



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Medicago receives contribution from NRC-IRAP for seasonal flu vaccine program

Quebec City, Quebec, July 3, 2008 — Medicago Inc. (TSX-V: MDG) today announced it has been awarded a non-refundable contribution of up to \$279,700 from Canada's National Research Council Industrial Research Assistance Program ("NRC-IRAP") to support the development of the Company's seasonal influenza Virus-Like Particles (VLP) vaccine program. Medicago is developing a seasonal vaccine based on its proprietary VLP manufacturing technology, which has the potential to offer speed and cost advantages over competitive technologies.

"This contribution is a continuation of our ongoing relationship since 2001 with Canada's National Research Council" said Andy Sheldon, President and CEO of Medicago. "The development of a seasonal influenza vaccine candidate is in-line with our strategy to expand our product portfolio and continue to leverage our technology platform to deliver highly effective and affordable vaccines. We would like to thank NRC for their continued guidance and contributions."

About Medicago

Medicago is committed to provide highly effective and affordable vaccines based on proprietary Virus-Like Particle (VLP) and manufacturing technologies. Medicago is developing VLP vaccines to protect against H5N1 pandemic influenza, using a transient expression system which produces recombinant vaccine antigens in non-transgenic plants. This technology has potential to offer advantages of speed and cost over competitive technologies. It could deliver a vaccine for testing in about a month after the identification and reception of genetic sequences from a pandemic strain. This production time frame has the potential to allow vaccination of the population before the first wave of a pandemic strikes and to supply large volumes of vaccine antigens to the world market. Additional information about Medicago is available at www.medicago.com.

Forward Looking Statements

This press release contains forward-looking statements which reflect Medicago's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected herein. Medicago disclaims any obligation to update these forward-looking statements.

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