



MEDICAGO ANNOUNCES 2007 RESULTS

Quebec City, Quebec — April 25, 2008 — Medicago Inc. (TSX-V: MDG), today announced its operational and financial results for the fiscal year ended December 31, 2007.

“2007 was a year of great technical and product advancement for Medicago. We worked diligently to raise the necessary funds to lead us to the successful attainment of many value creating milestones for our shareholders,” said Andy Sheldon, President and CEO of Medicago.

“Foremost of these milestones was our successful development of a H5N1 influenza virus vaccine, otherwise known as an Avian Flu vaccine. Our vaccine is comprised of highly immunogenic particles known as virus like particles (VLPs). VLPs have significant advantages over conventional vaccines as they are known to broaden immunity and therefore increase protection against disease. We believe that our competitive advantage lays in the speed with which we can produce vaccines using our patented, plant-based production technology. From our pre-clinical test results, Medicago has established that its candidate vaccine has the potential to protect against three of the deadliest strains of Pandemic H5N1 Influenza viruses circulating today.

The value of our technology was, in our opinion, further validated in 2007 and in early 2008, through the signing of two important collaboration agreements with a Fortune 100 company. Since signing, we have received four non-dilutive upfront or milestone-based payments from our partner totaling \$2.5 million.

To strengthen our balance sheet, we completed a private placement of \$2.0 million for four million units of common shares in May 2007; furthermore, we completed a subsequent private placement of \$2.6 million in March 2008.

In the coming year, we plan to continue the development of our H5N1 vaccine with the goal of completing a successful Phase I trial. We will also begin a program to develop a seasonal Influenza vaccine. In addition, we will continue to work with our partners to bring further financing to our company and advance our technology closer to commercialization,” concluded Mr. Sheldon.

Financials

Revenues from research agreements in 2007 were \$74,000 down from \$156,000 in 2006. Medicago’s work in 2008-2009 on its pandemic and seasonal vaccines will lead to the Company’s first IND and phase 1 in 2009 on its H5N1 vaccine.

Research and development expenses totaled \$3,041,000 in 2007, a reduction of \$1,228,000 from \$4,269,000 in 2006. Research and development expenses were consistently lower in 2007 compared to 2006, resulting from the Company’s focus on targeted and promising research and development projects, principally with our new pandemic Influenza vaccine program.

Investment tax credits were at \$932,000 for the year 2007, \$29,000 higher than the year 2006. On April 1, 2007, the Company completed a corporate reorganization resulting in the creation of new entities to perform all of its research and development activities and thus maximizing its federal investment tax credits. Lower research and development expenses in the year 2007 have reduced the absolute amounts of allowable research and development expenses claimed for investment tax credits but the tax reorganization has increased the combined tax rate from April 1, 2007.

General and administrative, business development and intellectual property expenses decreased by \$265,000, or 10%, to \$2,429,000 in 2007 from \$2,694,000 in 2006.

Consolidated loss for the year 2007 was \$6,273,000, or \$0.32 per basic and diluted share compared to a loss of respectively \$7,758,000, or \$0.68 per basic and diluted share in 2006.

The Company had cash and cash equivalents and short-term deposits totaling \$224,000 at December 31, 2007, a decrease of \$1.4 million from December 31, 2006. The Company had a negative working capital of \$0.4 million as at December 31, 2007, a decrease of \$1.7 million compared to 2006.

Total consolidated assets were \$6.7 million as of December 31, 2007, a decrease of \$1.9 million from \$8.6 million as of December 31, 2006. The variation is mainly due to a decrease of \$1.4 million in the total of cash and cash equivalents and short-term deposit.

At December 31, 2007, the Company's long-term debt amounted to \$14.5 million, an increase of \$0.5 million from the balance as of December 31, 2006 because of the capitalization of interest expense on the Bio-Levier debt.

Additional information about the Company, including the management report and financial statements may be found on SEDAR at www.sedar.com.

Amendment to the Stock Option Plan

Medicago also announces that its directors have approved proposed amendments to its Stock Option Plan in order to increase the number of common shares available for option grants under said plan from 1,710,000 to 4,500,000, to amend the automatic vesting periods and provide that should the Company becomes an issuer whose common shares are listed on the TSX or becomes a Tier 1 issuer under the policies of the TSX Venture Exchange, all options granted after such time may have a maximum exercise period of 10 years from 5 years currently. These proposed amendments will be submitted to the shareholders for approval at the shareholders' meeting of the Company to be held on May 27, 2008.

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

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