

Medicago Completes \$25 Million Private Placement

Quebec City, September 27, 2011 – Medicago Inc. (“Medicago” or the “Corporation”) (TSX: MDG), a biotechnology company focused on developing highly effective and competitive vaccines based on proprietary manufacturing technologies and Virus-Like Particles (“VLPs”), announces that it has increased the size and closed its previously announced private placement offering of 38,462,600 common shares at a price of \$0.65 for gross proceeds of \$25 million (the “Offering”). The Offering was completed through a syndicate of agents co-led by Bloom Burton & Co. Inc., Desjardins Capital Markets and Paradigm Capital Inc. Roth Capital Partners acted as financial advisor to the Company for the transaction.

“Attracting a top 50 global pharmaceutical company as the lead investor of this offering is a validation of our effective plant-based VLP vaccines, our technology platform and our strategy,” said Andy Sheldon, President and CEO of Medicago. “This financing allows us to further advance our overall programs, enhancing our platform and provides us a strong cash position going forward.” “We are also very pleased to see the continued investment support and commitment from our healthcare-focused institutional investors, which include among others AgeChem Venture Fund L.P., CTI Life Sciences L.P., Fonds de solidarité FTQ, and Le Fonds d’investissement RÉA II Natcan Inc.,” said Pierre Labbe, Vice President and Chief Financial Officer of Medicago. “We appreciate their continued support of our growth strategy, especially in the face of turbulent global capital markets.”

Net proceeds from the Offering will be used for continued clinical development of the Corporation’s plant-based manufactured Influenza VLPs vaccines, to fund the development of additional potential product candidates and for other general corporate and working capital purposes. The Corporation has obtained an advance ruling from the *Ministère du Revenu du Québec* confirming that the Corporation is a qualified issuing corporation for the purposes of the Québec Stock Savings Plan II (“QSSP II”) and that the common shares to be issued as part of the Offering will be “qualified shares” for a QSSP II qualified mutual fund.

About Medicago

Medicago is committed to provide highly effective and competitive vaccines based on proprietary VLP and manufacturing technologies. Medicago is developing VLP vaccines to protect against pandemic and seasonal influenza, using a transient expression system which produces recombinant vaccine antigens in the cells of non-transgenic plants. This technology has potential to offer advantages of speed and cost over competitive technologies. It promises 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.