



Press Release

FOR IMMEDIATE RELEASE

Contacts:

Dr. K. Wayne Marshall, President & CEO
416-650-0060 x234
wmarshall@genenews.com

Bruno Maruzzo, Corporate Development
416-650-0060 x237
bmaruzzo@genenews.com

GENENEWS REPORTS THIRD QUARTER 2006 FINANCIAL RESULTS

TORONTO, CANADA (November 8, 2006): GeneNews Limited (TSX: GEN), formerly ChondroGene Limited, today announced its financial results for the third quarter ended September 30, 2006. The Company reported revenues of \$878,275 for the period, compared to \$891,388 for the three months ended September 30, 2005. Revenues were attributable to fees for services and amortization of the one time payment under the research collaboration with Pfizer that was announced in December 2004. The net loss for the quarter was \$2,113,018 or \$0.04 per share, compared to a net loss of \$1,463,051 or \$0.04 per share for the three-month period ended September 30, 2005. Revenues for the first nine months of 2006 were \$2,619,517 with a net loss of \$6,219,308 or \$0.13 per share, compared to revenues of \$3,268,111 with a net loss of \$3,321,191 or \$0.08 per share, for the corresponding period in 2005. At the end of the quarter, the Company had \$23,415,767 in cash and cash equivalents.

“In the quarter we welcomed Dr. Heiner Dreismann, former CEO of Roche Molecular Systems, to our board of directors. Dr. Dreismann’s broad experience and deep knowledge of the industry, especially as it relates to the introduction of new molecular diagnostic technologies is already proving invaluable as we commercialize our lead product, ColonSentry™,” stated K. Wayne Marshall, President and CEO of GeneNews. “Also following our financing in May, we applied for and received conditional approval to list our shares on the TSX. Subsequent to the quarter end, we changed our name to GeneNews from ChondroGene and began trading on the TSX. This is another significant milestone in the evolution of our company.”

About GeneNews

GeneNews (formerly ChondroGene Limited) is focussed 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 blood-based test that can detect colon cancer and pre-cancerous polyps. For more information on GeneNews, visit www.genenews.com.

(Financial statements to follow.)

###

GeneNews Limited (formerly ChondroGene Limited)

Consolidated Balance Sheets

Amounts in Canadian dollars

	September 30 2006	December 31 2005
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 23,415,767	\$ 4,680,882
Accounts receivable	122,497	1,356,392
Investment tax credits recoverable	596,900	1,254,922
Prepaid expenses and deposits	507,019	365,715
	<u>24,642,183</u>	<u>7,657,911</u>
Capital assets	1,223,313	1,251,014
Intellectual property	953,064	1,284,675
	<u>\$ 26,818,560</u>	<u>\$ 10,193,600</u>
LIABILITIES and SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,308,021	\$ 929,837
Deferred revenue	95,901	2,134,361
Current portion of long term debt	138,967	139,427
	<u>1,542,889</u>	<u>3,203,625</u>
Long term debt	-	102,549
Shareholders' equity:		
Capital stock	44,240,148	20,138,831
Contributed surplus	2,033,243	1,527,007
Deficit	<u>(20,997,720)</u>	<u>(14,778,412)</u>
	25,275,671	6,887,426
	<u>\$ 26,818,560</u>	<u>\$ 10,193,600</u>

GeneNews Limited (formerly ChondroGene Limited)

Consolidated Statements of Operations and Deficit

Amounts in Canadian dollars

	"Unaudited"			
	Three months ended September 30 2006	Three months ended September 30 2005	Nine months ended September 30 2006	Nine months ended September 30 2005
Revenue				
Milestones	\$ -	\$ -	\$ -	\$ 612,600
Fees for service	191,584	204,697	581,835	617,829
One-time payment	686,691	686,691	2,037,682	2,037,682
	<u>878,275</u>	<u>891,388</u>	<u>2,619,517</u>	<u>3,268,111</u>
Expenses				
Research and development	2,322,044	1,770,152	6,790,173	4,697,898
General and administrative	551,620	368,069	1,554,372	1,210,560
Stock compensation	246,859	141,121	543,266	460,610
Amortization of intellectual property	110,537	110,537	331,611	331,610
Interest on long term debt	4,440	8,385	16,380	27,874
	<u>3,235,500</u>	<u>2,398,264</u>	<u>9,235,802</u>	<u>6,728,552</u>
Interest income	244,207	43,825	396,977	139,250
Net loss for the period	(2,113,018)	(1,463,051)	(6,219,308)	(3,321,191)
Deficit, beginning of period	(18,884,702)	(13,561,445)	(14,778,412)	(11,703,305)
Deficit, end of period	<u>\$ (20,997,720)</u>	<u>\$ (15,024,496)</u>	<u>\$ (20,997,720)</u>	<u>\$ (15,024,496)</u>
Net loss per common share				
Basic and fully diluted	\$ (0.04)	\$ (0.04)	\$ (0.13)	\$ (0.08)
Weighted average number of common shares outstanding				
Basic and fully diluted	55,336,712	39,504,397	46,965,426	39,388,318

GeneNews Limited (formerly ChondroGene Limited)

Consolidated Statements of Cash Flows

Amounts in Canadian dollars

"Unaudited"

	Three months ended September 30 2006	Three months ended September 30 2005	Nine months ended September 30 2006	Nine months ended September 30 2005
Cash flows provided by (used in):				
Operations:				
Net loss for the period	\$ (2,113,018)	\$ (1,463,051)	\$ (6,219,308)	\$ (3,321,191)
Items therein not requiring cash				
Stock based compensation	246,859	141,121	543,266	460,610
Amortization of capital assets	99,015	75,047	290,543	241,570
Amortization of intellectual property	110,537	110,537	331,611	331,610
	(1,656,607)	(1,136,346)	(5,053,888)	(2,287,401)
Changes in non-cash working capital:				
Accounts receivable	(65,941)	(16,903)	1,233,895	5,462,484
Investment tax credit recoverable	-	-	658,022	-
Prepaid expenses and deposits	(112,134)	(181,193)	(141,304)	(231,148)
Accounts payable and accrued liabilities	146,472	309,597	378,184	(288,507)
Deferred revenue	(686,929)	(686,949)	(2,038,460)	(2,038,545)
	(2,375,139)	(1,711,794)	(4,963,551)	616,883
Financing:				
Net proceeds from issue of capital stock	39,148	-	24,064,287	117,042
Payments on long term debt	(35,357)	(31,412)	(103,009)	(91,515)
	3,791	(31,412)	23,961,278	25,527
Investments:				
Additions to capital assets	(26,944)	(31,885)	(262,842)	(343,523)
Decrease in cash and cash equivalents	(2,398,292)	(1,775,091)	18,734,885	298,887
Cash and cash equivalents, beginning of period	25,814,059	8,455,848	4,680,882	6,381,870
Cash and cash equivalents, end of period	\$ 23,415,767	\$ 6,680,757	\$ 23,415,767	\$ 6,680,757