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FOR IMMEDIATE RELEASE

PharmAthene Adds Premier Chemical Scavenger Franchise to its Leading Biological and Chemical Defense Portfolio

PharmAthene Announces Completion of Acquisition of Protexia™ from Nexia Biotechnologies, Inc.

Annapolis, Maryland, March 10, 2005 — PharmAthene, Inc. today announced completion of the purchase of all operations and assets related to Protexia™ (recombinant human butyrylcholinesterase) from Nexia Biotechnologies Inc. (TSX: NXB). PharmAthene has formed a wholly owned subsidiary, PharmAthene Canada, to manage the continuing preclinical development of Protexia™. Completion of the acquisition was approved by the Board of Directors of both Nexia and PharmAthene and a majority of Nexia shareholders on March 7, 2005.

“The acquisition of Protexia™ further strengthens our biological and chemical defense product portfolio. This will allow PharmAthene to play a major role in preparing the United States for a potential biological or chemical terrorist attack,” said David P. Wright, President & CEO of PharmAthene. “With the completion of preclinical development, human clinical safety trials and manufacturing scale-up of Protexia™, the U.S. Government will have the option to procure for the Strategic National Stockpile an effective antidote for chemical nerve agents. Patients’ lives can be saved and the neurological sequelae from civilian exposure to a nerve agent attack can be ameliorated.”

Protexia™ is a recombinant form of human butyrylcholinesterase (BChE), a naturally occurring protein found in minute quantities in blood. BChE functions as a natural bioscavenger, like a sponge, to absorb toxins such as organophosphate poisons (OP), nerve agents (sarin, soman, tabun, VX) and certain pesticides, before they cause irreversible neurological damage. PharmAthene is developing Protexia™ through recombinant transgenic technology as a military prophylaxis and post-exposure treatment of civilian casualties in the event of a potential chemical nerve agent terrorist attack. The U.S. Army Institute for Chemical Defense (ICD) has demonstrated in *in-vivo* studies Protexia™’s capability as a medical countermeasure to protect laboratory animals from the toxic effects of chemical nerve agents. While the potential utility of BChE has been known for over a decade, a major limitation in its development has been the inability to produce it in commercial volumes. PharmAthene’s transgenic production technology will overcome this limitation.



PharmAthene will consolidate the Research & Development facilities for Protexia™ and its anthrax biodefense products, ToxBlox™ and Valortim™, in the former Nexia facility located in Vaudreuil-Dorion, just west of Montreal. This 56,000 sq. ft. facility contains 12,000 sq. ft. of laboratories for the R&D department and includes facilities for recombinant DNA manipulation and analysis, protein purification and product development labs.

“This step to diversify our product portfolio with the acquisition of a premier chemical defense technology platform, along with an extraordinary group of high caliber senior R&D scientists and administrative staff, all in one transaction, greatly strengthens PharmAthene’s ability to take a leadership role in the effort to protect the United States and its Allies from chemical and bioterrorism,” said David P. Wright.

To finance the cash portion of the acquisition, PharmAthene simultaneously closed a Series C Round and the Asset Purchase Agreement. Teachers’ Private Capital, the private equity arm of the Ontario Teachers’ Pension Plan and Canadian Medical Discoveries Fund, Inc. (advised by MDS Capital Corp.), two of Nexia’s largest investors, along with MDS Life Sciences Technology Fund US, L.P. (also advised by MDS Capital Corp.) participated in the Round along with PharmAthene’s Series B investors; MPM Capital, Bear Stearns Health Innoventures and HealthCare Ventures.

PharmAthene, Inc. is a privately-held biotechnology company dedicated to the rapid development of technologies to address the needs of the U.S. Government and its Allies to combat biological pathogens and chemicals that may be used as weapons of bioterror. In addition to Protexia™, the Company has two products currently in development for *Bacillus anthracis* (anthrax); ToxBlox™ a therapeutic anti-toxin for treatment of symptomatic patients infected with anthrax in clinical development, and Valortim™ (in collaboration with Medarex, Inc.), a fully human, high affinity anthrax monoclonal antibody for pre- and post-exposure prophylaxis and a therapy for symptomatic patients, which is in preclinical development. PharmAthene’s headquarters are in Annapolis, MD.

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