



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**Medicago signs collaboration and licensing agreement for therapeutic protein production
technology**

Quebec City, Quebec, December 19, 2007 — Medicago Inc. (TSX-V: MDG) (the “Company”), today announced that it has entered into a collaboration and non-exclusive licensing agreement with an undisclosed Fortune 100 company (the “Partner”) to develop a product outside of the Company’s core development pipeline. Medicago will receive a payment of \$500,000 for the initial collaboration. The agreement also provides opportunities for additional collaboration efforts.

Under terms of this initial agreement, Medicago will collaborate with the Partner to advance the Company’s proprietary transient expression system to produce a therapeutic protein with a human-compatible glycosylation pattern. The glycosylation pattern refers to the pattern and types of sugars that are attached to the protein and this pattern is different for all production systems for recombinant proteins. The ability to produce recombinant proteins with a consistent human-compatible glycosylation pattern is an important commercial goal since differences in the glycosylation pattern on recombinant proteins can result in differences in safety and efficacy.

“We have the ability to produce recombinant proteins with a human-compatible glycosylation pattern without sacrificing the simplicity, speed and capacity of our proprietary transient expression system. This partnership will allow us to realize additional value from this cutting-edge technology,” said Andy Sheldon, President and CEO of Medicago.

About Medicago Inc.

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 the cells of 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 the Company's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual results could differ materially from those projected herein. The Company disclaims any obligation to update these forward-looking statements.

- 30 -

The TSX Venture Exchange assumes no responsibility for the content or accuracy of this press release

Contact Information

Medicago Inc.

Andy Sheldon
President and CEO
(418) 658-9393
info@medicago.com

The Equicom Group Inc.

Arianna Vanin
Investor Relations
(514) 844-4680
avanin@equicomgroup.com