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**PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION**

**MEDICAGO INC. INTENDS TO COMPLETE A PRIVATE PLACEMENT OF
APPROXIMATELY \$2,000,000**

Quebec City, Quebec, — May 11, 2007 — Medicago Inc. (“Medicago”) (TSX Venture : MDG), a developer of innovative protein manufacturing solutions using plants, announces that it intends to complete a private placement of approximately \$2,000,000 and that it has signed today an Agency Agreement with Dundee Securities Corporation (“Dundee”) in connection with a private placement of a minimum of 4,000,000 units and a maximum of 10,000,000 units (the “Units”) at a price of \$0.50 per Unit. Each Unit will consist of one common share of Medicago and one common share purchase warrant. Each share purchase warrant will entitle the holder thereof to purchase one common share at a price of \$0.75 at any time prior to 5:00 p.m. (Montreal time) on the date that is 24 months following the closing of the private placement. The common shares, the warrants and the common shares and warrants underlying the compensation options as well as the common shares underlying the warrants will be subject to a four-month hold period.

Dundee will act as agent in the private placement on a best efforts basis. As such, Dundee will receive a compensation representing 7% of the amount raised from purchasers identified by it. Furthermore, Medicago has agreed to issue to Dundee, a number of compensation options, exercisable at the offering price for a period of 24 months following the closing of the private placement, representing 7% of the number of Units issued pursuant to the private placement.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of Medicago in the United States. The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or unless an exemption from such registration is available.

Resignation of the Vice-President and Chief Financial Officer

Mr. Pierre Labbé has announced that he will leave his position with Medicago effective on May 11, 2007 to pursue new challenges. “I want to mention his contribution and his involvement over the last three years, notably in the initial public offering and in this

financing. We want to thank him and wish him all the success he deserves in the pursuit of his career,” said Mr. Andrew J. Sheldon, President and Chief Executive Officer.

Mr. Labbé will be replaced, on a temporary basis, by Mr. Vincent Bélanger, Chartered Accountant, President of CFO Solution Inc. Mr. Bélanger has been Executive Vice-President and Chief Financial Officer of emerging public companies and has more than twelve years of experience as a corporate finance consultant with KPMG and Mallette.

About Medicago Inc.:

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. Medicago 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.

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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.

The TSX Venture Exchange has not reviewed and does not accept any responsibility for the adequacy or accuracy of this press release.

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