



**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**MEDICAGO LAUNCHES PRE-CLINICAL STUDY
FOR AN INFLUENZA VACCINE**

- Study highlights innovative vaccine production technology -

Quebec City, Quebec, Canada — January 29, 2007 — Medicago Inc. (TSX-V : MDG), a developer of innovative protein manufacturing solutions using plants, today announced that the Company has initiated the work to perform an animal study with Hemagglutinin (HA). Hemagglutinin is an antigenic glycoprotein found on the surface of the influenza viruses and has the potential to be used to create potent vaccines against influenza. The objective of this study is to test the immunogenicity of the Hemagglutinin developed by Medicago.

“Proceeding with this study will give Medicago vital information about its innovative technique of vaccine production against influenza based on Hemagglutinin” said Andy Sheldon, President and Chief Executive Officer of Medicago. “The results of this study, expected in the second quarter of 2007, will provide the Company with significant data necessary to the production of an efficient influenza vaccine. Medicago will therefore possess another tool to implement its business plan which addresses the increasing global vaccine demand”.

To face pandemic and seasonal vaccine supply challenges, Medicago has developed a proprietary transient expression system which produces recombinant vaccine antigens in the cells of non-transgenic plants. This technology offers significant advantages of efficiency, speed and cost over the traditional egg-based and cell culture technologies. In the context of an influenza pandemic, Medicago could be in a position to produce influenza vaccines with unprecedented surge capacity which impacts directly on the severity of the outbreak. This HA animal study will complete 6-months of development from Dr Vézina’s team during which Medicago’s new technology has been optimized for the production of influenza antigens.

About Medicago:

Medicago is a biotechnology company focused on the development, production and commercialization of 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 biopharmaceuticals for both partners and patients. The Company has established collaboration agreements notably with Acambis PLC (NASDAQ: ACAM, www.acambis.com) for the development of several products and is also developing its own proprietary pipeline.

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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