



**Nexia Biotechnologies Ltd.**  
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## **NEXIA ANNOUNCES RESEARCH AGREEMENT WITH THE UNIVERSITY OF WYOMING**

Edmonton, Alberta, Canada, August 31, 2007: Nexia Biotechnologies Ltd. ("Nexia") (CNQ: NXBL) announced today that it has entered into a technology transfer and research agreement (the "Agreement") with the University of Wyoming (the "UOW"). The Agreement provides that UOW will make an initial payment of U.S.\$70,000 and a subsequent payment of U.S.\$30,000 to Nexia, subject to certain conditions. Nexia will provide to UOW materials for the purpose of producing BioSteel<sup>®</sup> M4 and M5 proteins. UOW will conduct research into new substances in the areas of biomedical devices, sports equipment and protective equipment. Subject to Nexia's consent, UOW can enter into licensing arrangements for patent applications derived from the materials provided by Nexia and Nexia and UOW will share proceeds received therefrom equally. The Agreement further provides that UOW will continue to supply Nexia with purified proteins extracted from milk supplied by Nexia. Nexia will utilize these purified proteins in its own ongoing research and development activities.

David Tonken, President of Nexia commented that, "A commercial application for BioSteel<sup>®</sup> remains elusive. The Agreement will ensure that BioSteel<sup>®</sup> research and development will continue through collaboration with a sophisticated academic partner. The Agreement supports Nexia's strategy to transition the BioSteel<sup>®</sup> program to one that will rely primarily on outsourcing research, development and manufacturing activities. This approach allows Nexia to conserve its cash and allocate resources to take advantage of opportunities that will provide near term benefits to shareholders".

### **ABOUT NEXIA**

For more information, please visit Nexia's website at [www.nexiabiotech.com](http://www.nexiabiotech.com). Nexia's continuous disclosure documents can be accessed through Nexia's securities filings at [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING STATEMENTS 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 except as may be required by law. 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](http://www.sedar.com). BioSteel<sup>®</sup> is a registered trademark of Nexia Biotechnologies Ltd. in Canada.

### **CONTACT INFORMATION**

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