



PRESS RELEASE

\$300,000 Canadian Institutes of Health Research grant awarded to Medicago, McGill University and the Research Institute of the McGill University Health Centre

Quebec City, Quebec, March 1st, 2010 — Medicago Inc. (TSX-V: MDG), a clinical-stage biotechnology company focused on developing highly effective and affordable vaccines based on proprietary manufacturing technologies and Virus-Like Particles (VLPs), and the Research Institute of the McGill University Health Centre (RI MUHC) have been awarded a \$300,000 research grant from the Canadian Institutes of Health Research (CIHR) to study the mechanisms of action of plant-made Virus-Like Particles with a focus on the nature of the immune response induced.

The CIHR grant was awarded to Dr. Brian Ward, Associate Director of the Research Institute at the MUHC (Fundamental Science) and Co-Director of the MUHC Vaccine Evaluation Centre, Dr. Ciriaco Piccirillo, Canada Research Chair, Principal Investigator of the Laboratory of Immuno-regulation, Director of the FOCIS Center of Excellence, Director of the Immune Phenotyping Platform at the RI MUHC and Associate Professor of Microbiology and Immunology at McGill University, and Dr. Louis Vezina, Chief Scientific Officer of Medicago.

"Receiving this government grant further acknowledges the scientific merit of our joint research efforts with McGill in the development of leading plant-based VLP vaccines," said Andy Sheldon, President and Chief Executive Officer of Medicago. "A deeper understanding of all potential benefits of the immune response generated by our VLPs will allow us to further differentiate and better position our product on the market. We believe our VLP vaccines will be the preferred option to increase the speed of a public health response in the event of a pandemic outbreak as our VLP plant-based manufacturing process is very efficient with a relatively low capital cost."

"VLPs are among the most promising technologies to produce the next generation of vaccines. The technical simplicity and low cost of VLP production in plants add great value to this delivery system as it is the first platform technology with a realistic potential to address the needs of the developing world for low cost vaccines," said Brian Ward, Co-Director of the MUHC Vaccine Evaluation Centre. "I am delighted that we have secured this grant from CIHR as a sophisticated understanding of how these vaccines interact with the immune system is of considerable importance."

Medicago recently reported positive interim results from a Phase I human clinical trial with its H5N1 Avian Influenza vaccine candidate ("H5N1 vaccine"). The vaccine was found to be safe, well tolerated and also induced a solid immune response. Full results of the Phase I trial will be submitted for publication in a scientific journal and will be available in the coming months.

The CIHR is Canada's major federal funding agency for health research. Its objective is to excel, according to internationally accepted standards of scientific excellence, in the creation of new knowledge and its translation into improved health for Canadians, more effective health services and products and a strengthened Canadian healthcare system. CIHR University-Industry Programs are designed to help academic researchers interact with Canadian companies with an interest in health research and development. The program promotes a wide variety of peer reviewed research projects jointly funded by Canadian companies and CIHR.

The Research Institute of the McGill University Health Centre (RI MUHC) is a world-renowned biomedical and health-care hospital research centre. Located in Montreal, Quebec, the institute is the research arm of the MUHC, the university health center affiliated with the Faculty of Medicine at McGill University. The institute supports over 600 researchers, nearly 1200 graduate and post-doctoral students and operates more than 300 laboratories devoted to a broad spectrum of fundamental and clinical research. The Research Institute operates at the forefront of knowledge, innovation and technology and is inextricably linked to the clinical programs of the MUHC, ensuring that patients benefit directly from the latest research-based knowledge.

The Research Institute of the MUHC is supported in part by the Fonds de la recherche en santé du Québec. For further details visit: www.muhc.ca/research

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 news release includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with Medicago's business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend", and similar expressions to the extent they relate to Medicago or its management. The forward-looking statements are not historical facts, but reflect Medicago's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risks Factors and Uncertainties" in Medicago's Annual Information Form filed on March 25, 2009 with the regulatory authorities. Medicago assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

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