

March 12, 2009

Dear Valued Shareholder:

The Company has continued to make progress on implementing the strategy defined in December 2008. As mentioned in my previous letter, the Company has been restructured and our entire staff is focusing on the clinical development of our Aurora A/angiogenic kinase inhibitor, ENMD-2076, as our priority program. We entered 2009 committed to accelerating the clinical development of ENMD-2076 and have a management team in place to execute our operational and program development objectives. I am confident in our team – they have the experience, expertise and commitment to see the Company through these extraordinary market conditions. While we will consider corporate and strategic opportunities as they present themselves, our primary objective is to remain disciplined and stay on course with our ENMD-2076 clinical focus.

We continue to be encouraged by ENMD-2076. We believe that ENMD-2076 represents the strongest asset to the Company and are working hard to accelerate its clinical development and supporting data required to maximize the value of this exciting oncology drug candidate. Clinical trials in solid tumors and multiple myeloma are well underway. In addition, we recently received orphan drug designation from the FDA for ENMD-2076 for the treatment of multiple myeloma. We have also received a No Objection Letter (NOL) to conduct clinical trials in Canada and plans for additional studies in 2009 are ongoing. We anticipate the initiation of later stage clinical studies in both solid and hematological malignancies this year.

Early in February, we presented initial results for the Phase 1 study of ENMD-2076 in patients with solid tumors. These data, although early, demonstrate antitumor activity in some tumor types particularly, colon and ovarian cancer patients. There is strong preclinical data to support other potential indications including multiple myeloma and breast cancer. We will compile a comprehensive data set from the current clinical studies and advance discussions with potential development partners in the second half of 2009.

We have continued to treat patients who are actively on drug in clinical studies for MKC-1 and ENMD-1198 that were already underway. We, however, do not anticipate initiation of any new studies for these programs in 2009 unless significant financial resources become available to us and we have complete clinical data from the active studies. In addition, clinical studies with Panzem[®] for rheumatoid arthritis (RA) are not planned for 2009 unless significant financial resources become available or a development partner is retained to finance larger Phase 2 and 3 studies. While we continue to protect the intellectual property and be opportunistic about potential partners for these programs, in the current financial environment, we are allocating the majority of our financial and human resources to the accelerated development of ENMD-2076 as this represents our most direct path to provide value to you, our shareholder.



We ended the fourth quarter of 2008 with approximately \$24 million in cash and short-term investments. The past few months were a period of transition for EntreMed as we prioritized our programs, streamlined our operations, and maximized our efficiencies. Because of these measures, we are in a relatively strong financial position and remain confident that our current cash position, along with projected royalty revenues from Celgene's sales of Thalomid[®], will provide us with the financial resources necessary to accomplish our clinical development objectives for ENMD-2076 in 2009 and fund current and planned operations into the second quarter of 2010. We will also continue to monitor our listing status with the NASDAQ Capital Market and will be proactive in seeking and evaluating all available options to maintain a public listing of the Company's securities.

We welcome your comments and questions and encourage you to contact Ginny Dunn, our Associate Director, Corporate Communications and Investor Relations, at 240-864-2643 or at ginnyd@entremed.com.

Thank you, our shareholders, for your continued support.

Sincerely,

A handwritten signature in black ink, reading "Michael M. Tarnow". The signature is written in a cursive style with a long, sweeping flourish at the end.

Michael M. Tarnow
Executive Chairman of the Board