

NEXIA SIGNS ARRANGEMENT AGREEMENT

Edmonton, Alberta, March 30, 2006: Nexia Biotechnologies Inc. (NEX: NXB.H) ("Nexia" or the "Company") is pleased to announce that it has entered into a definitive agreement (the "Arrangement Agreement") with Enseco Energy Services Corp. ("Enseco") and 6539718 Canada Inc., both subsidiaries of the Company, and Enseco Management Corp. ("ManagementCo"), an unrelated arm's length party, to recapitalize and reorganize its business by way of a Plan of Arrangement.

Prior to completion of the Arrangement, Enseco will be capitalized with up to \$11.5 million of 3% and 6% debentures convertible into not more than an aggregate 8,750,000 Enseco common and non-voting shares. In addition, Enseco will be required to have completed the acquisition of up to four oilfield service operating businesses with a combined EBITDA of at least \$8 million dollars through the issuance of not more than 10,000,000 Enseco common shares or rights to acquire Enseco common shares.

Pursuant to the Arrangement, each Nexia common share will be exchanged for 0.08842 of a new common share of Nexia and 1.0 preferred share of Nexia, the preferred shares will be transferred to New Nexia in exchange for common shares of New Nexia on a one-for-one basis and Nexia's existing assets including 100% of the PharmAthene Inc. equity and cash, other than \$750,000 in cash which has been used to capitalize Enseco, will be transferred to New Nexia in satisfaction of the redemption price of the Nexia preferred shares. In addition, Nexia will acquire all of the shares of ManagementCo for 1,250,000 Nexia non-voting shares and Nexia, ManagementCo and Enseco will amalgamate to form Enseco. Pursuant to the amalgamation, each Nexia new common share and each Enseco common share will be exchanged for a common share of the amalgamated entity and each non-voting share of Nexia and Enseco will be exchanged for a combination of voting and non-voting shares of the amalgamated entity.

The amalgamated entity will carry on business under the Enseco name as an oil and gas service company providing the oil and gas industry with numerous field services including production testing, coil tubing, equipment rentals and completion services. Following completion of the Arrangement, Enseco is expected to be well poised and financed to aggressively pursue acquisition opportunities with a diverse group of private energy service companies focused on enhanced oil field production and services.

As a result of these transactions, Nexia shareholders will be provided with an interest in the oil and gas service industry while maintaining a non-diluted interest in Nexia's biotech assets with the distribution of the Enseco and New Nexia shares done as a return of capital, which will not be a taxable event to the Nexia shareholders. Assuming all of the debentures are converted, upon completion of the Arrangement, Enseco will have approximately 22,125,000 common and non-voting shares outstanding, approximately 9.6% of which will be held by former Nexia shareholders and New Nexia will have approximately 24,032,539 common shares outstanding, all of which will be held by former Nexia shareholders. New Nexia will continue to pursue biotechnology opportunities including its Biosteel® assets and its investment in PharmAthene Inc. David Tonken, Gregory Matthews and Dr. Jeffrey Turner, the current directors of Nexia, will continue as the directors of New Nexia.

As part of the Arrangement, it is expected that Enseco will have its listing move from the NEX Board to either the TSX or the TSX Venture Exchange. Trading of the shares of Nexia on the NEX Board of the TSXV will remain halted until the completion of the Arrangement.

Mr. David Tonken, President and CEO of Nexia commented, "This is an important step forward for Nexia in implementing our diversification strategy. Enseco will be lead by an experienced management team possessing a focused acquisition and consolidation strategy. Over the coming weeks we will work diligently to complete the Arrangement, and mail an information circular to our shareholders to obtain their approval prior to June 15, 2006. We are very excited about our participation in the Enseco opportunity. It is a team approach which we hope will attract a number of high quality founding companies and employees."

The following are brief descriptions of the initial members of the Enseco management team and the proposed board members following completion of the Arrangement:

Kelly M. Nichol, Director and President and Chief Executive Officer

Mr. Nichol is the President of Enseco and has in excess of twenty years of exploration, production and service industry experience, both in operations and management, including eight years of international operational experience in the Middle East and South America. Previously he was Chief Operating Officer of Big Eagle Hydrovac.

Randy Nicholls, C.A. – Vice President Finance

Prior to joining Enseco Mr. Nicholls was Corporate Controller for Parkland Income Fund where he was responsible for public reporting and compliance, investor relations, treasury and information technology.

Rob Koller – Vice President Business Development

Mr. Koller is a Chartered Accountant and Chartered Business Evaluator and formerly a senior manager with Deloitte & Touche LLP in the Financial Advisory Services Group.

Kim B. Jespersen – Manager, Environment, Health and Safety

Mr. Jespersen has more than twenty-six years of exploration, production, operational and municipal emergency medical service management experience with Harvest Energy Trust and Petro-Canada. He holds a professional designation with the Board of Canadian Registered Safety Professionals.

John A. Brussa, Director

Mr. Brussa is a senior partner with the Calgary law firm of Burnet Duckworth & Palmer LLP with a practice focus on tax law. He is a director of a number of energy companies and energy trusts including Penn West Petroleum Ltd., Endeve Energy Inc., Baytex Energy Trust, Energy Savings Income Fund, Progress Energy Trust, Focus Energy Trust, Harvest Energy Trust and oil and gas growth companies such as Rider, Crew, Galleon and Highpine.

M. Scott Ratushny, Director

Mr. Ratushny has been an independent businessman in Calgary since 1989 and has served on the Board of Directors of many publicly listed and private companies. Currently, Mr. Ratushny is the Chairman and a Director of Pilot Energy Ltd. and serves on the Boards several public and private companies.

P. John Aldred, Director

Mr. Aldred is the founder, Chairman and Chief Executive Officer and a Director of the Enerflex group of companies. Mr. Aldred also currently serves as a public member and Vice-Chair of SAIT's Board of Governors and is a member of its Audit Committee.

Enseco will be an Alberta based specialized oil and gas service provider to both major and independent oil and gas exploration and production companies and royalty trusts in western Canada. The services provided by Enseco will include production testing, directional drilling, downhole equipment rentals and well swabbing services. Enseco is focused on becoming the service provider of choice to the energy sector. Enseco is firmly committed to attracting and retaining a highly motivated and skilled workforce while ensuring the delivery of quality service. The Enseco team feels there is tremendous opportunity in western Canada to consolidate a comprehensive suite of complimentary drilling and completions services.

The proposed Arrangement has the unanimous support of the board of directors of the Company. The board of directors of the Company has unanimously approved the Arrangement and has resolved to recommend the Arrangement as being in the best interests of the Company and its shareholders. Invico Capital Advisory Services Inc. has provided corporate advisory services to Nexia with respect to this transaction. In addition, shareholders of Nexia, including all of the directors, who hold an aggregate of 37% of the Nexia common shares have entered into lock-up agreements pursuant to which they have agreed to vote in favour of the Arrangement.

Completion of the Arrangement is subject to the approval of 66 2/3% of the aggregate votes to be cast by shareholders of Nexia at a meeting expected to be held in mid June, 2006. If the requisite shareholder and regulatory approvals are obtained and other conditions to closing are satisfied or waived, including without limitation the conditional approval of the TSX Venture Exchange to the listing of the Enseco shares, the Company will as soon as practicable thereafter seek an order from the Alberta Court of Queen's Bench approving the Arrangement. The transaction cannot close until the required shareholder and other approvals are obtained. There can be no assurance that the transaction will be completed as proposed or at all. Investors are cautioned that except as disclosed in the management information circular of Nexia to be prepared in connection with the Arrangement, any information released or received with respect to the proposed transaction may not be accurate or complete and should not be relied upon. Trading in the shares of Nexia should be considered highly speculative.

Nexia has agreed to cease any discussions with other parties, not to solicit competing offers and to give notice to Enseco of any unsolicited competing proposals that may be received prior to closing the Arrangement. The parties have agreed to pay the other a break fee of \$400,000.00 in certain circumstances if the Arrangement is not completed.

Further details regarding the Arrangement, Enseco and New Nexia, including certain pro forma information following completion of the Arrangement, will be provided in the Company's management information circular to be mailed to Nexia shareholders in connection with the shareholders meeting to consider the Arrangement.

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.

For further information please contact:

David L. Tonken,
President and CEO,
Nexia Biotechnologies Inc.
(780) 486-2317
tonken@icrossroads.com

Gregory B. Matthews
Director
Nexia Biotechnologies Inc.
(403) 278-3749
gregmatthews@shaw.ca

or

Kelly M. Nichol, President and CEO
Enseco Energy Services Corp.
(403) 514-8115-ext. 225
knichol@Enseco.ca

Scott Ratushny
Enseco Energy Services Corp.
(403) 514-8115-ext. 223
scott@pilot-energy.com

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.