



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

Edmonton, Alberta, Canada, September 13, 2007: Nexia Biotechnologies Ltd. ("Nexia") (CNQ: NXBL) announced today that it has entered into an agreement (the "Agreement") to acquire all of the issued and outstanding shares of Cavalon Capital Partners Ltd. ("Cavalon"). The purchase price is \$333,390 and will be satisfied by the issuance of 1,666,950 common shares of Nexia (the "Shares") issued at a price of \$.20 per share. Cavalon's primary asset is an investment agreement (the "Investment Agreement") with Xillix Technologies Corp. ("Xillix") (TSX: XLX) whereby Cavalon has the exclusive right to invest the sum of \$4,400,000 in Xillix in consideration for voting and non-voting shares. Upon the closing of the Agreement, Nexia will become Cavalon's successor in interest to the Investment Agreement and Nexia will proceed with the investment in Xillix. The Shares will be held in escrow pending the completion of a future transaction between Xillix and a third party. If no such transaction is completed within 18 months from the closing of the Agreement, the Shares will be cancelled.

The Agreement is a related party transaction. The shareholders of Cavalon and the recipients of the Shares are Greg Matthews, a director of Nexia, and the spouse of David Tonken, a director and officer of Nexia. The Agreement has been approved by Nexia's directors (excluding Mr. Tonken and Mr. Matthews) on the basis that it will provide Nexia with an opportunity to deploy its capital in a manner that may produce returns greater than those currently realized. The closing of the Agreement is subject to customary closing conditions. The acquisition of Cavalon will be exempt from the minority approval and valuation requirements applicable to related party transactions as the value of the transaction is less than 25% of Nexia's market capitalization. The acquisition is expected to close less than 21 days following the issuance of a material change report in relation to this transaction, which management has determined is reasonable and necessary in order to comply with the terms of the Investment Agreement.

David Tonken, the President of Nexia, commented that: "The acquisition of Cavalon and the investment in Xillix will provide Nexia with a reorganization opportunity similar to Nexia's recent Enseco transaction. This will allow Nexia to diversify its asset base and deploy capital in a manner proven to add value to investors".

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.

CONTACT INFORMATION

David L. Tonken, President, Chief Executive Officer and Chairman of the Board
Email: tonken@icrossroads.com
Telephone: (780) 486-2317