED PRODUCTS by the responsible government agencies requiring such clearance. To accomplish said clearances at the earliest possible date, LICENSEE agrees to file, according to the usual practice of LICENSEE, any necessary data with said government agencies. Should LICENSEE cancel this Agreement, LICENSEE agrees to assign its full interest and title in such market clearance application, including all data relating thereto, to LICENSOR at no cost to LICENSOR.

6.02 - LICENSEE further agrees that the right of publication of the invention and said SUBJECT TECHNOLOGY shall reside in the inventor and other staff of LICENSOR. The LICENSOR shall use its best efforts to provide a copy of such publication forty-five (45) days in advance of publication for review by LICENSEE, but such review will be in no way construed as a right to restrict such publication. LICENSEE shall also have the right to publish and/or co-author any publication on the SUBJECT TECHNOLOGY based on data developed by LICENSEE.

6.03 - Each party shall keep confidential and not disclose, directly or indirectly, for a period of five (5) years from the date of disclosure, and shall not use for the benefit of itself or any other individual or entity any CONFIDENTIAL INFORMATION of the other, except as expressly allowed by this LICENSE, or with the prior written approval of the disclosing party (the "DISCLOSING

PARTY"). CONFIDENTIAL INFORMATION means any trade secrets or confidential, proprietary information, whether written, oral, digital or other form, which is unique, confidential or proprietary to the DISCLOSING PARTY, including but not limited to, the applicable SUBJECT TECHNOLOGY, PATENT RIGHTS, LICENSED PRODUCT and any other materials or information related to the business or activity of the DISCLOSING PARTY which is not generally known to others engaged in similar businesses or activities. Information disclosed in written media shall be clearly marked "CONFIDENTIAL" in order to be entitled to protection as CONFIDENTIAL INFORMATION. Information disclosed orally or in other media shall be considered CONFIDENTIAL INFORMATION only if the information is reduced to a written summary by the DISCLOSING PARTY, and if said written summary is marked "CONFIDENTIAL" and sent to the party receiving the disclosure within thirty (30) days of the date of disclosure. The recipient of such CONFIDENTIAL INFORMATION has no confidentiality obligation hereunder with respect to CONFIDENTIAL INFORMATION that (a) was in the possession of, or was rightfully known, by such recipient without a confidentiality obligation prior to receipt of such CONFIDENTIAL INFORMATION from the DISCLOSING PARTY; (b) is, or becomes, generally known to the public without violation of this AGREEMENT; (c) is retained by such recipient in good faith from a third party having the right to disclose such CONFIDENTIAL INFORMATION without a confidentiality obligation; (d) is independently developed by such recipient without the participation of individuals who have access to the CONFIDENTIAL INFORMATION; (e) is required to be disclosed by law or government authority, provided such recipient provides the DISCLOSING PARTY with reasonable advance written notice.

6.04 - It is agreed that, notwithstanding any provisions herein, LICENSOR is free to use the SUBJECT TECHNOLOGY and PATENT RIGHTS for its own educational, teaching, research and clinical purposes without restriction and without payment of royalties or other fees.

6.05 - This license agreement is subject to all of the United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities and technology.

ARTICLE 7 - DURATION AND TERMINATION

7.01 - This Agreement shall become effective upon the EFFECTIVE DATE, and unless sooner terminated in accordance with any of the provisions herein, shall remain in full force and effect for the life of the last-to-expire of the patents included in the PATENT RIGHTS.

7.02 - LICENSEE may terminate this Agreement by giving LICENSOR written notice at least three (3) months prior to such termination, and thereupon terminate the manufacture, use or sale of LICENSED PRODUCTS.

7.03 - Either party may immediately terminate this Agreement for fraud, willful misconduct, or illegal conduct of the other party upon written notice of same to that other party. Except as provided above, if either party fails to fulfill any of its obligations under this Agreement, the non-breaching party may terminate this Agreement, upon written notice to the breaching party, as provided below. Such notice must contain a full description of the event or occurrence constituting a breach of the Agreement. The party receiving notice of the breach will have the opportunity to cure that breach within ninety (90) days of receipt of notice, except in the case of payment obligations where the cure period will be thirty (30) days. If the breach is not cured within that time, the termination will be effective as of the ninetieth (90th) day after receipt of notice, or thirtieth (30th) day in the case of failure to meet payment obligations. A party's ability to cure a breach will apply only to the first two breaches properly noticed under the terms of this Agreement, regardless of the nature of those breaches. Any subsequent breach by that party will entitle the other party to terminate this Agreement upon proper notice.

7.04 - Upon the termination of this Agreement, LICENSEE may notify LICENSOR of the amount of LICENSED PRODUCT LICENSEE then has on hand and in production, and LICENSEE shall then have a license to sell that amount of LICENSED PRODUCT, but no more, provided LICENSEE shall pay the royalty thereon at the rate and at the time provided for.

7.05 - If during the term of this Agreement, LICENSEE shall become bankrupt or insolvent or if the business of LICENSEE shall be placed in the hands of a receiver or trustee, whether by the voluntary act of LICENSEE or otherwise, or if LICENSEE shall cease to exist as an active business, this Agreement shall immediately terminate.

ARTICLE 8 - LAW TO GOVERN

8.01 - This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

ARTICLE 9 - ASSIGNMENT

9.01 - This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. However, LICENSEE may not assign its rights in this Agreement without approval by LICENSOR, such approval not to be unreasonably withheld. Notwithstanding the foregoing, the LICENSEE may assign its rights under this Agreement without the consent of the LICENSOR, to (i) a majority owned subsidiary or (ii) a third party which acquires all or substantially all of its assets.

ARTICLE 10 - NOTICES

10.01 - Notice hereunder shall be deemed sufficient if given by registered mail, postage prepaid, and addressed to the party to receive such notice at the address given below, or such other address as may hereafter be designated by notice in writing.

LICENSOR	LICENSEE
Office of Science and Technology Duke University Attn: License Administrator Box 90083 Durham, NC 27708	Celsion Corporation 10220-1 Old Columbia Road Columbia, MD 21046-1705

cc: Duke University
Office of Counsel
2400 Pratt Street, Suite 4000
DUMC Box 3024
Durham, North Carolina 27710

ARTICLE 11 - INDEMNITY, INSURANCE, REPRESENTATIONS, STATUS

11.01 - LICENSEE agrees to indemnify, hold harmless and defend LICENSOR, its officers, employees, and agents, against any and all claims, suits, losses, damages, costs, fees, and expenses asserted by third parties, both government and non-government, resulting from or arising out of the exercise of this license. The LICENSEE shall not be responsible for the negligence or intentional wrongdoing of the LICENSOR.

11.02 - LICENSEE shall maintain in force at its sole cost and expense, with reputable insurance companies, general liability insurance and products liability insurance coverage in an amount reasonably sufficient to protect against liability under paragraph 11.01 above. LICENSOR shall have the right to ascertain from time to time that such coverage exists, such right to be exercised in a reasonable manner.

11.03 - Nothing in this Agreement shall be deemed to be a representation or warranty by LICENSOR of the validity of any of the patents or the accuracy, safety, efficacy, or usefulness, for any purpose, of any SUBJECT TECHNOLOGY. LICENSOR shall have no obligation, express or implied, to supervise, monitor, review or otherwise assume responsibility for the production, manufacture, testing, marketing or sale of any LICENSED PRODUCT, and LICENSOR shall have no liability whatsoever to LICENSEE or any third parties for or on account of any injury, loss, or damage, of any kind or nature, sustained by, or any damage assessed or asserted against, or any

other liability incurred by or imposed upon LICENSEE or any other person or entity, arising out of or in connection with or resulting from:

a. the production, use, or sale of any LICENSED PRODUCT;

b. the use of any SUBJECT TECHNOLOGY; or

c. any advertising or other promotional activities with respect to any of the foregoing.

11.04 - Neither party hereto is an agent of the other party for any purpose whatsoever.

ARTICLE 12 - USE OF A PARTY'S NAME

12.01 -Neither party will, without the prior written consent of the other party:

a. use in advertising, publicity or otherwise, any trade-name, personal name, trademark, trade device, service mark, symbol, or any abbreviation, contraction or simulation thereof owned by the other party; or

b. represent, either directly or indirectly, that any product or service of the other party is a product or service of the representing party or that it is made in accordance with or utilizes the information or documents of the other party.

ARTICLE 13 - SEVERANCE

13.01 - Each clause of this AGREEMENT is a distinct and severable clause and if any clause is deemed illegal, void or unenforceable, the validity, legality or enforceability of any other clause or portion of this AGREEMENT will not be affected thereby.

ARTICLE 14 - TITLES

14.01 - All titles and article headings contained in this AGREEMENT are inserted only as a matter of convenience and reference. They do not define, limit, extend or describe the scope of this AGREEMENT or the intent of any of its provisions.

ARTICLE 15 - ENTIRE UNDERSTANDING

15.01 - This Agreement represents the entire understanding between the parties, and supersedes all other agreements, express or implied, between the parties concerning the FIELD, including the SUBJECT TECHNOLOGY.

IN WITNESS WHEREOF, the parties have caused these presents to be executed in duplicate as of the date and year first above written.

LICENSOR: DUKE UNIVERSITY	LICENSEE:
BY:_____	BY:_____
Robert L. Taber, Ph.D.	PRINTED NAME: _____
Vice Chancellor	TITLE: _____
Science & Technology Development	

EXHIBIT A

SUBJECT TECHNOLOGY - PATENTS

DUKE FILE NO. 2193

US Serial No. 10/437,838 Pending

Title - "Non-invasive Apparatus and Method for Providing RF Energy Induced Localized Hyperthermia"

Inventor - Thaddeus Samulski, Ph. D.

AGREEMENT

THIS AGREEMENT, effective as of October 4, 2001, is executed by and between SPENCER J. VOLK ("Volk"), and CELSION CORPORATION, a Delaware corporation (the "Company").

PRELIMINARY STATEMENT

1. Volk has served as President, Chief Executive Officer, and a Director, of the Company, pursuant to an Amended and Restated Executive Employment Agreement with the Company dated effective as of January 1, 2000 (the "Employment Agreement").

2. Volk desires to retire, and consequently resign from his positions as President, Chief Executive Officer, and as a Director, of the Company, and the Company desires to accept such retirement and consequent resignation from said positions, in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. RECITALS. The foregoing recitals are hereby incorporated by reference and made a part of this Agreement.

2. SALARY. In lieu of all amounts payable as salary or cash bonus pursuant to the Employment Agreement, the Company agrees to pay Volk an annual salary in the amount of Two Hundred Fifty Two Thousand Dollars ($252,000) through December 31, 2002, less such amounts as are required to be withheld pursuant to applicable law, payable in equal monthly or semi-monthly installments pursuant to the Company's standard payroll policies applicable to its senior executives.

3. STOCK OPTIONS.

3.1 Option Grant and Vesting. In lieu of all grants of stock options set forth in the Employment Agreement (including all option grants previously made to Volk pursuant to the Employment Agreement) the Company hereby grants to Volk, non-qualified stock options which in the aggregate entitle Volk to acquire One Million Eight Hundred Fifty Thousand (1,850,000) fully paid and non-assessable shares of common stock of the Company, par value $0.01 per share, all of which shall automatically vest as of the date of this Agreement. Any stock options previously granted to Volk pursuant to the Employment Agreement, whether vested or unvested, shall be null and void and superceded by the options granted pursuant to this Agreement.

3.2 Exercise.

(i) General. Volk may exercise the stock options at any time prior to 5:00 p.m. on October 4, 2006 (the "Expiration Date") upon written notice to the Company at its principal office at 10220-1 Old Columbia Road, Columbia, Maryland 21046-1705, Attention: Augustine Y. Cheung, after which time all unexercised options shall expire and be of no further legal force or effect. The notice shall be executed and delivered with the Purchase Form attached hereto as Exhibit A duly completed and signed and, except as provided in Section 3.2(ii) below, shall be accompanied by payment in cash or cashier's check of the aggregate purchase price for the number of shares which Volk is acquiring pursuant to the provisions hereof.

(ii) Cashless Exercise. If the common stock of the Company is, at the time of exercise of a stock option, registered under Section 12(b) or 12(g) of the Securities and Exchange Act of 1934, Volk may pay the exercise price, in whole or in part, by delivery of a properly executed Purchase Form, together with (a) irrevocable instructions to a brokerage firm designated by the Company at the request of Volk to deliver promptly to the Company the amount of proceeds necessary to pay the aggregate purchase price or portion thereof and any withholding tax obligations that may arise in connection with the exercise, (b) payment in cash or cashier's check of that portion of the aggregate purchase price, in any, not covered by the instructions to the brokerage firm and (c) instruction to the Company to deliver directly to the designated brokerage firm the certificates for the purchased shares the proceeds of which are designated to pay the purchase price.

3.3 Exercise Price. The exercise price for each stock option to acquire one share of common stock shall be as follows:

# of Stock Options	Exercise Price
400,000	$ .75
250,000	$ 1.22
300,000	$ 1.00
100,000	$ 1.22
100,000	$ 1.22
700,000	$ 1.17
1,850,000	

3.4 Sale of Shares; Potential Registration.

(i) Restrictions on Transfer. Shares received upon exercise of the stock options may not be sold or offered for sale in the absence of effective registration under federal and applicable state securities laws, or an opinion of counsel satisfactory to the Company that such registration is not required. Shares

received upon exercise of the stock options may be sold by Volk in transactions permitted by the provisions of Rule 144 of the Securities Act of 1933.

(ii) Possible Registration. The Company will consider registering all or any portion of the shares of common stock underlying the options for resale pursuant to the Act at the request of Volk. However, the parties acknowledge and agree that the Company is not, and shall not be, under any legal obligation to effect such a registration at any time or at all.

3.5 Anti-Dilution Provisions.

(i) Adjustment of Number of Incentive Shares. Notwithstanding anything in this Section 3.5 to the contrary, in case the Company shall at any time issue common stock by way of dividend or other distribution on any stock of the Company or subdivide or combine the outstanding shares of common stock, the exercise price of the stock options granted hereunder shall be proportionately decreased in the case of such issuance (on the day following the date fixed for determining shareholders entitled to receive such dividend or other distribution) or decreased in the case of such subdivision or increased in the case of such combination (on the date that such subdivision or combination shall become effective).

(ii) No Adjustment for Small Amounts. Anything in this Section 3.5 to the contrary notwithstanding, the Company shall not be required to give effect to any adjustment in the exercise price of the stock options unless and until the net effect of one or more adjustments, determined as above provided, shall have required a change of the exercise price by at least one cent, but when the cumulative net effect of more than one adjustment so determined shall be to change the actual exercise price by at least one cent, such change in the exercise price shall thereupon be given effect.

3.6 Adjustments in the Event of a Recapitalization or Similar Transaction. In the event of a reclassification, recapitalization, stock split, reverse stock split, stock dividend or combination of shares, or other similar event, the number and class of shares issuable to Volk upon exercise of the option to acquire common stock shall be adjusted proportionately to reflect such event.

4. FRINGE BENEFITS.

4.1 Automobile Allowance. The Company shall continue to provide Volk with the use of an automobile (or at Volk's option, a cash allowance in the amount of $450.00 per month in lieu thereof) through December 31, 2002, along with fuel, fluids and maintenance, upon such terms and conditions as are approved by the Company.

4.2 Disability Insurance. Through December 31, 2002, the Company shall continue to reimburse Volk for the expense of maintaining the disability insurance policy currently in effect.

4.3 Participation in Employee Benefit Programs. Subject to Volk's meeting the respective eligibility requirements of each plan, until December 31, 2002 Volk shall be entitled to participate in, and be covered by, each pension, life insurance, accident insurance, health insurance and hospitalization plan of the Company, as the case may be, made available to its senior executives generally from and after the date hereof.

5. NON-COMPETITION AND NON-SOLICITATION.

5.1 Non-Competition. During such time as this Agreement shall be in effect and for a one-year period following December 31, 2002, Volk shall not do anything in any way inconsistent with his duties to, or adverse to the interests of, the Company, nor shall Volk, directly or indirectly, himself or by or through a family member or otherwise, alone or as a member of a partnership or joint venture, or as a principal, officer, director, consultant, employee or stockholder of any other entity, compete with the Company or be engaged in or connected with any other business competitive with that of the Company or any of its affiliates, except that Volk may own, as a passive investment, not more than five percent (5%) of the total voting power of any company with a class of securities registered pursuant to the Securities Exchange Act of 1934 that may engage in such a business competitive with that of the Company or any of its affiliates.

5.2 Confidentiality. In view of the fact that Volk has been brought into close contact with all or substantially all of the confidential affairs of the Company and its affiliates, information with respect to which is not readily available to the public, Volk agrees during the term of this Agreement and thereafter:

(a) to keep secret and retain in the strictest confidence all non-public information about (i) research and development, test results, suppliers, venture or strategic partners, licenses and patents or patent applications, planned or existing products, know-how, financial condition and other financial affairs (such as costs, pricing, profits and plans for future development, methods of operation and marketing concepts) of the Company and its affiliates; (ii) the employment policies and plans of the Company and its affiliates; and (iii) any other proprietary information relating to the Company and its affiliates, their operations, businesses, financial condition and financial affairs (collectively, the "Confidential Information") and, for such time as the Company or any of its affiliates is operating, Volk shall not disclose the Confidential Information to anyone not then an officer, director or authorized employee or agent of the Company or its affiliates, either during or after the term of this Agreement, except with the Company's express written consent or except to the extent that such Confidential Information can be shown to have been in the public domain through no fault, recklessness or negligence of Volk; and

(b) to deliver to the Company at any time(s) the Company may so request, all memoranda, notes, records, reports and other documents relating to the Company or its affiliates, or their respective businesses, financial affairs or operations and all property associated therewith, which he may then possess or have under his control.

5.3 Non-Solicitation of Employees. Volk shall not at any time during the three-year period following December 31, 2002, (i) employ any individual who was employed by the Company or any of its affiliates at any time commencing January 1, 2001 through and including December 31, 2005, or (ii) in any way cause, influence or participate in the employment of any such individual by anyone else in any business that is competitive with any of the businesses engaged in by the Company or any of its affiliates.

5.4 Non-Solicitation of Customers. Volk shall not at any time during the three-year period following December 31, 2002, directly or indirectly, either (i) persuade or attempt to persuade any customer or client of the Company or of any of its affiliates to cease doing business with the Company or with any affiliate, or to reduce the amount of business it does with the Company or with any of its affiliates, or (ii) solicit for himself or any person other than the Company or any of its affiliates, the business of any individual or business which was a customer or client of the Company or any of its affiliates at any time during the eighteen month period immediately preceding December 31, 2002.

5.5 Remedies. Volk acknowledges that his agreement to the limitations set forth in this Section 5 is an essential inducement to the Company to enter into this Agreement, and that the Company would not have entered into this Agreement but for such agreement. Volk further acknowledges that his services are unique and that any breach or threatened breach by Volk of any of the foregoing provisions of this Section 5 cannot be remedied solely by damages. In the event of a breach or a threatened breach by Volk of any of the provisions of this Section 5, the Company shall be entitled to injunctive relief restraining Volk and any business, firm, partnership, individual, corporation or other entity participating in such breach or attempted breach. Nothing herein, however, shall be construed as prohibiting the Company from pursuing any other remedies available at law or in equity for such breach or threatened breach, including the recovery of damages and the immediate termination of the employment of Volk hereunder.

5.6 Enforceability. Notwithstanding the provisions of Section 11.2 hereof, if any of the provisions of, or promises contained in, this Section 5 are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalid portions or the unenforceability in such other jurisdiction. If any provisions contained in this Section 5 are held to be unenforceable in any jurisdiction because of the duration or scope thereof, the parties hereto agree that the court making such determination shall have the power to

reduce the duration and/or scope (if such provision, in its reduced form, shall be enforceable); provided, however, that the determination of such court shall not affect the enforceability, duration or scope of this Section 5 in any other jurisdiction.

6. MUTUAL RELEASE. The parties shall execute a Mutual Release in the form attached hereto as Exhibit B simultaneously with the execution of this Agreement.

7. EMPLOYMENT AGREEMENT OF NO FURTHER FORCE OR EFFECT. This Agreement supercedes all prior agreements between the parties including all provisions of the Employment Agreement, which is terminated in its entirety and is of no further legal force or effect effective as of the date of this Agreement.

8. POSSIBLE CONSULTING ARRANGEMENT. The Company agrees to consider retaining Volk as a consultant after December 31, 2002, if the parties can reach mutually agreeable terms for any such arrangement at that time, provided however, that any such future engagement of Volk by the Company shall be in the sole and absolute discretion of the Board of Directors of the Company.

9. NOTICES.

All notices and communications hereunder shall be in writing and delivered by hand or sent by registered or certified mail, postage and registration or certification fees prepaid, return receipt requested, or by overnight delivery such as Federal Express, and shall be deemed given when hand delivered or three (3) business days after the date when mailed, or upon one (1) business day after delivery to an agent for overnight delivery, if sent in such manner, as follows:

If to the Company:	Celsion Corporation 10220-1 Old Columbia Road, Columbia, Maryland 21046-1705 Attention: Augustine Y. Cheung, President
With a copy to:	Venable, Baetjer and Howard, LLP Mercantile Bank and Trust Building 2 Hopkins Plaza, Suite 1800 Attn: Greg Cross
If to Volk:	Spencer J. Volk

The foregoing addresses may be changed by either party from time to time by notice given in the manner set forth in this Section 9.

10. JURISDICTION. Any suit involving any dispute or matter arising under this Agreement may only be brought in any United States federal district court located in the State of Maryland or in any state court located in Howard County, Maryland. Each of the parties hereto consents to the venue and the exercise of personal jurisdiction by such court with respect to all such proceedings.

11. MISCELLANEOUS.

11.1 Entire Agreement; Amendment; Waiver. This Agreement contains the entire understanding of the parties hereto with respect to the subject matter hereof, and the provisions hereof may not be altered, amended, waived, terminated or discharged in any way whatsoever except by subsequent written agreement executed by the party charged therewith. This Agreement supersedes all prior employment agreements, understandings and arrangements between Volk and the Company pertaining to the terms of the employment of Volk. A waiver by either of the parties of any of the terms or conditions of this Agreement, or of any breach hereof, shall not be deemed a waiver of such terms or conditions for the future or of any other term or condition hereof, or of any subsequent breach hereof.

11.2 Severability. Subject to the provisions of Section 5.6 as they affect the provisions of Section 5 hereof, the provisions of this Agreement are severable, and if any provision of this Agreement is invalid, void, inoperative or unenforceable, the balance of the Agreement shall remain in effect, and if any provision is inapplicable to any circumstance, it shall nevertheless remain applicable to all other circumstances.

11.3 Governing Law. This Agreement shall be construed and interpreted under the laws of the State of Maryland applicable to contracts executed and to be performed entirely therein.

11.4 Headings. The captions and section headings in this Agreement are not part of the provisions hereof, are merely for the purpose of reference and shall have no force or effect for any purpose whatsoever, including the construction of the provisions of this Agreement.

11.5 Binding Nature. This Agreement shall be binding upon and inure to the benefit of Volk and his personal representatives, executors and administrators and to the successors or assigns of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first above written.

WITNESS/ATTEST: CELSION CORPORATION

By: /s/ Augustine Y. Cheung (SEAL)

- ---------- Augustine Y. Cheung, President

/s/ SPENCER J. VOLK (SEAL)

- ---------- Spencer Volk

EXHIBIT A

OPTION EXERCISE FORM

Celsion Corporation
10220-1 Old Columbia Road
Columbia, MD 21046-1705

Gentlemen:

1. Exercise of Stock Option. I hereby exercise the [Insert Type] _____Stock Option (the "Stock Option") granted to me on _____, 2001, by Celsion Corporation (the "Corporation"), subject to all the terms and provisions thereof and of the Celsion Corporation 2001 Stock Option Plan (the "Plan"), and notify you of my desire to purchase _____ shares (the "Shares") of Common Stock of the Corporation at a price of $_____ per share pursuant to the exercise of said Stock Option.

2. Information about the Corporation. I am aware of the Corporation's business affairs and financial condition and have acquired sufficient information about the Corporation to reach an informed and knowledgeable decision to acquire the Shares.

3. Tax Consequences. I am not relying upon the Corporation for any tax advice in connection with this option exercise, but rather am relying on my own personal tax advisors in connection with the exercise of the Stock Option and any subsequent disposition of the Shares.

4. Tax Withholding. I understand that, in the case of a nonqualified stock option, I must submit upon demand from the Corporation an amount in cash or cash equivalents sufficient to satisfy any federal, state or local tax withholding applicable to this Stock Option exercise, in addition to the purchase price enclosed, or make such other arrangements for such tax withholding that are satisfactory to the Corporation, in its sole discretion, in order for this exercise to be effective.

5. Unregistered Shares. The following shall apply in the event the Shares purchased herein are not registered under the Securities Act of 1933, as amended:

(a) I am acquiring the Shares for my own account for investment with no present intention of dividing my interest with others or of reselling or otherwise disposing of any of the Shares.

(b) The Shares are being issued without registration under the Securities Act of 1933, as amended (the "Act"), in reliance upon the exemption provided by Section 3(b) of the Act for employee benefit plans, contained in Rule 701 promulgated thereunder, or in lieu thereof upon the private offering exemption contained in Section 4(2) of the Act, and such reliance is based in part on the above representation.

(c) Since the Shares have not been registered under the Act, they must be held indefinitely until an exemption from the registration requirements of the Act is available or they are subsequently registered, in which event the representation in Paragraph (a) hereof shall terminate. As a condition to any transfer of the Shares, I understand that the Corporation will require an opinion of counsel satisfactory to the Corporation to the effect that such transfer does not require registration under the Act or any state securities law.

(d) The issuer is not obligated to comply with the registration requirements of the Act, with the requirements for an exemption under Regulation A under the Act, or with the public information requirements necessary for reliance on Rule 144 under the Act, for my benefit.

(e) The certificates for the shares to be issued to me shall contain appropriate legends to reflect the restrictions on transferability imposed by the Act.

Total Amount Enclosed: $_____

Date:_____

_____
(Optionee)

Received by Celsion Corporation

On:_____, 200__

By:_____

EXHIBIT B

MUTUAL RELEASE

1. CELSION CORPORATION, a Delaware corporation (the "Corporation"), for and in consideration of the execution by SPENCER J. VOLK ("Volk") of the Agreement executed by and between the parties simultaneously herewith (the "Agreement"), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, for itself and its directors, officers, employees, stockholders, agents, successors, assigns, attorneys and trustees (collectively the "Celsion Releasors"), does hereby irrevocably and unconditionally remise, release, acquit, exonerate and forever discharge Volk, and his heirs, personal representatives, executors, administrators, successors and assigns, of and from any or all actions, causes of action, suits, debts, dues, sums of money, accounts, claims, demands, covenants, contracts, controversies, promises, agreements, damages, attorneys' fees, costs and expenses of suit, obligations, liabilities and judgments, of whatever kind or nature, known or unknown, now existing or which may develop in the future, in law or in equity, which any of the Celsion Releasors ever had against Volk, now has or which any of the Celsion Releasors hereafter can, shall or may have, upon or by reason of any act, omission, matter, cause or thing whatsoever, from the beginning of time through the date of this Release, except for those arising under or with respect to the Agreement.

2. SPENCER J. VOLK ("Volk") for and in consideration of the execution by the Corporation of the Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, for himself and his heirs, personal representatives, executors, administrators, successors and assigns (collectively the "Volk Releasors"), does hereby irrevocably and unconditionally remise, release, acquit, exonerate and forever discharge the Corporation and its directors, officers, employees, stockholders, agents, attorneys and trustees, of and from any or all actions, causes of action, suits, debts, dues, sums of money, accounts, claims, demands, covenants, contracts, controversies, promises, agreements, damages, attorneys' fees, costs and expenses of suit, obligations, liabilities and judgments, of whatever kind or nature, known or unknown, now existing or which may develop in the future, in law or in equity, which any of the Volk Releasors ever had against the Corporation, now has or which any of the Volk Releasors hereafter can, shall or may have, upon or by reason of any act, omission, matter, cause or thing whatsoever, from the beginning of time through the date of this Release, except for those arising under or with respect to the Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their respective hands and seals as of the date and year set forth below.

ATTEST/WITNESS:

- ----------

CELSION CORPORATION

By: /s/ Augustine Y. Cheung (SEAL)

Title: President & CEO

October _____, 2001

- ----------

/s/Spencer J. Volk (SEAL)

Spencer J. Volk

October 15, 2001

STATE OF MARYLAND

COUNTY OF BALTIMORE, to wit:

I hereby certify that on this _____ day of _____, 2001, before me the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared _____, in his capacity as _____ of Celsion Corporation, and he acknowledged that he executed the foregoing Release for the purposes therein contained.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

Notary Public

My Commission Expires: _____

STATE OF MARYLAND

COUNTY OF MONTGOMERY, to wit:

I hereby certify that on this 15th day of October, 2001, before me the subscriber, a Notary Public of the State of Maryland, in and for Montgomery County, personally appeared Spencer J. Volk, and he acknowledged that he executed the foregoing Release for the purposes therein contained.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

/s/ Maureen Conahan Diaz

Notary Public

My Commission Expires: July 6, 2004

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

To the Stockholders and Board of Directors
Celsion Corporation

We consent to the incorporation by reference in the Form S-3 Registration Statement of Celsion Corporation (the "Corporation") of our report dated November 18, 2002 except as to Notes 2 and 13 which are dated January 24, 2003 relating to the statements of financial condition of the Corporation as of September 30, 2002 and 2001 and the related statements of operations, changes in stockholders' equity and cash flows for each of the years in the three- year period ended September 30, 2002 which report appears in the 2002 Annual Report on Form 10-K/A of the Corporation and to all references to our Firm included in the Registration Statement.

/s/ Stegman & Company

Baltimore, Maryland
August 25, 2003