



Nexia Biotechnologies Ltd.
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NEXIA ANNOUNCES RESULTS OF PHARMATHENE MERGER

Nexia to receive approximately 1,715,975 Restricted Shares in PharmAthene Inc./Healthcare Acquisition Corp. merger.

Edmonton, Alberta, Canada, August 20, 2007: Nexia Biotechnologies Ltd. ("Nexia") (CNQ: NXBL) announced today that PharmAthene Inc. ("PharmAthene") has announced that the stockholders of Healthcare Acquisition Corp. ("HAQ") (AMEX: HAQ) have approved the proposed merger of HAQ and PharmAthene. PharmAthene has further announced that a certificate of merger has been filed, that the name of the merged company is PharmAthene Inc. and that the common shares of PharmAthene are presently trading on the American Stock Exchange under the symbol "PIP". Nexia has been advised that it will hold approximately 1,715,975 shares representing approximately 7.2% of the merged entity. For further information with respect to this merger, Nexia shareholders are directed to the Proxy Statement and related materials filed by HAQ. These materials may be found at www.sec.gov/edgar.shtml. The Proxy Statement provides important information about the merger. The Proxy Statement also provides details of the lock-up agreement which restricts the sale of 50% of these shares for 6 months and the remaining 50% for 12 months, and the potential of a U.S. \$1.3 million milestone payment to be paid to Nexia under certain conditions if an award, procurement or contract for Valortim™ occurs prior to December 31, 2007.

Shareholders are cautioned that the merger is subject to a review by the court. PharmAthene has announced that the shareholder vote was misreported at the meeting and that a determination will be sought from the Delaware Chancery Court to affirm the validity of the stockholder vote approving the merger. PharmAthene has stated that, if the Delaware Court does not affirm the validity of the vote, HAQ will be required to liquidate any funds held in trust. Shareholders should carefully review the press releases recently issued by PharmAthene, copies of which are available at www.pharmathene.com.

ABOUT NEXIA

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

FORWARD-LOOKING STATEMENTS 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 except as may be required by law. 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 Ltd. in Canada.

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