



Medicago selected to collaborate with IDRI on a multimillion dollar grant awarded to IDRI from the US Department of Defense

-Proposed development of a single dose H5N1 influenza vaccine which could be rapidly and widely administered in the case of avian pandemic flu outbreak-

-Approved for Public Release, Distribution Unlimited-

Quebec City, Quebec — January 11, 2011 —Medicago Inc. (TSX: MDG), a biotechnology company focused on developing highly effective and competitive vaccines based on proprietary manufacturing technologies and Virus-Like Particles (VLPs), today announced it was selected to collaborate with Infectious Disease Research Institute (“IDRI”) on a multimillion dollar grant awarded to IDRI by the US Department of Defense’s Defense Advanced Research Projects Agency (DARPA) for the proposed development of a single dose H5N1 influenza vaccine which could be rapidly and widely administered in the case of avian pandemic flu outbreak.

This important grant from DARPA is for a Phase I clinical trial with an intradermal H5 vaccine in combination with IDRI’s GLA adjuvant. The one year project combines Medicago’s plant made H5 Virus-Like Particle vaccine with IDRI’s vaccine adjuvant technology as well as a micro needle delivery device. These three technologies could enhance protection, reduce the amount of product required and simplify vaccine distribution and administration.

“Our collaboration with IDRI and DARPA is in our opinion a testament to the quality and efficacy of our Influenza VLP vaccine,” said Andy Sheldon, President and CEO of Medicago. “This research collaboration may provide unique solutions that make vaccination against Influenza pandemics not only faster but with minimal dosing and greater ease of application. We continue to advance the clinical development of our H5 avian flu vaccine and expect to have Phase II interim results within the coming weeks.”

“Medicago’s VLP plant-based vaccine technology is one of the most promising new technologies producing the next generation of vaccines. Their plant-based technology has already proven that it can produce emerging strains faster than conventional egg and cell based technologies,” said Darrick Carter, IDRI’s Director of Formulations and Primary Investigator on the grant. “We are delighted to be collaborating with Medicago as we believe our complementary technologies may have the potential to create better pandemic influenza vaccines to contribute in preventing infectious diseases around the globe.”

About IDRI

IDRI is a Seattle-based not-for-profit organization committed to applying innovative science to the research and development of products to prevent, detect, and treat infectious diseases of poverty. By integrating capabilities, IDRI strives to create an efficient pathway bringing scientific innovation from the lab to the people who need it most. For more information, go to www.idri.org.

About Medicago

Medicago is committed to provide highly effective and competitive 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 24, 2010 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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