



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**Medicago announces technological milestone with production of self-assembled Influenza
Virus-Like Particles in plants**

Quebec City, Quebec— October 18, 2007 — Medicago Inc. (TSX-V: MDG), today announced it has made a significant breakthrough by using its proprietary expression system to produce a vaccine candidate for H5N1 Avian Influenza in highly immunogenic particles called Virus-Like Particles (“VLPs”). VLPs have significant advantages over conventional vaccines as they are known to enhance immunity and therefore increase protection against disease. These particles are similar to the virus from which they were derived from; however they lack viral nucleic acid, which results in the best compromise between safety (not infectious) and efficacy (highly immunogenic).

“Our transient expression system which produces recombinant vaccine antigens in the cells of non-transgenic plants has demonstrated its efficiency and medical potential by successfully producing the H5N1 Avian Influenza vaccine candidate in VLPs,” said Dr. Louis Vezina, Chief Scientific Officer of Medicago.

“This is an excellent result and a major milestone for Medicago,” said Andy Sheldon, President and Chief Executive Officer of Medicago. “VLPs offer a promising avenue for the development of effective vaccines for diseases such as the constantly evolving H5N1 Avian Influenza. Our unique ability to rapidly deliver vaccines that can protect against the multiple variations of viruses will, in our opinion, give our technology a critical advantage over traditional egg-based and cell culture technologies. Using our proprietary plant-based technology, we believe we now have the ability to deliver a VLP vaccine for testing a month after the identification and reception of genetic sequences from the pandemic strain.”

Medicago has initiated preclinical studies with its proprietary VLP against H5N1 Avian Influenza virus and is now accumulating data. It is expected results from this first study will be published in the coming weeks.

About Medicago

Medicago is a biotechnology company focused on the development, production and commercialization of vaccines and therapeutic protein-based biopharmaceuticals using a proprietary manufacturing system developed from its expertise in the genetic engineering of plants. Medicago's Proficia technology offers speed, flexibility and cost advantages that can greatly improve the accessibility of today's emerging vaccines and biopharmaceuticals for both partners and patients. The Company is developing its own proprietary pipeline of vaccines and also has established collaboration agreements notably with Acambis PLC (LSE: ACM, www.acambis.com) for the development of several products.

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.

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

Contact:

Medicago, Inc.
Andy Sheldon
President and CEO
(418) 658-9393

Investor relations

The Equicom Group Inc.
Eric Bouchard
(514) 844-7997
ebouchard@equicomgroup.com