



Press Release

FOR IMMEDIATE RELEASE

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GENENEWS REPORTS THIRD QUARTER 2007 RESULTS

TORONTO, CANADA, November 8, 2007: GeneNews Limited (TSX: GEN), a company focused on developing simple blood-based biomarker tests for the early detection of diseases and personalized health management, today reported operational and financial results for the third quarter and year-to-date ended September 30, 2007.

Financial results (CDN dollars) for the third quarter (Jul. 1, 2007 – Sept. 30, 2007):

Total revenue for the quarter ended September 30, 2007 was \$0.2 million compared to \$0.9 million for the same period last fiscal year. Revenue in 2007 resulted from an agreement entered into by the Company 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 revenues in 2006, resulted from a collaboration agreement with Pfizer completed in the first fiscal quarter of 2007.

Interest earned during the three months ended September 30, 2007 was \$149,000, compared with \$244,000 for the corresponding quarter in the prior year. The decrease was due to a reduction in short-term investments.

Total operating expenditures for the quarter ended September 30, 2007 were \$3.4 million compared with \$3.2 million for the same period last year. Research and development expenses for the quarter were \$2.4 million compared with \$2.3 million for the same period last year. General and administrative expenses for the first quarter were \$0.7 million compared with \$0.6 million for the corresponding quarter in the previous year.

The net loss for the quarter ended September 30, 2007 was \$3.0 million or (\$0.05) per common share compared with a net loss of \$2.1 million or (\$0.04) 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 the process leading to commercialization of its first product ColonSentry™, a convenient and patient-friendly blood-based test that can detect colon cancer, and the advancement of related products in the Company's pipeline.

Financial results (CDN dollars) for the nine month period ended September 30, 2007:

Total revenue for the nine-month period ended September 30, 2007 was \$1.9 million compared with \$2.6 million for the same period last fiscal year. Of the revenues in 2007, \$0.2 resulted

from the prostate disease biomarker development agreement and \$1.7 from the final revenue from the Pfizer collaboration agreement. In 2006, revenues resulted entirely from the Pfizer agreement.

Interest earned during the nine-month period ended September 30, 2007 was \$691,000, compared to \$397,000 for the corresponding period during the prior year, the result of higher balances of cash and short-term investments.

Total operating expenditures for the nine-month period ended September 30, 2007 were \$9.5 million compared with \$9.2 million for the same period last year. Research and development expenses for the quarter were \$6.8 million, the same as for the period last year. General and administrative expenses for the nine-month period ended September 30, 2007 were \$2.0 million compared with \$1.6 million for the corresponding period in 2006.

The net loss for the nine-month period ended September 30, 2007 was \$7.0 million or (\$0.13) per common share compared to a net loss of \$6.2 million or (\$0.13) per common share for the same period last year. The Company's continuing focus is on research and development leading to commercialization of its first product and the development of related products in the Company's pipeline.

As at September 30, 2007 the Company had cash and cash equivalents totalling \$13.0 million compared to \$20.6 million as at December 31, 2006. Accounts payable and accrued liabilities at September 30, 2007 were \$2.1 million compared with \$1.8 million at December 31, 2006.

As at September 30, 2007 the Company had 55,450,571 common shares, and 625,000 broker warrants were outstanding.

Restatement of second quarter results:

GeneNews also announced it is issuing restated unaudited consolidated financial statements for its second quarter ended June 30, 2007. The restatement reflects changes to the accounting treatment of payments under a collaboration agreement with an Asian biomedical consortium and has no effect on the Company's current cash position or operating expenses.

During the second quarter, the Company received an advance payment of US\$500,000 pursuant to a letter of intent executed on May 7, 2007. It has been subsequently determined that generally accepted accounting principles governing the treatment of this amount should be to record the receipt as deferred revenue. The effect of this change is to reduce revenue in the quarter by \$539,950, to reduce general and administrative expense by \$8,250 resulting from a related foreign exchange gain, to increase the net loss for the period by \$531,700 and to increase the loss per share by \$0.01. The deficit and deferred revenue as at June 30, 2007 are increased by \$531,700.

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 detect colon 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.

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GeneNews Limited

Consolidated Balance Sheets

Amounts in Canadian dollars

"Unaudited"

	September 30 2007	December 31 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 13,030,325	\$ 20,593,568
Accounts receivable	2,270,796	135,315
Investment tax credits recoverable	796,900	796,900
Prepaid expenses and deposits	236,378	685,819
	<u>16,334,399</u>	<u>22,211,602</u>
Capital assets	3,634,949	1,645,488
Intellectual property	510,917	842,528
	<u>\$ 20,480,265</u>	<u>\$ 24,699,618</u>

LIABILITIES and SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,081,443	\$ 1,821,355
Deferred revenue	1,797,038	
Current portion of long term debt	69,311	102,549
	<u>3,947,792</u>	<u>1,923,904</u>
Long term debt	314,194	-
Shareholders' equity:		
Capital stock	44,261,205	44,234,409
Contributed surplus	2,656,158	2,255,390
Deficit	(30,699,084)	(23,714,085)
	<u>16,218,279</u>	<u>22,775,714</u>
	<u>\$ 20,480,265</u>	<u>\$ 24,699,618</u>

GeneNews Limited

Consolidated Statements of Operations and Deficit

Amounts in Canadian dollars

"Unaudited"

	Three months ended September 30 2007	Three months ended September 30 2006	Nine months ended September 30 2007	Nine months ended September 30 2006
Revenue				
Milestones	\$ 189,162	\$ -	\$ 1,855,398	\$ -
Fees for service	-	191,584	-	581,835
One-time payment	-	686,691	-	2,037,682
	189,162	878,275	1,855,398	2,619,517
Expenses				
Research and development	2,362,671	2,322,044	6,802,402	6,790,173
General and administrative	738,387	551,620	1,975,397	1,554,372
Stock compensation	123,917	246,859	402,103	543,266
Amortization of intellectual property	110,537	110,537	331,611	331,611
Foreign exchange loss	8,185	-	8,185	-
Interest on long term debt	7,145	4,440	11,335	16,380
	3,350,842	3,235,500	9,531,033	9,235,802
Interest income	149,451	244,207	690,637	396,977
Net loss for the period	(3,012,229)	(2,113,018)	(6,984,998)	(6,219,308)
Deficit, beginning of period	(27,686,855)	(18,884,702)	(23,714,086)	(14,778,412)
Deficit, end of period	\$ (30,699,084)	\$ (20,997,720)	\$ (30,699,084)	\$ (20,997,720)
Net loss per common share				
Basic and fully diluted	\$ (0.05)	\$ (0.04)	\$ (0.13)	\$ (0.13)
Weighted average number of common shares outstanding				
Basic and fully diluted	55,450,571	55,336,712	55,444,238	46,965,426

GeneNews Limited

Consolidated Statements of Cash Flows

Amounts in Canadian dollars

"Unaudited"

	Three months ended September 30 2007	Three months ended September 30 2006	Nine months ended September 30 2007	Nine months ended September 30 2006
Cash flows provided by (used in):				
Operations:				
Net loss for the period	\$ (3,012,229)	\$ (2,113,018)	\$ (6,984,998)	\$ (6,219,308)
Items therein not requiring cash				
Stock based compensation	123,917	246,859	402,103	543,266
Amortization of capital assets	(279,277)	99,015	(104,415)	290,543
Amortization of intellectual property	110,537	110,537	331,611	331,611
	(3,057,052)	(1,656,607)	(6,355,699)	(5,053,888)
Changes in non-cash working capital:				
Accounts receivable	(1,823,774)	(65,941)	(2,135,480)	1,233,895
Investment tax credit recoverable	-	-	-	658,022
Prepaid expenses and deposits	207,770	(112,134)	449,440	(141,304)
Accounts payable and accrued liabilities	139,370	146,472	260,088	378,184
Deferred revenue	1,265,338	(686,929)	1,797,038	(2,038,460)
	(3,268,348)	(2,375,139)	(5,984,613)	(4,963,551)
Financing:				
Net proceeds from issue of capital stock	-	39,148	25,459	24,064,287
Payments on long term debt	356,357	(35,357)	280,956	(103,009)
	356,357	3,791	306,415	23,961,278
Investments:				
Additions to capital assets	(608,014)	(26,944)	(1,885,045)	(262,842)
Increase (decrease) in cash and cash equivalents	(3,520,005)	(2,398,292)	(7,563,243)	18,734,885
Cash and cash equivalents, beginning of period	16,550,330	25,814,059	20,593,568	4,680,882
Cash and cash equivalents, end of period	\$ 13,030,325	\$ 23,415,767	\$ 13,030,325	\$ 23,415,767