



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

Nexia Announces Second Quarter 2006 results, Provides Corporate Update
(in Canadian dollars)

Edmonton, Alberta, Canada, January 24, 2006: Nexia Biotechnologies Inc. (NEX: NXB.H), today reported financial results for the six-month period ending November 30, 2005 and provided corporate update highlights.

CORPORATE HIGHLIGHTS

Nexia is in the process of implementing a reorganization strategy. The conceptual transaction would see all biotech assets spun-out to a wholly owned subsidiary and shares of that entity distributed pro-rata to Nexia's shareholders. The parent company will seek growth opportunities in the oil and gas industry.

Currently, Nexia's primary asset is an investment in PharmAthene Inc., a privately held biotechnology company dedicated to the development of biodefense products. On January 9, 2006 PharmAthene announced that the United States Food and Drug Administration (FDA) has granted Fast Track designation for Valortim™, against anthrax infection. This product is being developed in collaboration with Medarex Inc. (NASDAQ: MEDX). On January 10, 2006 PharmAthene and Medarex jointly announced that the U.S. House and Senate conference committee on the FY 2006 Department of Defense Appropriations bill has included U.S. \$2.05 million to support ongoing development of Valortim™.

PharmAthene has also advised Nexia that it continues on track with its technical development programs for Protexia®, a therapy to protect against nerve agent attack. The response to the Request for Proposal from the U.S. government relating to Protexia™ was submitted by PharmAthene in November 2005 and is currently under review by the U.S. Department of Defense. A reply to the submission is expected prior to April 2006.

Nexia continues to pursue opportunities for the exploitation of its Biosteel® assets. Preliminary discussions with various parties who have shown interest in developing this product line are underway. Success in this area will be difficult due to limited financial resources.

Mr. David Tonken, President, commented, "The new management team of Nexia has a significant equity interest in the company. We are working on a full time basis to maximize shareholder value. The six-month operating results were in line with our expectations. We are actively searching for new revenue streams to strengthen and grow our company".

SECOND QUARTER 2006 FINANCIAL RESULTS

The loss for the quarter ended November 30, 2005 was \$190,000 (\$0.01 per share) compared to a net loss of \$1.79 million (\$0.08 per share) for the quarter ended November 30, 2004. For the six-month period ended November 30, 2005 the net loss was \$315,000 (0.01 per share) compared to a net loss of \$4.27 million for the six-month period ended November 30, 2004. The substantial variance was due to the reductions in spending, across all categories as a result of substantially reduced operations, after the completed, previously disclosed, asset sale transaction with PharmAthene Inc. In addition, the six-month period in 2004 included a one time write-down of fixed assets and intellectual property related to BioSteel® in the amount of \$1.1 million.

ABOUT NEXIA

For more information, please visit Nexia's website at www.nexiabiotech.com. Nexia's complete continuing disclosure documents, including: the second quarter 2006 report and interim financial statements, the 2005 Annual Report, the MD&A and consolidated financial statements for the fiscal 2005 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