UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period ended June 30, 2002
or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________to _________

Commission file number: 000-14242

CELSION CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware	52-1256615
State or Other Jurisdiction of Incorporation or Organization	(I.R.S. Employer Identification No.)

10220-I Old Columbia Road, Columbia, Maryland 21046-1705

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code (410) 290-5390

N/A

Former Name, Former Address and Former Fiscal Year if Changed Since Last Report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ____

As of August 12, 2002, the Registrant had outstanding 90,699,556 shares of Common Stock, $.01 par value.

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements.

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CELSION CORPORATION

BALANCE SHEETS

June 30, 2002 and September 30, 2001

ASSETS

	June 30, 2002 (Unaudited)	September 30, 2001
Current assets:		
Cash and cash equivalents	$3,119,941	$2,510,136
Accounts receivable - trade	36	1,205
Inventories	123,195	--
Prepaid expenses	45,012	--
Total current assets	3,288,184	2,511,341
Property and equipment - at cost:		
Furniture and office equipment	253,774	229,643
Leasehold improvements	12,276	--
Laboratory and shop equipment	89,354	87,193
	355,404	316,836
Less accumulated depreciation	172,475	127,556
Net value of property and equipment	182,929	189,280
Other assets:		
Deposits	445,053	179,537
Patent licenses (net of amortization)	64,831	76,703
Total other asset	509,884	256,240
Total assets	$3,980,997	$2,956,861

See accompanying notes.

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2002 (Unaudited)	September 30, 2001
Current liabilities:		
Accounts payable - trade	$ 520,852	$ 145,520
Accrued payroll	56,843	--
Other accrued liabilities	140,759	126,921
Total current liabilities	718,454	272,441
Long-term Liabilities:		
Security deposit	--	15,203
Total liabilities	718,454	287,644
Stockholders' equity:		
Capital stock -- $.01 par value; 150,000,000 shares authorized, 90,484,847 and 76,876,761 shares issued and outstanding at June 30, 2002 and September 30, 2001, respectively	904,848	768,768
Series A 10% Convertible Preferred Stock -- $1,000 par value; 7,000 shares authorized, 1,108 and 1,099 shares issued and outstanding at June 30, 2002 and September 30, 2001, respectively	1,108,190	1,099,584
Series B 8% Convertible Preferred Stock -- $1,000 par value; 5,000 shares authorized, 2,013 and 0 shares issued and outstanding at June 30, 2002 and September 30, 2001, respectively	1,761,330	--
Additional paid-in capital	41,191,768	34,406,022
Accumulated deficit	(41,703,593)	(33,605,157)
Total stockholders' equity	3,262,543	2,669,217
Total liabilities and stockholders' equity	$ 3,980,997	$ 2,956,861

See accompanying notes.

CELSION CORPORATION

STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Nine Months Ended June 30, 2002	Nine Months Ended June 30, 2001
Revenue:				
Hyperthermia sales and parts	$ --	$ 1,462	$ --	$ 3,320
Total revenue	--	1,462	--	3,320
Cost of sales	--	--	--	--
Gross profit	--	1,462	--	3,320
Operating expenses:				
General and administrative	987,306	1,127,585	3,526,959	3,041,535
Research and development	1,646,710	552,934	4,529,706	1,801,255
Total operating expenses	2,634,016	1,680,519	8,056,665	4,842,790
Loss from operations	(2,634,016)	(1,679,057)	(8,056,665)	(4,839,470)
Loss on disposal of property and equipment	--	--	(1,825)	--
Interest income	11,154	62,438	40,962	269,844
Loss before income taxes	(2,622,862)	(1,616,619)	(8,017,528)	(4,569,626)
Income taxes	--	--	--	--
Net loss	(2,622,862)	(1,616,619)	(8,017,528)	(4,569,626)
Beneficial conversion feature of				
Class B Convertible Preferred Stock	252,000	--	252,000	--
Net loss attributable to common Stockholders	$ (2,874,862)	$ (1,616,619)	$ (8,269,528)	$ (4,569,626)
Net loss per common share (basic)	$ (0.03)	$ (0.02)	$ (0.10)	$ (0.06)
Weighted average shares outstanding	90,033,347	76,515,562	85,909,745	70,447,996

See accompanying notes.

CELSION CORPORATION

STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine Months Ended June 30, 2002	2001
Cash flows from operating activities:		
Net loss	$(8,017,528)	$(4,569,626)
Noncash items included in net loss:		
Depreciation and amortization	60,296	48,117
Common stock and stock options issued for operating expenses	519,122	372,634
Preferred shares converted into common stock	--	216,416
Legal settlement expense	476,724	--
Loss on disposal of property and equipment	1,825	--
Net changes in:		
Accounts receivable	1,169	7,041
Inventories	(123,195)	(12,656)
Prepaid expenses	(45,012)	(36,403)
Other assets	(265,516)	(207,432)
Accounts payable - trade	375,332	64,333
Accrued interest payable	--	(155,373)
Accrued payroll	56,843	--
Other liabilities	(1,365)	(10,768)
Net cash used by operating activities	(6,961,305)	(4,283,717)
Cash flows from investing activities:		
Purchase of property and equipment	(43,898)	(114,395)
Net cash used by investing activities	(43,898)	(114,395)
Cash flows from financing activities:		
Payment on notes payable (net)	--	(3,187)
Proceeds of stock issuances	7,615,008	211,250
Net cash provided by financing activities	7,615,008	208,063
Net increase (decrease) in cash	609,805	(4,190,049)
Cash at beginning of period	2,510,136	8,820,196
Cash at end of the period	$ 3,119,941	$ 4,630,147

See accompanying notes.

CELSION CORPORATION
NOTES TO FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The accompanying unaudited condensed financial statements of Celsion Corporation (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America from interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments, consisting only of normal recurring accruals considered necessary for a fair presentation, have been included in the accompanying unaudited financial statements. Operating results for the nine months ended June 30, 2002 are not necessarily indicative of the results that may be expected for any other interim period or for the full year ending September 30, 2002. For further information, refer to the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001.

Note 2. Common Stock Outstanding and Per Share Information

For the quarters and nine-month periods ended June 30, 2002 and 2001, per share data is based on the weighted average number of shares of Common Stock outstanding. Outstanding warrants and options that can be converted into Common Stock are not included, as their effect is anti-dilutive.

Note 3. Option Repricing

On March 29, 2002, in order to provide meaningful continuing stock-based incentives for members of management, and in recognition of the decline in the market price of the Company's Common Stock, the Compensation Committee of the Board of Directors approved the cancellation of options to purchase a total of 3,625,000 shares of Common Stock held by certain key executives and the issuance of new options to purchase a total of 3,150,000 shares, resulting in a net decrease of options to purchase a total of 475,000 shares. The cancelled options had been issued to the Company's executives pursuant to their respective employment contracts at exercise prices in excess of the current market price of the Company's Common Stock. These options consisted of certain options vested at the time of cancellation, as well as options with vesting dates through April 2003, and with expiration dates through April 2011. The new options consist of currently vested compensatory options, bonus options, one-third of which are currently vested and the remainder of which vest on March 31, 2003 and 2004, and performance-based awards that vest, if at all, upon achievement, by the Company, of certain specified milestones, all of which expire in May 2012. All of the new options were issued pursuant to the Company's 2001 Stock Option Plan, at exercise prices at or in excess of the market price for the Common Stock on the date of grant. The Company will account for the repriced options using variable accounting under FASB Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation--An Interpretation of APB Opinion No. 25. Consequently, during each reporting period the Company will record compensation expense relating to the vested portion of the repriced options to the extent that the fair market value of the Company's Common Stock exceeds the exercise price of such options. During the quarter ended June 30, 2002, the Company did not record any compensation expense.

The following table sets forth the option cancellations and awards for five of the Company's executive officers:

	Cancelled Options		Newly Granted Options	
	Number of Shares	Exercise Price	Number of Shares	Exercise Price
Augustine Y. Cheung, President, Chief Executive Officer, and Chief Scientific Officer	150,000	$0.80	800,000	$0.64(1)
	150,000	$1.00	50,000	$0.76(2)
	150,000	$1.20		
	300,000	$1.22		
	150,000	$1.40		
	100,000	$1.60		
Anthony P. Deasey, Executive Vice President--Finance & Administration, Chief Financial Officer	580,000	$1.44	665,000	$0.64(1)
	80,000	$1.58	135,000	$0.76(2)
	80,000	$1.73		
	80,000	$1.87		
	80,000	$2.01		
John Mon, Vice President--New Business Development	150,000	$0.92	185,000	$0.64(1)
	100,000	$2.75	65,000	$0.76(2)
	50,000	$2.95	150,000	$0.92(3)
	50,000	$3.15		
	50,000	$3.35		
	50,000	$3.55		
Daniel S. Reale, Senior Vice President and President-BPH Division	500,000	$1.03	665,000	$0.64(1)
	80,000	$1.12	135,000	$0.76(2)
	80,000	$1.23		
	80,000	$1.32		
	80,000	$1.43		
	80,000	$1.52		
Dennis Smith, Vice President--Engineering	125,000	$0.92	140,000	$0.64(1)
	50,000	$2.80	35,000	$0.76(2)
	100,000	$2.82	125,000	$0.92(3)
	50,000	$3.00		
	50,000	$3.20		

(1) One-third currently vested, one-third vest on March 31, 2003 and one-third vest on March 31, 2004. Expire in May 2012.

(2) Milestone options. Expire in May 2012.

(3) Currently vested. Expire in May 2012.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

Statements and terms such as "expect", "anticipate", "estimate", "plan", "believe" and words of similar import, regarding the Company's expectations as to the development and effectiveness of its technologies, the potential demand for its products, and other aspects of its present and future business operations, constitute forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, the Company cannot guarantee that actual results will not differ materially from its expectations. In evaluating such statements, readers should specifically consider the various factors contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2001, including, without limitation, 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 items; 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. These and other risks and uncertainties could cause actual results to differ materially from those indicated by such forward-looking statements, including those set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations--Risk Factors", as well as those set forth below and elsewhere in this Report.

General

Since inception, the Company has incurred substantial operating losses. The Company expects operating losses to continue and possibly increase in the near term and for the foreseeable future as it continues its product development efforts, conducts clinical trials and undertakes marketing and sales activities for new products. The Company's ability to achieve profitability is dependent upon its ability to successfully integrate new technology into its thermotherapy systems, conduct clinical trials, obtain governmental approvals, and manufacture, market and sell its new products. Major obstacles facing the Company over the last several years have included inadequate funding, a negative net worth, and the slow development of the thermotherapy market due to technical shortcomings of the thermotherapy equipment available commercially. The Company has not continued to market its older thermotherapy system, principally because of the system's inability to provide heat treatment for other than surface and sub-surface tumors, and has concentrated its efforts on a new generation of thermotherapy products.

The operating results of the Company have fluctuated significantly in the past on an annual and a quarterly basis. The Company expects that its operating results will fluctuate significantly from quarter to quarter in the future and will depend on a number of factors, many of which are outside the Company's control.

Results of Operations

Comparison of Three Months Ended June 30, 2002 and Three Months Ended June 30, 2001

There were no product sales for the three months ended June 30, 2002. No product revenues are expected until the Company's equipment incorporating new technologies receives the necessary approvals from governmental regulatory agencies. The new equipment is currently in pivotal Phase II clinical testing.

General and administrative expense decreased by 12%, to $987,306 for the three months ended June 30, 2002, from $1,127,585 for the comparable period in 2001. The decrease of $140,279 was due to the allocation of general expenses (including rent, utilities, office services, etc.) between administration and research and development.

Research and development expense increased by 198%, or $1,093,776, to $1,646,710 for the current period from $552,934 for the three months ended June 30, 2001. This increase was due to the allocation of general expenses discussed above, the cost of benign prostatic hyperplasia ("BPH") clinical trials, establishment of a clinical monitoring team and engineering costs related to commercializing the design of the BPH device. The Company expects expenditures on research and development to increase for the remainder of the current fiscal year as it completes its BPH Phase II clinical trials, submits the data to the Food and Drug Administration (the "FDA") in connection with its application for pre-marketing approval and undertakes the approval process. Additionally the Company intends to accelerate its Phase II breast cancer clinical trials, has submitted to the FDA an Investigational New Drug application, and potentially will initiate Phase I clinical trials to treat prostate cancer with its Doxorubicin-laden, heat-activated liposomes.

The increased expenditures, discussed above, resulted in an increase of $954,959 in the loss from operations for the three-month period ended June 30, 2002, to ($2,634,016) from ($1,679,057) in the comparable period during the prior fiscal year.

Comparison of Nine Months Ended June 30, 2002 and Nine Months Ended June 30, 2001

There were no product sales for the nine months ended June 30, 2002. No product revenues are expected until the Company's equipment incorporating new technologies receives the necessary approvals from governmental regulatory agencies. The new equipment is currently in pivotal Phase II clinical testing.

General and administrative expenses increased by 16%, to $3,526,959, for the nine months ended June 30, 2002, from $3,041,535 for the comparable period in 2001. The increase of $485,424 was due to several factors. First, the Company incurred costs associated with settlement of its ongoing lawsuit with Warren C. Stearns and his associates (the "Stearns Group"). Under the terms of the settlement, Celsion issued to the Stearns Group certain common stock purchase warrants that were at issue in the litigation together with additional warrants as compensation for relinquishment of certain anti-dilution rights under the disputed warrants and up to $265,000 in cash to reimburse Mr. Stearns for costs incurred up to the settlement date. Second, the Company accrued all remaining amounts due to Spencer J. Volk, its former President and Chief Executive Officer, under the terms of the agreement governing his retirement. Finally, the Company incurred consulting costs related to exploration of the feasibility of setting up a business for new products in China (including Hong Kong, Taiwan and Macao). These increased costs were partially offset by the allocation of general expenses (including rent, utilities, office services, etc.) between administration and research and development, as discussed above.

Research and development expense increased by 151% to $4,529,706 for the current nine-month period from $1,801,255 for the nine months ended June 30, 2001. This increase was due to the allocation of general expenses discussed above, the cost of BPH clinical trials, establishment of a clinical monitoring team and engineering costs related to commercializing the design of the BPH device. The Company expects expenditures on research and development to increase for the remainder of the current fiscal year as it completes its BPH Phase II clinical trials, submits the data to the FDA in connection with its application for pre-marketing approval and undertakes the approval process. Additionally the Company intends to accelerate its Phase II breast cancer clinical trials, has submitted to the FDA an Investigational New Drug application, and potentially will initiate Phase I clinical trials, to treat prostate cancer with its Doxorubicin-laden, heat-activated liposomes.

The increased expenditures, discussed above, resulted in an increase of $3,217,195 in the loss from operations for the nine-month period ended June 30, 2002, to ($8,056,665) from ($4,839,470) in the comparable period during the prior fiscal year.

Liquidity and Capital Resources

Since inception, the Company's expenses have significantly exceeded its revenues, resulting in an accumulated deficit of $41,703,593 at June 30, 2002. The Company has incurred negative cash flows from operations since its inception, and has funded its operations primarily through the sale of equity securities. As of June 30, 2002, the Company had total current assets of $3,288,184, including cash and cash equivalents of $3,119,941, current liabilities of $718,454 and a working capital surplus of $2,569,730. As of September 30, 2001, the Company had total current assets of $2,511,341, including cash and cash equivalents of $2,510,136, current liabilities of $272,441, and a working capital surplus of $2,238,900. Net cash used in the Company's operating activities was $6,961,305 for the nine months ending June 30, 2002.

The Company does not have any bank financing arrangements and has funded its operations in recent years primarily through private placement offerings. On June 3, 2002, the Company completed a private placement of 2,000 units at a price per unit of $1,000, resulting in gross proceeds to the Company of $2,000,000. Each unit in this offering consists of one share of the Company's 8% Series B Convertible Preferred Stock and a warrant to purchase 600 shares of Common Stock. On January 9, 2002, the Company completed a private placement of units consisting of one share of Common Stock, and a warrant to purchase one share of Common Stock, at a price of $0.50 per unit. The Company realized gross proceeds in the amount of $6,250,000 from this offering.

For all of fiscal year 2002, the Company expects to expend a total of about $9.5 million for research, development and administration, of which $7.1 million had been expended as of June 30, 2002. The aggregate expenditure amount is an estimate based upon certain assumptions as to the scheduling and cost of institutional clinical research and testing personnel, the timing of clinical trials and other factors, not all of which are fully predictable or within the control of the Company. Accordingly, estimates and timing concerning projected expenditures and programs are subject to change from time to time and such changes may be material.

The Company expects to meet its funding needs for the remainder of fiscal year 2002 from its current resources, including funds generated from two private placements of equity securities completed earlier during the fiscal year.

The Company's dependence on raising additional capital will continue at least until such time, if any, as the Company is able to begin marketing its new technologies. The Company's future capital requirements and the adequacy of its financing depend upon numerous factors, including the successful commercialization of its thermotherapy systems, progress in its product development efforts, progress with pre-clinical studies and clinical trials, the cost and timing of production arrangements, the development of effective sales and marketing activities, the cost of filing, prosecuting, defending and enforcing intellectual property rights, competing technological and market developments, and the development of strategic alliances for the marketing of its products. The Company will be required to obtain such funding through equity or debt financing, strategic alliances with corporate partners and others, or through other sources not yet identified. The Company does not have any committed sources of additional financing and cannot guarantee that additional funding will be available in a timely manner, or on acceptable terms, if at all. If adequate funds are not available in a timely manner and on acceptable terms, the Company may be required to delay, scale back or eliminate certain aspects of its operations or attempt to obtain funds through arrangements with collaborative partners or others that may require the Company to relinquish rights to certain of its technologies, product candidates, products or potential markets or otherwise may be on terms disadvantageous to the Company.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities.

During the fiscal quarter ended June 30, 2002, the Company issued the following securities without registration under the Securities Act of 1933, as amended (the "Securities Act"):

On June 3, 2002, the Company completed a private placement (the "Offering") of 2,000 units ("Units") to "accredited investors" (as that term is defined for purposes of Regulation D under the Securities Act) at a price per Unit of $1,000. The Units consist of one share of the Company's 8% Series B Convertible Preferred Stock, par value $0.01 ("Series B Preferred Stock"), and a warrant to acquire 600 shares of Celsion Common Stock exercisable at a price of $0.65 per share. Each share of Series B Preferred Stock may be converted into 2,000 shares of Celsion Common Stock commencing 90 days after the closing of the Offering. The Company received gross proceeds of $2,000,000 in connection with the Offering. The shares issued are restricted stock, endorsed with the Company's standard restricted stock legend. The certificates representing the warrants have a similar restrictive legend. Accordingly, the Company views the shares issued as exempt from registration under Sections 4(2) and/or 4(6) of the Securities Act.

During the quarter, the Company also issued 280,000 shares of its Common Stock to four outside consultants for services valued at $140,000. These shares are restricted stock, endorsed with the Company's standard restricted stock legend, with a stop transfer instruction recorded by the transfer agent. Accordingly, the Company views the shares issued as exempt from registration under Sections 4(2) and/or 4(6) of the Securities Act.

At various times during the quarter, the Company issued a total of 455,000 shares of its Common Stock for cash consideration of $27,000 upon exercise of stock purchase options and warrants. These shares are restricted stock, endorsed with the Company's standard restrictive legend, with a stop transfer instruction recorded by the transfer agent. Accordingly, the Company views the shares issued as exempt from registration under Sections 4(2) and/or 4(6) of the Securities Act.

The Company also issued stock purchase options to three outside consultants to purchase a total of 460,000 shares of Common Stock. These options were valued at $112,293. The documents evidencing these securities carry the Company's standard restrictive legend. Accordingly, the Company views the shares issued as exempt from registration under Sections 4(2) and/or 4(6) of the Securities Act.

Item 3. Defaults upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Securities Holders.

None.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

11. Computation of Per Share Earnings.

99.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b) Reports on Form 8-K.

On April 3, 2002, the Company filed with the Securities and Exchange Commission (the "SEC") a Current Report on Form 8-K reporting, under Item 5, that on March 28, 2002, the Company issued a press release (included as an exhibit to the Current Report) reporting, among other things, results from the multi-site Phase II pivotal trial of its Microfocus 800 Microwave Urethroplasty(TM) system used for the treatment of Benign Prostatic Hyperplasia, is a non-cancerous urological disease that affects many older men.

On April 10, 2002, the Company filed with the SEC a Current Report on Form 8-K reporting, under Item 5, that on April 8, 2002, the Company issued a press release (included as an exhibit to the Current Report) reporting, among other things, on the filing of an Investigational New Drug Application with the Food and Drug Administration for its temperature-sensitive liposome compound in the treatment of prostate cancer.

On June 3, 2002, the Company filed with the SEC a Current Report on Form 8-K reporting, under Item 5, that on June 3, 2002 it completed a private placement (the "Offering") of 2,000 units ("Units") at a price per Unit of $1,000. The Units consist of one share of the Company's 8% Series B Convertible Preferred Stock, par value $0.01, and a warrant to acquire 600 shares of Celsion Common Stock exercisable at a price of $0.65 per share. Each share of Series B Preferred Stock may be converted into 2,000 shares of Celsion Common Stock commencing 90 days after the closing of the Offering. The Current Report includes as an exhibit a press release reporting on completion of the Offering.

On June 12, 2002, the Company filed with the SEC a Current Report on Form 8-K reporting, under Item 5, that On June 11, 2002, the Company released to its stockholders a letter (included as an Exhibit to the Current Report) regarding the status of its business and the development of its products.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: August 12, 2002

CELSION CORPORATION

(Registrant)

By: /s/ Augustine Y. Cheung

Augustine Y. Cheung
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Anthony P. Deasey

Anthony P. Deasey
Executive Vice President-Finance and Administration and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 11

CELSION CORPORATION
COMPUTATION OF EARNINGS PER SHARE

	Nine Months Ended June 30,	
	2002	2001
Net loss attributable to common stockholders	$(8,269,528)	$(4,569,626)
Net (loss) income per common share*	$ (0.10)	$ (0.06)
Weighted average shares outstanding	85,909,745	70,447,996

* Common stock equivalents have been excluded from the calculation of net loss per share as their inclusion would be anti-dilutive.

EXHIBIT 99.1

CELSION CORPORATION

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of Form 10-Q for the Quarter Ended June 30, 2002 (the "Report") of Celsion Corporation, a Delaware corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Augustine Y. Cheung, the Chief Executive Officer of the Company, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Augustine Y. Cheung

Augustine Y. Cheung
President and Chief Executive Officer

August 12, 2002

EXHIBIT 99.2

CELSION CORPORATION

Certification of Chief FINANCIAL Officer

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

In connection with the Quarterly Report of Form 10-Q for the Quarter Ended June 30, 2002 (the "Report") of Celsion Corporation, a Delaware corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Anthony P. Deasey, the Chief Financial Officer of the Company, certify, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Anthony P. Deasey

Anthony P. Deasey
Executive Vice President-Finance and Administration and Chief Financial Officer

August 12, 2002