



Press Release

FOR IMMEDIATE RELEASE

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GeneNews Announces First Quarter Results

TORONTO, CANADA, May 2, 2008: GeneNews Limited (TSX: GEN), a company focused on developing blood-based biomarker tests for the early detection of diseases and personalized health management, today reported operational and financial results for the first quarter ended March 31, 2008.

“During the quarter, we achieved several of the key milestones necessary to support the commercialization of our first product, ColonSentry™, a risk stratification test for colorectal cancer,” said Dr. K. Wayne Marshall, President and CEO of GeneNews. “We remain on track to launch the laboratory-developed test (LDT) version of ColonSentry™ in the third quarter of 2008. The test will be administered as a service by our in-house clinical reference lab located at our headquarters just north of Toronto, Canada. This novel test will initially target the estimated 1.5 million people over the age of 50 in the Greater Toronto Area who should be screened for colorectal cancer, the vast majority of whom do not currently comply with screening guidelines.”

Highlights in the first quarter:

- Reported positive results from a validation study of a panel of six colorectal cancer biomarkers, confirming ($p < 0.05$) that the panel was able to stratify a population with average risk for colorectal cancer into three defined risk groups (Increased, Average, and Decreased Probability). The results were presented in a Late Breaking Abstract at the annual meeting of the American Association of Cancer Research (AACR), held in San Diego, California.
- Obtained ISO 13485:2003 certification for the design and development of in-vitro diagnostic (IVD) test kits for the management of colorectal disease status in a laboratory setting, following a successful audit in December 2007.
- Expanded its Colorectal Cancer Clinical Advisory Board with the appointment of leading cancer screening experts, Dr. David A. Lieberman, Dr. David Sidransky and Dr. Richard Wender. They join Dr. Bernard Levin who is Chair of the CRC Clinical Advisory Board.
- Published a paper entitled “Novel Blood-Based, Five-Gene Biomarker Set for the Detection of Colorectal Cancer” in the January 15, 2008 issue of *Clinical Cancer Research* journal which further validates GeneNews’ proprietary approach to detecting colon cancer by monitoring the gene expression patterns of unique biomarker sets in blood.

Financial results (CDN dollars) for the first quarter, ended March 31, 2008:

Total revenue for the first quarter was \$0.3 million compared to \$1.7 million for the same period last year. Revenue in the first quarter of 2008 resulted from a collaboration agreement entered into with an Asian biomedical consortium to identify and validate a set of biomarkers in the field of prostate diseases, for a total fee of \$2 million (USD), while revenue in 2007 resulted from a collaboration agreement with Pfizer completed in the first fiscal quarter of 2007.

Total operating expenditures for the first quarter were \$2.9 million compared with \$3.5 million for the same period last year. Research and development expenses for the first quarter were \$2.2 million compared with \$2.7 million for the same period last year. General and administrative expenses for the first quarter were \$0.5 million compared with \$0.6 million for the corresponding quarter in the previous year.

The net loss for the first quarter was \$2.6 million or a loss of \$0.05 per common share compared with a net loss of \$1.7 million or a loss of \$0.03 per common share for the same period last year. The net loss is reflective of the Company's continuing focus on research and development and product development leading to commercialization of its first product, ColonSentry™, and the advancement of related products in the Company's pipeline.

As at March 31, 2008, the Company's cash and cash equivalents amounted to \$9,116,406 compared to \$11,279,030 as at December 31, 2007. The Company believes it has adequate resources to continue into the second quarter of 2009 based on its current cash and cash equivalent position.

As at March 31, 2008 the Company had 55,587,103 common shares, 5,761,146 stock options and 625,000 broker warrants outstanding.

Management's Discussion and Analysis of the financial statements for the three-month period ended March 31, 2008 is available on SEDAR at www.sedar.com.

About GeneNews

GeneNews is focused on the application of functional genomics to enable early diagnosis and personalized therapeutic intervention based on disease-specific biomarkers. The Company has developed a novel approach, the Sentinel Principle™, to detect and stage virtually any disease or medical condition from a simple blood sample. GeneNews is currently applying the Sentinel Principle™ in major areas with unmet clinical needs such as cancer, arthritis, cardiovascular disease and neurological disorders. GeneNews' first product in development, ColonSentry™, is a convenient and patient-friendly blood-based test that can assess an individual's current risk for colorectal cancer. For more information on GeneNews, visit www.genenews.com.

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 events could differ materially from those projected herein. Investors should consult the Company's ongoing quarterly filings and annual reports for additional information on risks and uncertainties relating to these forward-looking statements. The reader is cautioned not to rely on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements.

CONSOLIDATED BALANCE SHEETS

[Unaudited]

[Expressed in Canadian dollars]

As at

	March 31 2008 \$	December 31 2007 \$
ASSETS		
Current		
Cash and cash equivalents	9,116,406	11,279,030
Short-term investment	400,000	400,000
Accounts receivable	1,118,151	1,582,242
Investment tax credits recoverable	573,618	1,038,199
Prepaid expenses and deposits	558,783	512,914
Total current assets	11,766,958	14,812,385
Property, plant and equipment, net	3,700,464	3,635,245
Intellectual property, net	292,547	400,380
	15,759,968	18,848,010
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,461,582	1,699,153
Deferred revenue	1,210,514	1,204,305
Current portion of long-term debt	595,582	585,903
Total current liabilities	3,267,679	3,489,361
Long-term debt	1,128,337	1,280,916
Long-term portion of deferred revenue	100,876	401,371
Total liabilities	4,496,892	5,171,648
Shareholders' equity		
Capital stock	44,321,680	44,290,930
Contributed surplus	2,875,837	2,733,562
Deficit	(35,934,440)	(33,348,130)
Total shareholders' equity	11,263,077	13,676,362
	15,759,968	18,848,010

**CONSOLIDATED STATEMENTS OF OPERATIONS
AND DEFICIT**

[Unaudited]

[Expressed in Canadian dollars]

Three month period ended March 31

	2008	2007
	\$	\$
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REVENUE		
Milestone revenue	294,286	1,666,236
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EXPENSES		
Research and development	2,185,756	2,667,360
General and administrative	512,560	593,819
Stock-based compensation	142,274	146,439
Amortization of intellectual property	110,537	110,537
Interest on long-term debt	30,528	2,653
	2,981,655	3,520,808
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Interest income	101,060	183,321
Net and comprehensive loss for the period	(2,586,310)	(1,671,251)
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Deficit, beginning of period	(33,348,130)	(23,714,085)
Deficit, end of period	(35,934,440)	(25,385,336)
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Net and comprehensive loss per common share		
Basic and fully diluted	\$(0.05)	\$(0.03)
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Weighted average number of common shares outstanding		
Basic and fully diluted	55,518,769	55,431,359
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CONSOLIDATED STATEMENTS OF CASH FLOWS

[Unaudited]

[Expressed in Canadian dollars]

Three month period ended March 31

	2008	2007
	\$	\$
OPERATING ACTIVITIES		
Net and comprehensive loss for the period	(2,586,310)	(1,671,251)
Add items not involving cash		
Stock-based compensation	142,274	146,439
Amortization of property, plant and equipment	145,182	84,945
Amortization of intellectual property	110,537	110,537
	(2,188,316)	(1,329,330)
Changes in non-cash operating working capital		
Accounts receivable	464,274	(65,871)
Investment tax credits recoverable	464,581	—
Prepaid expenses and deposits	(45,869)	74,984
Accounts payable and accrued liabilities	(237,571)	(2,254)
Deferred revenue	(294,286)	—
Cash used in operating activities	(1,837,370)	(1,322,471)
FINANCING ACTIVITIES		
Proceeds from exercise of employee stock options	30,750	25,459
Repayments of long-term debt	(142,900)	(37,143)
Cash provided by (used in) financing activities	(112,150)	(11,684)
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(213,104)	(108,401)
Cash used in investing activities	(213,104)	(108,401)
Net increase (decrease) in cash and cash equivalents during the period	(2,162,624)	(1,442,556)
Cash and cash equivalents, beginning of period	11,279,030	20,593,568
Cash and cash equivalents, end of period	9,116,406	19,151,012
Supplemental cash flow information:		
Interest received	95,958	163,353
Interest paid	30,528	35,490