

## Office of Brad Loncar

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Dear Fellow Shareholders,

Wednesday was a great day for patients and for innovation. What a tremendous positive it is to have yet another endorsement of the significance of Provenge. It is thrilling to consider the opportunity Dendreon currently has within its reach to fundamentally change the way many cancers are treated. I see no reason why this should not be one of the more important companies of our time.

However, as excited as I am about the future, I have become concerned that Dendreon's management and board need more oversight. Regrettably, there have been many issues over the years that have given me pause as a shareholder. Examples of this include:

- The company's \$16.5 million settlement of a shareholder lawsuit is concerning.
- Important statements and guidance communicated by management to the investment community have often conflicted with reality or changed significantly throughout time.
- Disclosure of pertinent, and I believe material, information to shareholders has been lacking.
- Many actions by the board and individual company executives have not been shareholder friendly and send the wrong message to long-term investors. These include generous gifts of stock and options to executives, dilutive financings, and significant insider sales.
- Management, in my view, seems unprepared to effectively recognize and answer the public relations challenges facing the company that are outside of the scientific realm.

All of this leads me to conclude that Dendreon's management and board are too narrowly focused. As the surviving grandson of a prostate cancer victim, I certainly agree with Dendreon's "Patients First" approach to business. However, these issues have been so egregious that they have caused me to become more broadly concerned about the board's oversight of management in general. Therefore, I believe that corrections are now required. Like you, I want to see Dendreon succeed to the fullest, and I think these things are starting to stand in the way.

The problems, in my view, are a result of a lack of outside shareholder presence and viewpoints on the board. While all of Dendreon's current board members have impressive backgrounds, I think the company is in need of one or two new outside

board members who come from the ranks of shareholders. This will add more diversity to the thinking of the board and its oversight of management. It would also be reassuring to have a couple members of the board who are buyers, and not sellers, of the company's stock.

That is why over a month ago I submitted an alternative plan to the company about how to move forward. I have provided a copy of that plan for you and other shareholders to read. In it, I give a detailed illustration for each of the problems I have witnessed at Dendreon over the years, why I think the stock price is currently depressed, and how I think adding a couple of outside shareholders to the board might be the solution. Since the company does not always seem to appreciate shareholder perspectives, I think we need more representation on the board. It is the only way to guarantee full confidence going forward.

While it is encouraging to see the company might finally be coming around to my suggestions about brand awareness and public advertising, it appears that management has otherwise chosen to ignore the proposal rather than work together constructively. That is why I have decided to reach out to other shareholders like you at this time. I am seeking your support in seeing that change is seriously pursued. Dendreon's board might be able to ignore one shareholder, but hopefully they will more clearly see the importance of these issues if more of us stand together. **Therefore, I respectfully ask that you contact Dendreon and let them know you support this proposal to add outside shareholders to the board.**

I understand how passionate many of you are about this company and I have no doubt some might take exception to a few of the issues I have raised in my proposal. I welcome constructive criticism. However, I would also caution you not to get too bogged down over every minute detail. The overriding theme is that the company needs outside shareholder presence on its board. I hope we can all agree on that. Dendreon has the best shareholder base in the country, and we deserve a seat at the table.

Lastly, I hope you will understand that this is not an action I take lightly. I have tremendous respect for Dendreon and the job they have at hand. Regrettably, management's actions leave me no choice in the matter. The issues I have pointed out in my proposal are serious, and they must be corrected now to make sure the company can achieve its true potential. At this pivotal time, I believe this is in the best interest of all of Dendreon's many stakeholders. I want to see Dendreon succeed. I hope you agree and will stand with me.

Best Regards,



Brad J. Loncar