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GENENEWS REPORTS FIRST QUARTER 2007 RESULTS

TORONTO, CANADA, May 15, 2007: GeneNews Limited (TSX: GEN) a company developing convenient, blood-based tests for accurate, early detection, diagnosis and monitoring of diseases, today reported its financial results for the first quarter, ended March 31, 2007.

Total revenue for the quarter ended March 31, 2007 was \$1.7 million compared to \$0.9 million for the same period last fiscal year. Revenues in each of 2007 and 2006 resulted from the Pfizer collaboration, which was completed in October 2006 except for an amendment agreed to in December 2006 that entitled the Company to a further milestone payment of US\$1.43 million. In 2007, the revenue resulted from this final milestone payment, and as at March 31, 2007 all Pfizer-related revenue earned had been received.

Interest earned during the three months ended March 31, 2007 was \$183,321 as compared to \$36,997 during the prior year, due to increased balances of cash and short-term investments.

Total operating expenditures for the quarter ended March 31, 2007 were \$3.5 million compared with \$3.1 million for the same period last year. Research and development expenses for the quarter were \$2.7 million compared with \$2.4 million for the same period last year. The increase is primarily the result of increased research and development activity related to process of commercializing ColonSentry™ as the Company's first product. General and administrative expenses for the first quarter were \$0.6 million compared with \$0.5 million for the corresponding quarter in the previous year.

The net loss for the quarter ended March 31, 2007 was \$1.7 million or (\$0.03) per common share compared to a net loss of \$2.2 million or (\$0.06) 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.

As at March 31, 2007 the Company had cash and cash equivalents totalling \$19.2 million compared to \$20.6 million as at December 31, 2006. Accounts payable and accrued liabilities at March 31, 2007 were \$2.0 million compared with \$1.8 million at December 31, 2006.

As at March 31, 2007 the Company had 55,450,571 common shares, and 625,000 broker warrants were outstanding.

About GeneNews

GeneNews 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. 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.

GeneNews Limited

CONSOLIDATED BALANCE SHEETS

[Unaudited]

[Expressed in Canadian dollars]

As at

	March 31 2007 \$	December 31 2006 \$
ASSETS		
Current		
Cash and cash equivalents	19,151,012	20,593,568
Accounts receivable	201,186	135,315
Investment tax credits recoverable	796,900	796,900
Prepaid expenses and deposits	610,835	685,819
Total current assets	20,759,933	22,211,602
Property, plant and equipment, net	1,668,944	1,645,488
Intellectual property, net	731,991	842,528
	23,160,868	24,699,618
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	1,819,101	1,821,355
Deferred revenue	—	—
Current portion of long-term debt	65,406	102,549
Total current liabilities	1,884,507	1,844,815
Long-term debt	—	—
Total liabilities	1,884,507	1,844,815
Shareholders' equity		
Capital stock	44,261,204	44,234,409
Contributed surplus	2,400,493	2,255,390
Deficit	(25,385,336)	(23,714,085)
Total shareholders' equity	21,276,361	22,775,714
	23,160,868	24,699,618

GeneNews Limited

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

[Unaudited]

[Expressed in Canadian dollars]

Three month period ended March 31

	2007	2006
	\$	\$
REVENUE		
Milestone revenue	1,666,236	196,459
Up-front payment revenue	-	671,763
Fees for services	-	-
	1,666,236	868,222
EXPENSES		
Research and development	2,667,360	2,366,201
General and administrative	593,819	512,682
Stock-based compensation	146,439	113,432
Amortization of intellectual property	110,537	110,537
Interest on long-term debt	2,653	6,470
	3,520,808	3,109,322
Interest income	183,321	36,997
Net loss for the period	(1,671,251)	(2,204,103)
Deficit, beginning of period	(23,714,085)	(14,778,412)
Deficit, end of period	(25,385,336)	(16,982,515)
Net loss per common share		
Basic and fully diluted	\$(0.03)	\$(0.06)
Weighted average number of common shares outstanding		
Basic and fully diluted	55,431,359	39,545,221

GeneNews Limited

CONSOLIDATED STATEMENTS OF CASH FLOWS

[Unaudited]

[Expressed in Canadian dollars]

Three month period ended March 31

	2007	2006
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(1,671,251)	(2,204,103)
Add items not involving cash		
Stock-based compensation	146,439	113,432
Amortization of property, plant and equipment	84,945	92,474
Amortization of intellectual property	110,537	110,537
	(1,329,330)	(1,887,660)
Changes in non-cash operating working capital		
Accounts receivable	(65,871)	1,177,426
Investment tax credits recoverable	-	658,022
Prepaid expenses and deposits	74,984	22,158
Accounts payable and accrued liabilities	(2,254)	546,486
Deferred revenue	-	(671,999)
Cash used in operating activities	(1,322,471)	(155,567)
FINANCING ACTIVITIES		
Proceeds from exercise of employee stock options	25,459	85,019
Repayments of long-term debt	(37,143)	(33,326)
Cash provided by (used in) financing activities	(11,684)	51,693
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(108,401)	(135,744)
Cash used in investing activities	(108,401)	(135,744)
Net increase (decrease) in cash and cash equivalents		
during the period	(1,442,556)	(239,618)
Cash and cash equivalents, beginning of period	20,593,568	4,680,882
Cash and cash equivalents, end of period	19,151,012	4,441,284
Cash and cash equivalents are comprised of the following		
Cash	883,459	297,293
Investment in money market fund	18,267,553	4,143,991
	19,151,012	4,441,284