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Nexia Provides Corporate Update and Announces 2007 Year End Results
(in Canadian dollars)

Edmonton, Alberta, Canada, September 28, 2007: Nexia Biotechnologies Ltd. ("Nexia") (CNQ: NXBL) today provided a corporate update and released financial results for the year ended May 31, 2007.

CORPORATE UPDATE

During 2007, Nexia completed a corporate reorganization with Enseco Energy Services Corp. resulting in 2,125,000 shares of Enseco and 24,032,539 shares of Nexia being distributed pro-rata to shareholders. Nexia's present asset base consists of the BioSteel[®] program, 1,715,975 shares of PharmAthene (AMEX: PIP), and working capital derived from the May 2007 loan transaction. Nexia's management is focused on three primary objectives: (1) The outsourcing of BioSteel[®] research, development and manufacturing activities, thereby preserving cash resources. (2) Diversifying our investment asset portfolio away from current 100% exposure to PharmAthene, and (3) deployment of our working capital in a manner which best takes advantage of managements' expertise in biotech corporate reorganization.

In August 2008, Nexia entered into an agreement with the University of Wyoming ("UOW"). In addition to covering the cost of BioSteel manufacturing, UOW will conduct research into biomedical devices, sports equipment and protective equipment. Nexia will share equally in any licensing or royalty revenue derived from this initiative. A second transgenic goat herd will be established at UOW, and UOW will contribute towards the maintenance of the Canadian herd, until the second herd is in place. To date no commercial application has been identified for BioSteel. Management continues to pursue the BioSteel[®] opportunity, and outsourcing initiatives will keep the program alive and yet allow Nexia to reduce the amount of financial resources allocated to BioSteel[®].

Also in August 2007, PharmAthene announced that the Delaware Chancery Court had determined that its merger with Healthcare Acquisition Corp. was valid. Nexia now holds 1,715,945 shares of PharmAthene which are subject to escrow and share sale restrictions. 50% of Nexia's shares will become free trading in February 2008 and another 50% six months later. Approximately 165,000 shares are also held in escrow and are subject to certain closing conditions expiring in August 2008.

Nexia's Board of Directors has determined to diversify the investment portfolio, in order not to be exposed to one, illiquid, share position. To this extent, Nexia entered into a US\$5 million dollar loan agreement, which provides Nexia with liquidity in which to broaden its investments. The loan is secured against all of Nexia's assets and bears interest at 7.5% annually. Management will use the loan proceeds to diversify Nexia's investments and to provide shareholders with additional revenue and value opportunities. On September 24, the Biomerge Technologies Inc. share acquisition has deployed \$4.4 million of the loan proceeds. Management is confident that this investment will result in positive returns to Nexia in fiscal 2008.

YEAR ENDED MAY 31, 2007 FINANCIAL RESULTS

The loss for the year ended May 31, 2007 was \$491,000 (\$0.02 per share) compared to \$615,000 (\$0.03 per share) for the previous year. The fourth quarter loss was \$183,000 (\$0.01 per share) compared to \$182,000 for the previous year. Overall higher expenditures related to R&D operations, business development of \$182,000 and higher interest expenses \$125,000, including \$93,000 of which were non-cash, were offset by the realization of prior year investment tax credits of \$285,000 and a net foreign exchange gain on term loan of \$164,000 related primarily to the US dollar denominated term loan.

ABOUT NEXIA

For more information, please visit Nexia's website at www.nexiabiotech.com. Nexia's complete continuing disclosure documents, including: the 2007 annual report, financial statements and the MD&A 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.

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