



**PRESS RELEASE  
FOR IMMEDIATE RELEASE**

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**MEDICAGO ANNOUNCES EXPANSION OF MANUFACTURING FACILITY**

**Quebec City, Quebec— December 15, 2008** — Medicago Inc. (TSX-V: MDG), today announced it plans to invest \$1.5 million to expand its manufacturing facility located in the Technology Park of Quebec City to optimize manufacturing activities and provide additional space to produce clinical grade material for human clinical trials. The investment includes the purchase of 100,000 sq. ft. of land adjacent to the current facility where the Company intends to make further upgrades in the next three years.

“This investment reflects our commitment to advance our H5N1 pandemic vaccine candidate into human trials as quickly as possible,” said Andy Sheldon, President and CEO of Medicago. “Our current state-of-the-art cGMP facility meets all requirements for our Phase I trial, scheduled to commence in 2009, and with this expansion, we will be prepared for Phase II clinical studies.”

The facility expansion includes the addition of approximately 2,500 sq. ft., a separate production site, additional storage and expanded purification production capacity to support increased cGMP production. Construction will start in January 2009 with completion targeted for the end of 2009. Medicago's current facility is made up of 10,000 sq. ft. of Biosafety Level 2 greenhouse spaces for plant growth, as well as 3,000 sq. ft. of cGMP manufacturing sites for plant manipulation, product recovery and purification.

**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](http://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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