



MEDICAGO ANNOUNCES 2008 FIRST QUARTER RESULTS

Quebec City, Quebec— May 28, 2008 — Medicago Inc. (TSX-V: MDG), today announced its operational and financial results for the first quarter ended March 31, 2008. The Company's financial statements and management report are available at www.sedar.com and at www.medicago.com.

Q1 2008 Highlights

- Demonstrated that the Company's H5N1 Avian Influenza VLP vaccine provided 100% protection in mice against a lethal challenge of live H5N1 viruses
- Established cross-protection of H5N1 Avian Influenza VLP vaccine against three of the deadliest strains of pandemic influenza
- Signed second non-exclusive licensing agreement with Fortune 100 Company of \$2.0 million
- Completed non-brokered private placement of 13,000,000 units, for gross proceeds of \$2.6 million

Subsequent Events

- Completion of cGMP qualification of our manufacturing facility located in the Technology Park of Québec City
- Appointment of Mr. Pierre Labbé to Chief Financial Officer and Ms. Brigitte Barbeau to VP Manufacturing

"During the quarter, we made significant progress in the validation of our proprietary plant-based production technology and advanced our lead product, a VLP vaccine candidate for H5N1 Avian Influenza," said Andy Sheldon, President and CEO of Medicago. "Highlighting the quarter was the signing of our second non-exclusive collaboration agreement with a Fortune 100 company, which we believe confirms the attractiveness and value of our technology platform. Furthermore, we established that our lead VLP vaccine has the potential to provide 100% protection in mice at low dosage levels, in addition to offering cross-protection against three of the deadliest strains of pandemic influenza. We are highly encouraged by these preclinical results and believe we will continue to achieve a series of highly visible, value-driving milestones in 2008."

Outlook

Looking ahead, the Company expects to complete preclinical studies of its H5N1 VLP vaccine with a lethal challenge study in ferrets. Medicago has started developing a seasonal influenza vaccine and expects to receive first results from an immunogenicity study in the fourth quarter of 2008.

Financial Results

Revenues from research agreements increased by \$1,647,000 to 1,665,000 for the three-month period ended March 31, 2008 compared to the three-month period ended March 31, 2007. This increase is due to revenues generated by two non-exclusive licensing agreements signed with an undisclosed Fortune 100 company.

Research and development ("R&D") expenses totaled \$1,101,000 in first quarter of 2008, compared to \$739,000 in the first quarter of 2007. R&D expenses were higher mainly as a result of the Company's preclinical studies on its H5N1 VLP vaccine performed in the quarter.

Investment tax credits totaled \$339,000 for the three months ended March 31, 2008, compared to \$76,000 for the three months ended March 31, 2007. The increase is explained by higher R&D expenses and a corporate reorganization completed on April 1, 2007.

General and administrative, business development and intellectual property expenses for the first quarter of 2008 increased by \$126,000 to \$702,000, compared to \$576,000 in the same period a year ago. Increased expenses resulted primarily from higher salaries and outsourced contract work.

Consolidated loss for the first quarter of 2008 decreased \$1,321,000 to \$326,000 or (\$0.01) per share (basic and diluted), compared to a loss \$1,647,000, or (\$0.10) per share (basic and diluted) in the first quarter of 2007.

As at March 31, 2008, the Company had consolidated assets of \$9.4 million, including cash and cash equivalents of \$2.7 million, compared to consolidated assets of \$6.7 million, including cash and cash equivalents of \$0.2 million as at December 31, 2007.

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 the cells of non-transgenic plants. This technology has potential to offer advantages of speed and cost over competitive technologies. It promises to deliver a vaccine for testing rapidly 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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The TSX Venture Exchange assumes no responsibility for the content or accuracy of this press release

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