

News Release

TSX symbol: MYG

METHYLGENE AND ENVIVO PHARMACEUTICALS FORM COLLABORATION WITH CHDI, INC., IN SUPPORT OF HDAC PROGRAM FOR HUNTINGTON'S DISEASE

Montreal, Quebec; Watertown, Massachusetts; and Los Angeles, California. November 16, 2006 – MethylGene Inc. (TSX: MYG) with its collaborator **EnVivo Pharmaceuticals**, today announced that they have entered into a collaborative agreement with CHDI, Inc., a non-profit organization that is pursuing biotechnology approaches to rapidly discover and develop treatments for Huntington's disease (HD). In this collaboration, CHDI will provide financial and preclinical research support to MethylGene to enhance the collaboration between MethylGene and EnVivo Pharmaceuticals to progress histone deacetylase (HDAC) inhibitors for the treatment of HD. MethylGene and EnVivo formed a collaboration in February, 2005 focused on MethylGene's HDAC technology for use in neurodegenerative diseases.

Under terms of the agreement, CHDI will provide MethylGene with up to US\$1.5 million in initial funding for the identification, design and synthesis of new isotype-selective HDAC inhibitors for potential use in treating Huntington's disease as well as support for other preclinical pharmacology testing. MethylGene and EnVivo retain the exclusive right to develop and commercialize any clinical candidates that arise from the collaboration.

"We are pleased that CHDI, a foundation devoted to discovering treatments for Huntington's disease, recognizes the potential of MethylGene's HDAC inhibitors for this indication," said Donald F. Corcoran, President and Chief Executive Officer of MethylGene. "Along with EnVivo, we look forward to working with CHDI on this important effort to develop therapeutics for this indication for which no treatment currently exists."

There is a growing body of scientific literature suggesting that inhibition of HDAC enzymes hold promising therapeutic potential for HD by increasing acetylation in the brain and ameliorating the neuronal deficits in animal models of HD. MethylGene and EnVivo have identified lead HDAC inhibitors which appear to work in a *Drosophila* (fruit fly) model of Huntington's disease screen and can penetrate the blood-brain barrier of rodents. The lead inhibitors also induce acetylation markers in rodent brains and do not appear to demonstrate gross cytotoxicity *in vitro* or *in vivo*.

"MethylGene and EnVivo have already made great progress toward delivering a promising first-generation HDAC inhibitor for preclinical development next year," added Kees Been, President and CEO of EnVivo Pharmaceuticals. "This collaboration with the CHDI will now allow us to develop exciting new second-generation compounds."

"We are looking forward to this collaboration and are excited about the new research opportunity that HDAC inhibitors may offer to people with HD. This collaboration also provides us with the added benefit of working with two companies that have expertise with HDACs and neurological diseases," said Robert Pacifici, Chief Scientific Advisor, CHDI.

About Huntington's Disease

Huntington's disease is a hereditary, degenerative brain disorder for which there is no approved treatment. HD slowly diminishes the affected individual's physical and mental abilities eventually resulting in complete dependence on others for daily functions. This disease often appears in mid-life, usually after the child-bearing years, and is a dominant disorder which means that children of an affected individual have a 50 percent chance of inheriting the disease. Approximately 200,000 Americans have HD or are "at risk" of inheriting the disease from an affected parent. The actual number of people affected with the disease in the United States is approximately 30,000 which may allow this indication to be eligible for Orphan Drug Status by the U.S. Food and Drug Administration (FDA).

About Histone Deacetylase (HDAC) Enzymes

There are 11 different (isoforms) of HDACs that appear to have different functions and are involved in the regulation of gene expression, and as such, may be master regulators for disease. Several of these types appear to be involved in cancer, while other types have other biological functions. MethylGene's HDAC inhibitors were developed to target specific HDACs. The scientific literature suggests that the dysregulation of certain HDACs may be involved in certain diseases outside of cancer such as neurodegeneration.

About Histone Deacetylase (HDAC) in Huntington's Disease

Cells in the body normally maintain a delicate balance that ensures the appropriate ensemble of genes are turned on or off. Cells containing the mutant huntingtin protein are known to undergo transcriptional dysregulation such that this balance is upset. HDACs are a group of related enzymes which play a critical role in regulating gene expression. Several MethylGene compounds which are known to modulate HDAC activity were able to ameliorate the deleterious effects of mutant huntingtin in preclinical model organisms. While the genetic mutation that leads to HD cannot be prevented, science may be able to reduce the effects of the mutation, thereby allowing people with HD to lead more active lives.

About CHDI, Inc. and High Q Foundation

CHDI Inc. and the High Q Foundation, Inc. (High Q) are non-profit organizations that share the mission of bringing together academia, industry, governmental agencies, and other funding organizations in the search for Huntington disease (HD) treatments. CHDI, Inc. is pursuing a biotech approach to rapidly discover and develop drugs that prevent or slow HD. Through collaborations with industrial and academic partners, CHDI, Inc., participates in all aspects of drug discovery and development from high throughput screening to preclinical development. High Q supports HD research aimed at target identification and validation, the development and use of animal models, drug delivery, and the search for markers of disease progression.

About EnVivo Pharmaceuticals

EnVivo Pharmaceuticals is a biopharmaceutical company dedicated to discovering and developing drugs for central nervous system (CNS) disorders including, Alzheimer's disease, Parkinson's disease, Huntington's disease and Spino Cerebellar Ataxias. The company's lead programs include a Nicotinic Acetylcholine Receptor Agonist Program (alpha-7) for Alzheimer's disease, a Histone Deacetylase (HDAC) Program for HD and several Neuroprotection Programs, such as EVP-3546 and EVP-2442, for HD as well as other neurodegenerative indications. More information about EnVivo is available at www.envivopharma.com.

About MethylGene

MethylGene (TSX:MYG) is a publicly-traded biopharmaceutical company that uses its expertise to target specific histone deacetylase and kinase enzymes to develop new therapeutics to treat cancer. The technology may also have applications outside of oncology. Two cancer product candidates are currently in clinical development: MGCD0103, partnered with Pharmion Corporation and Taiho Pharmaceutical Co., Ltd., and MG98, partnered with MGI Pharma, Inc. In addition, MethylGene has an exclusive license agreement with Merck & Co. for the development and commercialization of small molecule beta-lactamase inhibitors to overcome antibiotic resistance. The company has partnered its non-oncology HDAC program for neurodegenerative diseases with EnVivo Pharmaceuticals. MethylGene has a portfolio of preclinical programs for its multi-targeted kinase and histone deacetylase (HDAC) inhibitors for both oncology and non-oncology indications, and continues to seek partnering opportunities in these areas. Please visit our website at www.methylgene.com.

MethylGene Safe Harbour: Certain statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, may constitute forward-looking statements. Such statements, based as they are on the current expectations of management of MethylGene, inherently involve numerous risks and uncertainties, known and unknown, many of which are beyond MethylGene's control. These risks and uncertainties could cause future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Such results, performance or achievements include, but are not limited to, the timing and effects of regulatory action; the continuation of collaborations; the results of clinical trials; the timing of enrollment or completion of clinical trials; the success, efficacy or safety of MGCD0103 or MG98; and the relative success or the lack of success in developing and gaining regulatory approval and/or market acceptance for any compound or new product including MGCD0103 and MG98. Such risks include, but are not limited to, the impact of general economic conditions, economic conditions in the pharmaceutical industry, changes in the regulatory environment in the jurisdictions in which MethylGene does business, stock market volatility, fluctuations in costs, expectations with respect to our intellectual property position and our ability to protect our intellectual property and operate our business without infringing upon the intellectual property rights of others, changes in the competitive landscape including changes in the standard of care for the various indications in which MethylGene is involved, and changes to the competitive environment due to consolidation, as well as other risks, which you are urged to read, as described in MethylGene's Annual Information Form for the fiscal year ending December 31 2005, under the heading "risk factors," that can be found at www.SEDAR.com. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. The reader should not place undue reliance on the forward-looking statements included in this presentation. These statements speak only as an update on the date they are made and MethylGene is under no obligation to revise such statements as a result of any event, circumstance or otherwise except in accordance with law.

CHDI, Inc. Contacts:

Robert Pacifici, Ph.D.
Chief Scientific Advisor to CHDI, Inc.
Tel: 310-342-5507
robert.pacifici@chdi-inc.org
www.chdi-inc.org

Ethan Signer, Ph.D.
Senior Scientific Advisor to High Q
Tel: 212-219-0347
ethan.signer@highqfoundation.org
www.highqfoundation.org

EnVivo Pharmaceuticals Contact:

Media Relations
Tel: 617-563-5800

MethylGene Contacts:

Rhonda Chiger
Rx Communications Group, LLC
Phone: 917-322-2569
rchiger@rxir.com

Donald F. Corcoran
President & CEO
MethylGene Inc.
Phone: 514-337-3333 ext. 373
mctavishk@methylgene.com