Attention Business/Financial Editors:
Enseco completes four acquisitions, poised for future growth

CALGARY, Oct. 5 /CNW Telbec/ - Nexia Biotechnologies Inc. (NEX: NXB.H) and Enseco Energy Services Corp. issue a combined press release.

As noted in the August 29, 2006 Joint Information Circular and Proxy Statement (the "Information Circular") of Nexia Biotechnologies Inc. ("Nexia") and Enseco Energy Services Corp. ("Enseco" or the "Company"), Enseco is releasing its June 30, 2006 interim consolidated financial statements, interim Management's Discussion and Analysis and interim pro forma consolidated financial statements via this press release and under Nexia's profile on SEDAR, available at www.sedar.com.

The information concerning Enseco contained herein has been provided by Enseco. Although Nexia has no knowledge that would indicate that any of such information is untrue or incomplete, Nexia does not assume any responsibility for the accuracy or completeness of such information or the failure by Enseco to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Nexia.

Highlights:

- Acquisitions of Trottier Energy Services Inc. ("Trottier") on March 22, 2006, Swab Services Ltd. ("Swab Services") on April 6, 2006 and Swab-Co. Inc. ("SwabCo") and Swab-Flo Inc. ("SwabFlo") on May 15, 2006 completed.
- Key management personnel hired.
- Operations from the acquired companies integrated into two operating divisions.
- Bases of operation in Calgary, Whitecourt and Grand Prairie (Beaverlodge), Alberta as well as Fort St. John, British Columbia.

Enseco today announced its financial results and the progress it has made in its business plans to June 30, 2006. "We are proud of what we have accomplished in the short time since our incorporation on March 6, 2006. By creating a strong management team and making strategic acquisitions, we believe we have a company that is poised to be successful and grow. We think our over-riding goals of being the "supplier of choice" to customers in our market area and the "employer of choice" in today's competitive labor market are the drivers needed to contribute to on-going success," said Enseco President and CEO, Kelly Nichol. "Performance during the quarter was, as expected, weak as a result of the spring break-up season and additional costs incurred related to start-up and to building Enseco's business and operations. Although we are not satisfied with these results, we understand the reasons and are well positioned for stronger results in future quarters," Nichol added.

OUTLOOK

Enseco anticpates that future quarters will see enhanced revenue as a result of the acquisitions which occurred during the quarter ended June 30, 2006 and normal seasonal trends. Additionally, it is expected that capital additions, improved utilization and increased rates will further increase the revenues realized. Demand for the services Enseco provides remains strong and it is expected this will contribute to margins remaining at current levels. Enseco will continue to incur additional expenses to build its brand, improve its equipment, enhance safety programs, add new business lines and prepare for the public markets. These investments are intended to help Enseco attract the best employees, make it a supplier of choice to its customers and allow it to outperform its competitors and react appropriately to changes in market conditions.

The Information Circular with respect to the proposed Plan of Arrangement (the "Arrangement") among Nexia, Enseco, Enseco Management Corp. ("ManagementCo") and 6539718 Canada Inc. ("New Nexia") has been mailed to shareholders of Nexia and Enseco. The special meetings of holders of common shares of Nexia and holders of common shares of Enseco to vote on the Arrangement are to be held on October 16, 2006 at 9:00 am (Calgary time) and 10:00 am (Calgary time), respectively.

The Arrangement will result in the amalgamation of Nexia, Enseco and ManagementCo to form "Enseco Energy Services Corp", a new oil and gas service industry company which is expected to be well poised and financed to conduct Enseco's current operations and aggressively pursue acquisition opportunities focused on enhanced oil field production and services and the creation of New Nexia which will continue to pursue Nexia's biotechnology opportunities including its Biosteel(R) assets and its investment in PharmAthene Inc.

Summary of Financial and Operating Information
(000's)

Total assets	$ 50,690
Total revenue - production testing	$ 2,405
Total revenue - well swabbing	$ 1,290
Total revenue	$ 3,695
Net loss	$ (1,174)
EBITDA	$ (353)

Non-GAAP Financial Measures

In this document there are references to EBITDA, which is a non-GAAP financial measure. EBITDA refers to income (loss) before interest, accretion, income taxes, depreciation and amortization and can be calculated from the GAAP amounts included in the Company's financial statements. Management believes that EBITDA is a relevant measure to users of its financial information as it provides an indication of pre-tax earnings available for debt and equity holders. Enseco's definition of EBITDA may not be consistent with other providers of financial information and therefore may not be comparable.

Revenue

Enseco's revenue is dependent on demand for its services and the equipment and personnel it has available to meet that demand. The primary equipment assets in the current operating divisions are production testing units and swabbing rigs which have been acquired as follows:

	Production testing units	Swabbing rigs

March 21 - Trottier acquisition	6	-
April 6 - Swab Services acquisitions	26	5
May 15 - SwabCo and SwabFlo acquisitions	3	11
May 18 - purchase	-	1
Total units available at June 30	35	17
Weighted average units available during the quarter	32	11
Revenue for the quarter	$2,405,000	$1,290,000
Revenue per weighted average unit	$ 75,000	$ 117,000

Equipment utilization in the three months ended June 30 was weak, as is typical since the period includes spring break up when road bans and ground conditions make many well sites inaccessible. The 2006 break-up also occurred later than is typical, with the entire break-up period falling in this quarter whereas it would more typically start in March. Revenue from assets acquired as part of the SwabCo and SwabFlo acquisitions on May 15 is only included for the 47 days subsequent to the acquisition.

Equipment utilization subsequent to June 30 has increased significantly and revenue amounts in the fiscal second quarter ending September 30 will be improved.

Rate increases have been implemented by Enseco in the three months ended June 30 and will further serve to enhance revenue in the second quarter. Enseco has also opened a new facility in Red Deer, Alberta subsequent to June 30, 2006. This facility will provide a base of operations in Central Alberta where there is a strong concentration of producing wells.

Expenses and net loss

While margins on individual jobs remained strong, overall margins were weak during the quarter as a result of the seasonal conditions encountered. As is typical with most service companies in the WCSB, Enseco also took the opportunity during the quarter to perform extensive maintenance on its equipment fleet, with expenditures totaling $653,000. These expenditures include required maintenance, cleaning and rebranding to enhance the Enseco image and preventative maintenance which will reduce downtime during busier seasons. A key management initiative is to ensure Enseco's equipment is well maintained so as to reduce downtime issues at customer sites. Additional expenditures during the quarter are expected to benefit future quarters as maintenance costs should be reduced and utilization improved.

Other expenses were also unusually high during this quarter as a result of start-up costs and other one-time costs incurred in an effort to meet Enseco's business initiatives in areas such as safety, advertising, consulting fees and office supplies. In these specific areas, the estimated start-up and one time costs which would not be expected to be incurred in future periods totaled $200,000.

Additionally, general and administrative expenses are higher than in the predecessor companies and proportionately higher than that expected in future quarters as Enseco has added senior operations and financial management personnel in anticipation of further growth, acquisitions in current and new service lines and to meet the governance and reporting requirements of a public company.

Capital assets and amortization

In addition to the corporate acquisitions during the three month period, the Company spent $1.2 million on asset additions. The Company continues to plan for growth and has orders in place for asset additions of approximately $15 million over the next year. As well as expanding its existing capacity in well swabbing and production testing, these asset additions will also allow Enseco to offer new service lines, including wireline, directional drilling and open hole logging. Excluding acquisitions, Enseco's capital spending plans include:

- twelve production testing units for delivery late in 2006 and early in 2007;
- four swabbing trucks for delivery from September to December, 2006;
- six directional drilling kits with delivery commencing in October, 2006; and
- six conventional wireline trucks for delivery in late 2006 and early 2007.

Additionally, Enseco is concluding negotiations to obtain exclusive Canadian rights to use a new suite of open hole logging tools being developed by an established down hole tool manufacturer. An additional six wireline trucks are on order related to these new tools, with prototype testing expected to start in mid 2007 and full commercialization for the 2007/2008 winter season. Management believes that these tools will provide it with access to a market currently dominated by a very few mostly large multi-national oilfield service providers. Market penetration and therefore utilization and margins should be strong. Enseco has options to take this tool to other market areas as well should it prove successful.

Enseco has a number of other production slots reserved with equipment manufacturers through 2007 and 2008 as lead times can be quite long and advance planning is required to ensure growth plans can be met.

Enseco also continues to pursue acquisition candidates and will continue to grow in this manner should negotiations with suitable candidates result in accretive value to shareholders of the Company.

Interest and long-term debt

Enseco remains conservatively financed, with term debt of approximately $1.1 million as at June 30, 2006. It is management's intention to increase debt levels to fund planned equipment purchases and potential acquisitions. Of the total debt, approximately $800,000 relates to vehicle loans and leases at promotional interest rates ranging from nil to 0.9%. Enseco currently has nominal interest rate risk, as only one mortgage of $249,000 bears interest at a variable prime based rate.

During the three months ended June 30, 2006, the Company acquired $711,000 of net debt from acquired companies as well as $178,000 of new vehicle financing.

Enseco is currently negotiating with potential lenders to acquire financing required for its capital expenditure program.

Income taxes

Losses incurred in the three months ended June 30, 2006 and the period from inception to March 31, 2006 have resulted in no current taxes payable.

Liquidity and Capital Resources

Cash provided by operating activities for the three months ended June 30, 2006 was $4.8 million. Cash flow from operations was a deficit of $0.2 million which was offset by a $5.0 million change in non-cash working capital. The non-cash working capital change was generally the result of accounts receivable collections as, at the time of the acquisitions, accounts receivable were at seasonal highs. At June 30, 2006 the Company had drawn $3.5 million of its $4.5 million operating facility. Net of existing cash balances, the bank indebtedness was $675,000 at June 30, 2006.

Working capital

Excluding cash and bank indebtedness and the convertible debentures, the Company has positive working capital of $2.2 million as at June 30, 2006. Working capital balances are expected to increase in future periods as revenue is enhanced and the corresponding accounts receivable balances increase. The convertible debentures have been classified as a current liability as they mature in October, 2006. However, it is expected that all debentures will be converted into shares at maturity or shortly thereafter. To date, management has received conversion notices from approximately 60% of the convertible debenture holders.

Commitments and contingencies

Enseco has contracted obligations under various debt agreements as well as under operating and capital leases for land, building and equipment. Minimum lease and principal payments under the existing terms are as follows:

Year ending June 30 (000's)	Mortgage and loans payable	Operating leases	Capital leases
2007	$328	$424	$ 47
2008	$295	$364	$117
2009	$120	$364	$ 9
2010	$ 47	$364	$ 26
2011	$ 41	$318	Nil
Thereafter	$ 45	Nil	Nil

Additionally, Enseco has purchase commitments of $15 million for equipment that is expected to be delivered in late 2006 and early 2007.

As part of the purchase and sale agreements with Swab and SwabCo, Enseco has agreed that should it not obtain a public listing within one year from the acquisition date, the former shareholders of Swab and SwabCo have the option to require Enseco to repurchase all or any part of the shares issued for $2.00 and $3.25 per share, respectively. Additionally, should the Arrangement Agreement not close and Enseco does an initial public offering at a price of less than $2.00 per share, Enseco would be required to issue additional shares to the former Swab shareholders such that the total value of shares received is $9,000,000. These contingent liabilities have not been recorded in these financial statements as management believes it is unlikely it will not complete the Arrangement Agreement with Nexia or otherwise obtain a public listing at a price in excess of $2.00 per share.

Off-Balance Sheet Arrangements

At June 30, 2006 and March 31, 2006, the Company had no off-balance sheet arrangements.

Transactions with Related Parties

The only transactions with related parties are the notes payable to Enseco Management Corp. ("ManagementCo") and to former shareholders of the subsidiary companies.

The ManagementCo balance relates to the Arrangement Agreement and will be eliminated upon completion of the Arrangement as Enseco and ManagementCo will be amalgamated. ManagementCo is controlled by a director of Enseco.

The balances due to former shareholders relate to either shareholder loan balances in the subsidiary companies that remain unpaid or remaining balances due to these shareholders related to the acquisition. These balances will be paid under normal trade terms.

NON CAPITAL RESOURCES

Employees

Since inception on March 6, 2006 to June 30, 2006, Enseco has grown to approximately 200 employees. Enseco's ability to deliver on its strategy is dependent on its ability to attract and retain skilled and motivated staff. The Company has committed itself to be the "employer of choice" in the service industry and has created or is creating various programs to establish itself as such. These programs include bonus plans, stock options for all employees, a stock savings plan, monthly employee newsletters and health and dental plans that are comparable with the best in the industry.

Safety, Environmental and Loss Management Responsibilities

Enseco's business has an inherent degree of risk. To mitigate this risk, Enseco has incorporated comprehensive Safety, Environmental and Loss Management Processes into its business activities.

This commitment will be demonstrated in our Safety and Environmental and Loss Management programs, which provide clear management expectations, detailing employee responsibilities and serving as a mechanism for ongoing stewardship and continuous improvement through a program of regularly scheduled audits and preventative maintenance. Our managers, employees and others engaged on our behalf are expected to carry out their duties in a manner designed to protect themselves, their fellow workers, the public, the environment and the physical assets of Enseco. Our executive team is also developing safety, environmental and loss management targets that will form part of their future compensation plans. In 2006, Enseco satisfactorily completed an external audit of its safety program and facilities. Enseco is also a member of PSAC (Petroleum Services Association of Canada) and participates on several PSAC committees - "Well Testing Committee" and the "Environmental Health and Safety Committee".

ENSECO ENERGY SERVICES CORP.
Consolidated Balance Sheet
(unaudited)
(000's)

	June 30, 2006	March 31, 2006
	Assets	
Current assets:		
Cash and cash equivalents	$ 2,875	$ 11,074
Accounts receivable	5,104	873
Prepaid expenses	607	52
	8,586	11,999
Property, plant and equipment (note 3)	20,209	2,035
Intangible assets, net of accumulated amortization of $527 (note 2)	7,873	655
Goodwill (note 2)	14,022	1,189
	$ 50,690	$ 15,878
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness (note 4)	$ 3,550	$ -
Accounts payable and accrued liabilities	2,176	247
Related party notes payable (note 5)	976	1,173
Current portion of long-term debt (note 6)	375	73
Convertible debentures (note 7)	11,403	11,121
	18,480	12,614
Long-term debt (note 6)	700	113
Preferred shares (note 8)	750	750
Future income taxes (note 2)	5,372	505
	25,302	13,982
Commitments and contingent liabilities (Note 9)		
Shareholders' equity:		
Share capital (Note 8)	26,175	1,640
Contributed surplus - stock options (Note 8)	131	-
Conversion option - convertible debentures (Note 7)	410	410

Deficit	(1,328)	(154)
	25,388	1,896
	$ 50,690	$ 15,878

See accompanying notes to consolidated financial statements.

ENSECO ENERGY SERVICES CORP.
Consolidated Statement of Loss and Deficit

Three months ended June 30, 2006
(Unaudited)
(000's)

Revenue	$ 3,695
Interest	7
	3,702
Expenses:	
Operating, management, general and administrative	4,055
Interest on long-term debt	89
Accretion of convertible debentures	282
Amortization of plant and equipment	401
Amortization of intangible assets	522
	5,349
Loss before income tax	(1,647)
Future income tax reduction	473
Net loss	(1,174)
Deficit, beginning of period	(154)
Deficit, end of period	$ (1,328)

See accompanying notes to consolidated financial statements.

ENSECO ENERGY SERVICES CORP.
Consolidated Statement of Cash Flows

Three months ended June 30, 2006
(Unaudited)

(000's)

Cash provided by (used in):	
Operating activities:	
Net loss	$ (1,174)
Add (deduct) items not affecting cash:	
Accretion of convertible debentures	282
Amortization of plant and equipment	401
Amortization of intangible assets	522
Stock based compensation expense	131
Future income tax reduction	(473)
	(311)
Change in non-cash operating working capital	5,090
	4,779
Investing activities:	
Property, plant and equipment additions	(1,244)
Acquisition of Swab Services Ltd., net of cash acquired	(6,437)
Acquisition of Swab-Co. Inc., net of cash acquired	(8,060)
	(15,741)
Financing activities:	
Issuance of common shares, net of issue costs	11,964
Related party notes payable	(8,593)
Advances of long-term debt	178
Advances of bank indebtedness	3,550
Repayments of long-term debt	(4,336)
	2,763
Decrease in cash and cash equivalents	(8,199)
Cash and cash equivalents, beginning of period	11,074
Cash and cash equivalents, end of period	$ 2,875

See accompanying notes to consolidated financial statements.

ENSECO ENERGY SERVICES CORP.
Notes to Consolidated Financial Statements

Three months ended June 30, 2006
(Unaudited)
(all amounts in tables in 000's)

1. Significant Accounting Policies

The interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the most recent annual financial statements as at and for the period ended March 31, 2006. These financial statements should be read in conjunction with the annual financial statements and notes.

No comparative information is provided for income statement amounts as Enseco Energy Services Corp. ("Enseco") was incorporated on March 6, 2006.

(a) Principles of consolidation:

These consolidated financial statements include the accounts of Enseco and its wholly owned subsidiaries, Trottier Energy Services Inc. ("Trottier"), Swab Services Ltd. ("Swab"), Swab-Co. Inc. ("SwabCo"), Swab Flo Inc. ("SwabFlo"), Enseco Partnership Management Corp. and Enseco Energy services Partnership. All significant inter-company transactions and balances have been eliminated upon consolidation.

(b) Property, plant and equipment:

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is provided at the following rates and methods over the estimated useful lives of the assets (net of estimated residual value):

Oilfield services equipment	10 year straight-line
Vehicles	5 year straight line
Furniture and fixtures	5 year straight line
Buildings	20 year straight line
Computer hardware	30% declining balance
Computer software	50% declining balance

2. Business acquisitions:

On March 21, 2006, the Company completed the acquisition of all of the outstanding shares of Trottier for an aggregate purchase price of $3,010,000. The purchase price consisted of 825,000 common, non-voting shares in the Company valued at $1,650,000 plus cash of $1,360,000. The net assets acquired were as follows:

Acquired cash	$ 151
Accounts receivable	850
Other current assets	13
Equipment	1,984
Intangibles	660

Goodwill	1,189
Accounts payable and accrued liabilities	(248)
Due to related parties	(580)
Debt	(486)
Future income taxes	(523)
	$ 3,010

Immediately following the completion of the acquisition, $299,482 of the debt was repaid.

On April 6, 2006, the Company completed the acquisition of all of the outstanding shares of Swab for an aggregate purchase price of $12,452,000. The purchase price consisted of 4,500,000 common, non-voting shares in the Company valued at $7,094,000 plus cash of $5,358,000. The net assets acquired were as follows:

Bank indebtedness	$ (1,079)
Accounts receivable	6,813
Other current assets	183
Property, plant and equipment	9,781
Intangible assets	3,910
Goodwill	5,471
Accounts payable and accrued liabilities	(1,749)
Due to related parties	(5,235)
Debt	(2,643)
Future income taxes	(3,000)
	$ 12,452

Immediately following the completion of the acquisition, $2,097,000 of the debt was repaid. Enseco is currently involved in a dispute with the former shareholders of Swab over the calculation of the final purchase price for the shares. Subsequent to June 30, 2006, $178,000 has been placed in trust pending arbitration of the dispute. Should Enseco lose part or all of this dispute, the purchase price would increase by such amount and there would be a corresponding increase in goodwill.

On May 15, 2006, the Company completed the acquisition of all of the outstanding shares of SwabCo and SwabFlo for an aggregate purchase price of $13,925,000. The purchase price consisted of 2,123,078 common, non-voting shares in the Company valued at $5,477,000 plus cash of $8,448,000. The net assets acquired were as follows:

Acquired cash	$ 388

Accounts receivable	2,916
Other current assets	274
Property, plant and equipment	7,550
Intangible assets	3,830
Goodwill	7,362
Accounts payable and accrued liabilities	(491)
Due to related parties	(3,161)
Debt	(2,403)
Future income taxes	(2,340)
	$ 13,925

Immediately following the completion of the acquisition, $2,092,000 of the debt was repaid.

3. Property, plant and equipment:

June 30, 2006	Cost	Accumulated amortization	Net book value
Oilfield services equipment	$ 15,589	$ 285	$ 15,304
Vehicles	3,739	108	3,631
Computer hardware	100	7	93
Computer software	18	2	16
Furniture and fixtures	30	2	28
Land and building	1,140	3	1,137
	$ 20,616	$ 407	$ 20,209

March 31, 2006	Cost	Accumulated amortization	Net book value
Oilfield services equipment	$ 1,794	$ 4	$ 1,790
Vehicles	189	1	188
Computer hardware	35	-	35
Furniture and fixtures	22	-	22
	$ 2,040	$ 5	$ 2,035

4. Bank indebtedness:

The Company has a $4.5 million operating facility with a chartered bank. At June 30, 2006 the Company was in violation of certain covenants related to this facility. Subsequent to June 30, 2006 the violations were cured with no adverse effects or costs.

5. Related party notes payable:

	June 30, 2006	March 31, 2006
Enseco Management Corp., non-interest bearing, to be paid coincident with the completion of the Arrangement Agreement with Nexia Biotechnologies Inc.	$ 500	$ 500
Due to former principals of acquired companies, non-interest, bearings no specified terms of repayment	476	673
	$ 976	$ 1,173

6. Long-term debt:

	June 30, 2006	March 31, 2006
Vehicle loans:		
Various, bearing interest at rates ranging from nil to 0.9%, repayable in monthly installments totaling $25,084. The loans mature between February 2008 and February, 2010. Automotive equipment with a net book value of $720,000 has been pledged as security.	$ 627	$ 186
Mortgage:		
Bearing interest at prime plus 1.5% repayable in monthly installments of $3,412 plus interest, maturing August, 2012. Land and building with a net book value of $931,000 has been pledged as security.	249	-
Capital leases:		
Various, bearing interest at rates ranging from 1.0% to 12.7%, repayable in monthly installments totaling $4,533. The leases mature between December 2007 and April, 2010. Automotive equipment with a net book value of $205,000 has been pledged as security.	199	-
	1,075	186
Less: Current portion	375	73

	$ 700	$ 113

Principal payments until maturity are as follows:

2007	$ 375
2008	412
2009	129
2010	73
2011	41
Thereafter	45

7. Convertible debentures:

	June 30, 2006	March 31, 2006
Convertible debentures - 3%, principal of $10,000,000, maturing October 15, 2006, convertible at 500 shares per $1,000 debenture	$ 9,917	$ 9,675
Convertible debentures - 6%, principal of $1,500,000, maturing October 15, 2006, convertible at 2,500 shares per $1,000 debenture	1,486	1,446
	$ 11,403	$ 11,121

The debentures are convertible into shares of the Company at the option of the holder at a specified conversion ratio. The debentures are unsecured and bear interest, which is payable on June 30 and December 31. However, no interest is payable if the debentures are converted prior to their maturity date of October 15, 2006. The conversion option on each issuance has been separately valued from the debentures at its estimated fair market value of the option on the date the security was issued. The convertible debenture discount is accreted to interest expense over the term of the debenture.

Directors and officers hold $1,475,000 of the 3% debentures and $1,000,000 of the 6% debentures.

The convertible debentures were issued on March 21, 2006. No conversions occurred in the period ended June 30, 2006.

8. Share capital and preferred shares:

(a) Authorized

An unlimited number of voting common shares without par value.
An unlimited number of non-voting common shares without par value.
An unlimited number of preferred shares, issuable in series.

(b) Issued and outstanding:

(i) Preferred shares

	June 30, 2006		March 31, 2006	
	Number of shares	Amount	Number of shares	Amount
Preferred shares, 4% cumulative, redeemable	750	$ 750	750	$ 750

On March 6, 2006 the Company issued 750,000 preferred shares for gross proceeds of $750,000. The preferred shareholders are entitled to vote 60% of all votes of the Company.

(ii) Common shares

	June 30, 2006		March 31, 2006	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	825	$ 1,640	-	$ -
Issued through private placement	3,700	12,025	-	-
Issued as consideration for acquisitions	6,623	12,571	825	1,650
Share issuance costs incurred	-	(61)	-	(10)
Balance, end of period	11,148	$ 26,175	825	$ 1,640

The private placement of common shares was completed on May 12, 2006 at $3.25 per share

(c) Option Plan

The Company has an Option Plan under which stock options are granted to virtually all employees. The options have a five year term and vest proportionately on the first three anniversary dates following the grant.

The table below represents the status of the Company's Option Plan as at and for the period ended June 30, 2006.

	Number of options	Weighted average exercise price
Balance, beginning of period	1,272	$ 2.00
Granted	651	2.66
Balance, end of period	1,923	$ 2.22

None of the options are exercisable as at June 30, 2006 and all have virtually their entire five year contractual life remaining.
The Company accounts for its grants of options in accordance with the fair value based method of accounting for stock based compensation. The fair value of the options granted is $2,074,000. Compensation cost recorded in the period totaled $131,000.

The fair value of the options granted is estimated using the Black-Scholes options pricing model on the basis of the following assumptions:

Expected dividends	nil
Expected average volatility	50%
Weighted average risk-free interest rate	4.31% to 4.53%
Expected life	5 years

The fair value of all options granted in the period ranged from $0.97 to $1.59 per option.

(d) Warrants

The Company has existing warrants issued to an executive officer. These warrants vest one-third annually over the next three years only if specified sales revenue targets are achieved, and vested warrants expire one year after the vesting date. The first potential vesting occurs on December 31, 2006.
The table below represents the status of the Company's warrants as at and for the period ended June 30, 2006.

	Number of Warrants	Exercise price

Balance, beginning and end of period	525	$ 0.40

None of the warrants are exercisable as at June 30, 2006.
No compensation cost has been recorded as it is unlikely the performance target for the first vesting date will be met and it is uncertain whether the performance targets for the second and third vesting periods will be met.

9. Commitments and contingent liabilities:

(a) Commitments

The Company has commitments to purchase approximately $15 million in equipment with delivery expected in late 2006 and early 2007.

(b) Contingent liabilities

As part of the purchase and sale agreements with Swab and SwabCo, Enseco has agreed that should it not obtain a public listing within one year from the acquisition date, the former shareholders of Swab and SwabCo have the option to require Enseco to repurchase all or any part of the shares issued for $2.00 and $3.25 per share, respectively. Additionally, should the Arrangement Agreement not close and Enseco does an initial public offering at a price of less than $2.00 per share, Enseco would be required to issue additional shares to the former Swab shareholders such that the total value of shares received is $9,000,000. These contingent liabilities have not been recorded in these financial statements as management believes it is unlikely it will not complete the Arrangement Agreement with Nexia or otherwise obtain a public listing at a price in excess of $2.00 per share.

10. Seasonality of operations:

The operations of Enseco are seasonal and are affected by weather. Operating sites are more accessible during the winter months of November through March, as the movement of heavy equipment is generally easier over frozen ground. In addition, warm winters can limit accessibility, as the equipment necessary for revenue generating activity can be restricted from access to remote locations as the result of temporary road bans. In the spring and summer months, wet weather can also hamper the ability to access work sites. Conversely, a longer, colder winter as well as a drier spring and summer season can enhance revenue generating activity. Enseco's first quarter, being the three months ended June 30, would generally be the weakest revenue quarter for the year as it includes the spring break-up season when limited activity takes place.

COMPILATION REPORT ON PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

To the Directors of
ENSECO ENERGY SERVICES CORP.

We have read the accompanying unaudited pro forma consolidated balance sheet of Enseco Energy Services Corp. ("Enseco") as at June 30, 2006 and the unaudited pro forma consolidated statement of loss for the three months ended June 30, 2006 and have performed the following procedures:

1. With respect to the unaudited pro forma consolidated balance sheet of Enseco as at June 30, 2006, we have performed the following procedures:

a) Compared the amounts in the column captioned "Enseco Energy Services Corp." to the unaudited consolidated financial statements of Enseco as at June 30, 2006 and found them to be in agreement.

b) Compared the amounts in the columns captioned "Enseco Management Corp." to the unaudited financial statements of Enseco Management Corp. as at June 30, 2006 and found them to be in agreement.

c) Compared the amounts in the columns captioned "Nexia Biotechnologies Inc." to the audited consolidated financial statements of Nexia Biotechnologies Inc. as at May 31, 2006 and found them to be in agreement.

d) Recalculated the application of the pro forma adjustments to the aggregate of the dollar amounts in the columns captioned "Enseco Energy Services Corp.", "Enseco Management Corp.", and "Nexia Biotechnologies Inc." and found the dollar amounts in the column captioned "Enseco Energy Services Corp. Pro forma" to be arithmetically correct.

2. With respect to the unaudited pro forma consolidated statement of loss of Enseco for the three months ended June 30, 2006, we have performed the following procedures:

a) Compared the amounts in the column captioned "Enseco Energy Services Corp." to the unaudited consolidated financial statements of Enseco for the three month period ended June 30, 2006 and found them to be in agreement.

b) Compared the amounts in the column captioned "Nexia Biotechnologies Inc." to the unaudited constructed statement of loss for the three months ended May 31, 2006 presented in the notes to the unaudited pro forma consolidated financial statements and found them to be in agreement.

c) Recalculated the application of the pro forma adjustments to the aggregate of the dollar amounts in the columns captioned "Enseco Energy Services Corp." and "Nexia Biotechnologies Inc." and found the dollar amounts in the column captioned "Enseco Energy Services Corp. Pro forma" to be arithmetically correct.

d) Recalculated the arithmetic accuracy of the net loss per share amounts in the column captioned "Enseco Energy Services Corp. Pro forma" using the pro forma weighted average number of shares presented in the column, and found the per share amounts to be arithmetically correct.

3. Made enquiries of certain officials of Enseco who have responsibility

for financial and accounting matters about:

a) the basis for determination of the pro forma adjustments, and

b) whether the unaudited pro forma consolidated financial statements comply as to form in all material respects with the requirements of the various Securities Commissions in Canada.

The officials:

a) described to us the basis for determination of the pro forma adjustments, and

b) stated that the unaudited pro forma consolidated financial statements comply as to form in all material respects with the requirements of the various Securities Commissions in Canada.

4. Read the notes to the unaudited pro forma consolidated financial statements and found them to be consistent with the basis described to us for the determination of the pro forma adjustments.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance.

The foregoing procedures would not necessarily reveal matters of significance to the unaudited pro forma consolidated financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

KENWAY MACK SLUSARCHUK STEWART LLP
(Signed)
Chartered Accountants

Calgary, Alberta
September 29, 2006

ENSECO ENERGY SERVICES CORP.
PRO FORMA CONSOLIDATED BALANCE SHEET
As at June 30, 2006
(Unaudited - see Compilation Report)
(in thousands of dollars)

	Enseco Energy Services Corp.	Enseco Management Corp.	Nexia Bio-technologies Inc.	Total	Pro-forma Adjustments	Enseco Energy Services Corp. Pro-forma
					Schedule 1	
ASSETS						
Cash	$ 2,875	$ -	$ 12,650	$ 15,525	$(15,525)	$ -
Accounts receivable	5,104	500	915	6,519	(1,415)	5,104

Prepaids and other	607	-	121	728	(121)	607
	8,586	500	13,686	22,772	(17,061)	5,711
Property, plant & equipment	20,209	-	2,043	22,252	(2,043)	20,209
Future income taxes	-	-	-	-	14,000	14,000
Other	-	-	242	242	(242)	-
Intangible assets	7,873	-	655	8,528	(655)	7,873
Investments, at cost	-	-	8,182	8,182	(8,182)	-
Goodwill	14,022	-	1,189	15,211	(1,189)	14,022
	$ 50,690	$ 500	$ 25,997	$ 77,187	$(15,372)	$ 61,815
LIABILITIES						
Bank indebtedness	$ 3,550	$ -	$ -	$ 3,550	$ (2,375)	$ 1,175
Accounts payable	2,176	-	708	2,884	(708)	2,176
Due to related parties	976	-	1,173	2,149	(1,673)	476
Current portion of LTD	375	-	73	448	(73)	375
Convertible debentures	11,403	-	11,121	22,524	(22,524)	-
	18,480	-	13,075	31,555	(27,353)	4,202
Long-term debt	700	-	113	813	(113)	700
Future income taxes	5,372	-	505	5,877	(505)	5,372
Preferred shares	750		-	750	(750)	-
Unrealized benefit of future tax asset	-	-	-	-	14,000	14,000
	25,302	-	13,693	38,995	(14,721)	24,274
Non-controlling interest	-	-	1,896	1,896	(1,896)	-
SHAREHOLDERS' EQUITY						
Share capital	26,175	500	47,544	74,219	(34,981)	39,238
Contributed surplus	131	-	503	634	(503)	131
Option on convertible						

debentures	410	-	-	410	(410)	-
Retained earnings (deficit)	(1,328)	-	(37,639)	(38,967)	37,139	(1,828)
	25,388	500	10,408	36,296	1,245	37,541
	$ 50,690	$ 500	$ 25,997	$ 77,187	$(15,372)	$ 61,815

See accompanying notes to the pro forma consolidated statements

ENSECO ENERGY SERVICES CORP.
PRO FORMA CONSOLIDATED STATEMENT OF LOSS
For the three months ended June 30, 2006
(Unaudited - see Compilation Report)
(in thousands of dollars, except for per share amounts)

	Enseco Energy Services Corp.	Nexia Bio-techno-logies Inc.	Total	Pro-forma Adjust-ments	Enseco Energy Services Corp. Pro-forma
		Note 3 (a)		Schedule 2	
REVENUE					
Sales	$ 3,695	$ 12	$ 3,707	$ 844	$ 4,551
Interest	7	-	7	-	7
	$ 3,702	$ 12	$ 3,714	$ 844	$ 4,558
EXPENSES					
Operating, management, general and administrative	$ 4,055	$ 183	$ 4,238	$ 1,022	$ 5,260
Interest on long-term debt	89	-	89	(1)	88
Accretion of convertible debentures	282	-	282	(282)	-
Amortization of plant and equipment	401	2	403	105	508
Amortization of intangible assets	522	-	522	160	682
	5,349	185	5,534	1,004	6,538
Loss before taxes	(1,647)	$ (173)	(1,820)	(160)	(1,980)
Future income tax reduction	473	-	473	150	623

Net loss	$ (1,174)	$ (173)	$ (1,347)	$ (10)	$ (1,357)

Weighted average number of shares outstanding (000's)	
Basic	23,273
Diluted	23,880
Net loss per share	
Basic and diluted	(0.06)

See accompanying notes to the pro forma consolidated statements

ENSECO ENERGY SERVICES CORP.
SCHEDULE 1 - PRO FORMA CONSOLIDATED BALANCE SHEET ADJUSTMENTS
As at June 30, 2006
(Unaudited - see Compilation Report)
(in thousands of dollars)

	Remove Nexia	Nexia purchase	Convert debentures	Reclassifications and eliminations	Total
	Note 2 (a)	Note 2 (b)	Note 2 (c)		
ASSETS					
Cash	$(12,650)	$ (500)	$ -	$ (2,375)	$(15,525)
Accounts receivable	(915)	-	-	(500)	(1,415)
Investment tax credits recoverable	-	-	-	-	-
Prepaids and other	(121)	-	-	-	(121)
	(13,686)	(500)	-	(2,875)	(17,061)
Property, plant & equipment	(2,043)	-	-	-	(2,043)
Future income taxes	-	14,000	-	-	14,000
Other	(242)	-	-	-	(242)
Intangible assets	(655)	-	-	-	(655)
Investments, at cost	(8,182)	-	-	-	(8,182)
Goodwill	(1,189)	-	-	-	(1,189)
	$(25,997)	$ 13,500	$ -	$ (2,875)	$(15,372)
LIABILITIES					
Bank indebtedness	$ -	$ -	$ -	$ (2,375)	$ (2,375)
Accounts payable	(708)	-	-	-	(708)
Due to related parties	-	-	-	-	-
Current portion of LTD	(1,173)	-	-	(500)	(1,673)
Future income taxes	(73)	-	-	-	(73)
Convertible debentures	(11,121)	-	(11,403)	-	(22,524)
	(13,075)	-	(11,403)	(2,875)	(27,353)

Long-term debt	(113)	-	-	-	(113)
Future income taxes	(505)	-	-	-	(505)
Preferred shares	-	(750)	-	-	(750)
Unrealized benefit of future tax asset	-	14,000	-	-	14,000
	(13,693)	13,250	(11,403)	(2,875)	(14,721)
Non-controlling interest	(1,896)	-	-	-	(1,896)
SHAREHOLDERS' EQUITY					
Share capital	(47,544)	750	11,813	-	(34,981)
Contributed surplus	(503)	-	-	-	(503)
Option on convertible debentures	-	-	(410)	-	(410)
Retained earnings (deficit)	37,639	(500)	-	-	37,139
	(10,408)	250	11,403	-	1,245
	$(25,997)	$ 13,500	$ -	$ (2,875)	$(15,372)

See accompanying notes to the pro forma consolidated statements

ENSECO ENERGY SERVICES CORP.
SCHEDULE 2 - PRO FORMA CONSOLIDATED STATEMENT OF LOSS ADJUSTMENTS
For the three months ended June 30, 2006
(Unaudited - see Compilation Report)
(in thousands of dollars)

	Swab-Co.	Adjust amortiza-tion	Adjust taxes	Adjust interest; accretion	Total
	Note 3 (c)	Note 3 (d)	Note 3 (e)	Note 3 (f)	
REVENUE					
Sales	$ 844	$ -	$ -	$ -	$ 844
Other income	-	-	-	-	-
	844	-	-	-	844
EXPENSES					
Operating, management, general and administrative	1,022	-	-	-	1,022
Interest on long term debt	14	-	-	(15)	(1)
Accretion of convertible debentures	-	-	-	(282)	(282)

Amortization of plant and equipment	-	105	-	-	105
Amortization of intangible assets	-	160	-	-	160
	1,036	265	-	(297)	1,004
Income (loss) before income taxes	(192)	(265)	-	297	(160)
Future income tax reduction	-	-	150	-	150
Net income (loss)	$ (192)	$ (265)	$ 150	$ 297	$ (10)

ENSECO ENERGY SERVICES CORP.
NOTES TO THE PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended June 30, 2006
(Unaudited - see Compilation Report)

1. Basis of Presentation

The accompanying unaudited pro forma consolidated balance sheet as at June 30, 2006 and the unaudited pro forma consolidated statement of loss for the three months then ended, collectively the "pro forma statements" have been prepared by management to give effect to the transactions contemplated in the Arrangement Agreement between Nexia Biotechnologies Inc. ("Nexia"), Enseco Energy Services Corp. ("Enseco" or the "Company"), Enseco Management Corp. ("ManagementCo") and 6539718 Canada Ltd. ("New Nexia"). The pro forma consolidated statement of income for the year ended March 31, 2006 is incorporated by reference into these pro forma statements from Nexia and Enseco's Joint Information Circular and Proxy Statement (the "Information Circular") dated August 29, 2006.

The pro forma statements should be read in conjunction with the Information Circular, the unaudited consolidated financial statements and the notes attached thereto of Enseco for the three month period ended June 30, 2006, the audited consolidated financial statements and the notes attached thereto of Enseco for the 24 day period ended March 31, 2006 and the audited consolidated financial statements of Nexia for the year ended May 31, 2006, all as filed on SEDAR (www.sedar.com), and the adjustments and assumptions included below. In the opinion of management, these unaudited pro forma consolidated financial statements include all adjustments necessary for a fair presentation.

The pro forma statements are not necessarily indicative of the financial position or results of operations that would have occurred if the events reflected therein had been in effect on the dates indicated or of the results that may be obtained in the future.

2. Pro forma balance sheet assumptions and adjustments

The pro forma statements give effect to the following assumptions and adjustments:

a) Nexia's consolidated balance sheet includes assets and liabilities related to Nexia and to its subsidiary, Enseco. All Enseco assets and liabilities are eliminated and all assets and liabilities of Nexia, excluding tax balances, were transferred to New Nexia.

b) Enseco will acquire Nexia upon completion of the transactions contemplated in the Arrangement Agreement, as more fully described in the Information Circular. The transactions will result in Enseco acquiring approximately $14 million of tax assets which were previously subject to a valuation allowance on Nexia's financial statements. Transaction costs of $500,000 are expected to be incurred. The preferred shares of Enseco held by Nexia will be cancelled.

c) The current maturity date on the debentures is October 15, 2006. Upon closing of the Arrangement Agreement, it is expected all debentures will be converted as recent share placements have established a share value of $3.25 per share, which significantly exceeds the $0.40 and $2.00 conversion value of the debentures.

3. Pro forma statement of loss assumptions and adjustments

a) The statement of loss for Nexia for the three months ended May 31, 2006 has been constructed from previously issued financial statements as below:

	1	2	3	1 - 2 - 3
	Nexia year ended 5/31/06	Enseco 24 day period ended 3/31/06	Nexia nine months ended 2/28/06	three months ended 5/31/06
	(audited)	(audited)	(unaudited)	
Sales revenue	$ 68	$ 68	$ -	$ -
Other income	60	4	44	12
	128	72	44	12
Expenses	948	202	563	183
Amortization	23	10	11	2
Interest and accretion	31	31	-	-
Loss before income taxes	(874)	(171)	(530)	(173)
Future income tax reduction	18	18	-	-
Net loss before noncontrolling interest	$ (856)	$ (153)	$ (530)	$ (173)

The non-controlling interest on Nexia's May 31, 2006 financial statements has not been shown, as it has no effect on Enseco's operations for the three months ended May 31, 2006.

b) Swab Services Ltd. was acquired on April 6, 2006 and therefore the results of its operations are included in the consolidated financial statements for 86 of the 91 days in the period. Pro forma adjustments for the five day period from April 1, 2006 to April 5, 2006 would not be significant and therefore no adjustment was made.

c) Swab-Co. Inc. ("SwabCo") and its subsidiary, Swab-Flo Inc. ("SwabFlo") were acquired on May 15, 2006 and therefore the results of its operations are included in the consolidated financial statements for 47 of the 91 days in the period. Pro forma adjustment has been made to include the results of operations of SwabCo and SwabFlo for the 44 day period from April 1, 2006 to May 14, 2006.

d) The acquisitions increased the recorded amounts of capital and intangible assets, thereby increasing the amount of amortization recorded.

e) The tax asset resulting from the current three month period loss would be recognized.

f) Interest and accretion expenses are reduced as a result of the repayment of significant longterm debt and conversion of debentures coincident with the acquisitions.

For further information: David L. Tonken, President, CEO and Chairman of the Board Nexia Biotechnologies Inc., (780) 486-2317, tonken(at)icrossroads.com; Randy Nicholls, Vice President, Finance Enseco Energy Services Corp., (403) 806-0088, rnicholls(at)enseco.ca