



Nexia Biotechnologies Inc.
P.O. Box 187, Jean-Talon Branch
Montreal, Quebec H1S 2Z2
www.nexiabiotech.com

NEXIA COMPLETES ASSET REVIEW; DETERMINES TO REORGANIZE INTO OIL AND GAS COMPANY

Edmonton, Canada, January 9, 2006. Nexia Biotechnologies Inc. ("Nexia") (NEX: NXB-H.V) today announced that the Board of Directors has completed its previously announced assessment of corporate assets. Nexia's management has been instructed to proceed immediately with a reorganization strategy to enhance shareholder value. The conceptual transaction structure will protect the value of the PharmAthene and BioSteel assets, and at the same time allow shareholders to participate in the oil and gas industry.

David Tonken, President of Nexia, commented, "We have determined that it is in Nexia's best interests to reorganize the company while demand for public vehicles containing Nexia's attributes remains strong. Our management has particular expertise in designing and executing such transactions, including the successful conversion of Synsorb Biotech Inc. into what is now Iteration Energy Ltd. (TSX: ITX). Recent transactions such as Chamaelo Exploration Inc. (TSX: CXN), Flagship Energy Inc. (TSX: FG.A), Capitol Energy Resources Ltd. (TSX: CPX) and Kereco Energy Ltd. (TSX: KCO) indicate continued strong interest and value in using undervalued public companies as a foundation for growing profitable businesses. We note that Canadian Natural Resources Limited (TSX: CNQ) was an underperforming public entity until a new management team led it to great success. We will likely reorganize Nexia within the context of a Plan of Arrangement. This would ultimately result in Nexia shareholders holding a pro-rata interest in two corporate entities. The first, an undiluted interest in a wholly owned subsidiary, which would hold the biotech assets, and the second, an interest in Nexia, which would be made available to a new oil and gas management team seeking to use a public vehicle to raise money and acquire additional assets. Shareholders will be fully informed with our progress as this effort develops."

ABOUT NEXIA

For more information, please visit Nexia's website at www.nexiabiotech.com. Nexia's complete continuing disclosure documents can be accessed through Company's securities filings at www.sedar.com.

FORWARD-LOOKING STATEMENT AND OTHER IMPORTANT INFORMATION

Except for the historical information presented herein, matters discussed herein may constitute forward-looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from any future results, performance or achievements expressed or implied by such statements. Statements that are not historical facts, including statements preceded by, followed by, or that include the words "believes"; "anticipates"; "intends"; "plans"; "expects"; "estimates"; or similar statements are forward-looking statements. Such statements reflect management's current views and are based on certain assumptions. Actual results could differ materially from those currently anticipated as a result of a number of factors. Nexia specifically disclaims any obligation to update these forward-looking statements. Nexia assumes no responsibility with respect to any information contained herein relating to any entity other than itself. Website addresses referred to herein are provided for convenience purposes only and information contained therein is not incorporated herein by reference, nor does Nexia assume any responsibility in connection therewith. For more information, please visit www.sedar.com. BioSteel[®] is a registered trademark of Nexia Biotechnologies Inc. in Canada.

CONTACT INFORMATION

David L. Tonken, President, CEO and Chairman of the Board
tonken@icrossroads.com 780-486-2317