

Nexia Biotechnologies' Shareholders Approve Sale of All Assets Associated with Protexia®

Montreal, Quebec, Canada, March 8, 2005 – Nexia Biotechnologies Inc. (TSX: NXB) today announced that its shareholders have approved the sale of substantially all its operations and assets related to Protexia® (recombinant human butyrylcholinesterase) to a wholly-owned subsidiary of PharmAthene, Inc. ("**PharmAthene**"), a privately held biotechnology company focused on the development of biodefense therapeutics, based in Annapolis, Maryland. The shareholders' vote took place yesterday at Nexia's Annual and Special Meeting of Shareholders held at the Hilton Montreal Airport Hotel, Montreal, QC and the transaction is scheduled to close this week.

The transaction, which was announced on January 6, 2005, was subject to certain closing conditions which have now all been met or waived by the parties. The purchase consideration payable to Nexia will be as follows:

- Approximately US \$11.2 million in cash;
- Approximately 7.5 million Series C Convertible Preferred Shares ("**Series C Shares**") of PharmAthene to be issued at US\$0.91 per share;
- Approximately 2.3 million warrants to acquire Series C Shares exercisable at about US\$0.91 per share and expiring in March 2008; and
- Approximately 1.3 million warrants to acquire common shares of PharmAthene (subject to reduction if certain milestones are met by PharmAthene as specified in the warrants) exercisable at US\$0.01 per share and expiring in October 2014.

Concurrently with their approval of the transaction, the shareholders of Nexia have also approved a reduction of the stated capital of the issued and outstanding common shares of Nexia which will result in a distribution to the shareholders of \$ 0.72 per share, such distribution to be paid by Nexia to shareholders of record on the seventh trading day following the closure of the transaction.

Nexia's activities, after the transaction, will be essentially limited to overseeing its investment in PharmAthene and BioSteel® related activities. Accordingly, Nexia intends to reduce to the fullest extent possible the size of its board of directors and its management structure. Effective today, Dr. Jeffrey D. Turner has resigned as President and CEO.

CONTACT INFORMATION

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