

June 9, 2011

Dear Valued Shareholder:

2011 has been an eventful year for EntreMed. First, I would like to take this opportunity to thank the Board of Directors, the Senior Management Team, and the employees of EntreMed for their diligence in executing our strategy for advancing the clinical development of ENMD-2076, an Aurora A/angiogenic kinase inhibitor. Even through difficult market conditions and limited resources, the EntreMed team was able to remain focused on our development objectives while continuing to maximize available resources.

To date in 2011, we have made significant strides in the development of ENMD-2076. In February, we completed enrollment of the multi-center Phase 2 study with ENMD-2076 in platinum resistant ovarian cancer patients. Data for the Phase 2 study were presented during a poster discussion session at the American Society of Clinical Oncology (ASCO) annual meeting held June 3-7, 2011 in Chicago, Illinois.

The trial was an open-label, single-arm, multi-center-study of ENMD-2076 dosed orally as a single agent in very challenging patients with platinum-resistant recurrent ovarian, peritoneal or tubal cancer. These patients have few therapeutic options remaining to treat their cancers. Sixty-four patients were enrolled of which 57 were evaluable at the time of the ASCO presentation. The primary endpoint for the study was progression-free survival rate at six months. Secondary endpoints include response rate, duration of response, and overall survival.

ENMD-2076 demonstrated clinical activity when administered daily as a single agent. Data from 57 patients showed a six-month progression free survival rate of 19%. Of the evaluable patients, four patients achieved a partial response and 30 patients achieved stable disease as measured by RECIST v1.1, a system to measure tumor response to therapeutic interventions. Median overall survival has not yet been reached. The side effect profile was consistent with activity against ENMD-2076's targets, in particular, VEGFR2 and Aurora A. Follow-on studies to evaluate potential markers of ENMD-2076 in this patient group are in progress.

Earlier this week, we were pleased to announce that Selected Value Therapeutics, I, LLC (SVT) has exercised its right to acquire an exclusive license to develop and commercialize ENMD-2076 in China and certain of its territories. As part of the agreement, EntreMed is entitled to certain development milestone payments as well as royalties on future product sales within the geographic market. In addition, EntreMed will retain development and commercialization rights to ENMD-2076 in the rest of the world. SVT's exercise of its option further substantiates the potential of ENMD-2076.



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We ended the first quarter of 2011 with approximately \$4.8 million in cash and short-term investments. As with many biotechnology companies, current economic conditions have made it difficult to access the capital markets on favorable terms. We will require funds in addition to our existing capital in order to execute our strategy for the continued clinical development of ENMD-2076 and to meet our business objectives. While we continue to advance ENMD-2076 through clinical development, we will seek additional capital through financings or collaborative agreements.

We are making notable progress with our clinical development strategy and the Board and Senior Management team continue to believe in ENMD-2076's potential to treat cancer patients. The team will remain focused on our objectives and will continue to work diligently to maximize the value of this important oncology product candidate.

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, flowing style.

Michael M. Tarnow  
Executive Chairman of the Board