



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Medicago provides update on milestones achieved

Quebec City, Quebec, July 30, 2008 — Medicago Inc. (TSX-V: MDG) today reported key milestones achieved during the first seven months of 2008.

“Since we started the preclinical development of our H5N1 Avian Influenza VLP vaccine, we have met all set milestones for this program as evidenced by the excellent results received from immunogenicity studies in mice and ferrets, the cGMP qualification of our manufacturing facility and the NRC grant received for the development of our seasonal vaccine,” said Andy Sheldon, President and CEO of Medicago. “Furthermore, the signing of two licensing agreements with a Fortune 100 Company and the agreement with Evry Genopole biopark to evaluate the establishment of a pandemic vaccine production facility in France continue to demonstrate the progress we have made in commercializing our proprietary plant-based technology globally. We will continue to set clear milestones and work to achieve them on schedule in order to quickly advance our pipeline and continue to build value for our shareholders.”

Signed non-exclusive licensing agreement with Fortune 100 Company

In February 2008, Medicago signed a \$2.0 million non-exclusive licensing agreement with an undisclosed Fortune 100 company for the development and commercialization of the Company’s proprietary plant-based production technology. This new Agreement validates the attractiveness of Medicago’s technology platform to leading companies and highlights the Company’s ability to create additional value for shareholders via non-exclusive collaborations as well as research and development technology licenses.

Demonstrated lead pandemic vaccine provides 100% protection in mice

In March 2008, the Company’s H5N1 Avian Influenza VLP vaccine provided 100% protection in mice against a lethal challenge of live H5N1 viruses. In addition, it has the potential to protect against three of the deadliest strains of pandemic influenza. A major hurdle with development of pandemic flu vaccines has been the mutation of the H5N1 virus over time. As a result, cross-protection, rapid development and production are key components in the successful development of these vaccines. This is the first demonstration that the Company’s VLP vaccine can protect against infection with a live deadly virus and provide cross-protection among different strains of H5N1 in circulation, increasing the chances of broader spectrum coverage.

Obtained cGMP qualification of manufacturing facility

In April 2008, the Company completed the cGMP (“Current Good Manufacturing Practices”) qualification of its manufacturing facility. cGMP qualification is a great challenge for all companies and represents a significant technical milestone as it is a prerequisite to produce clinical grade materials, which will be required for Phase I human clinical trials of the H5N1 VLP vaccine.

Demonstrated efficacy at very low doses and broad protection of lead H5N1 VLP vaccine in ferrets

Ferrets are the most predictive animal model for the effectiveness of influenza vaccines in humans. In June 2008, the Company announced that its VLP vaccine was one of the first pandemic influenza vaccines to demonstrate it may provide significant immune protection in ferrets after a single dose, in addition to providing cross-reactivity against three of the deadliest strains of H5N1, after two doses. If these ferret results replicate in humans, the Company’s H5N1 VLP vaccine will have the potential to

generate significant protection levels (up to 100%) after just a single dose of 5 micrograms. Current FDA approved H5N1 vaccines in the US require two 90-microgram doses.

Received NRC Grant for seasonal influenza vaccine

In July 2008, the Company was awarded a non-refundable grant up-to \$279,700 from Canada's National Research Council Industrial Research Assistance program ("NRC-IRAP") to support the development of its seasonal influenza VLP vaccine program. The development of a seasonal influenza vaccine candidate is in line with the Company's strategy to expand its product portfolio. The current world market for seasonal influenza vaccines is estimated to be **about 400** million doses per year a. As with its pandemic vaccine candidate, Medicago's seasonal vaccine candidate will offer speed and cost advantages over existing competitive technologies and will be well positioned in this growing market.

Signed agreement to study the feasibility of a pandemic vaccine production facility in France

The Company will be conducting a feasibility study in collaboration with Evry Genopole biopark, for the establishment of a vaccine production facility in France. Only a few areas of the world currently have access to influenza vaccine-production facilities. In the event of a pandemic, borders will close to stop the virus from entering new countries and vaccine supplies will be used by each country to ensure protection of its own citizens. The ability to rapidly and cost-efficiently deliver large volumes of pandemic vaccines is a key advantage of Medicago's technology and has led to discussion with several countries in Europe, Asia, and Africa for the establishment of domestic vaccine production facilities.

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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