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FOR IMMEDIATE RELEASE

**NUTRACEUTIX, INC. ANNOUNCES NEW OWNERSHIP,
EXECUTIVE APPOINTMENTS AND BUSINESS EXPANSION**

REDMOND, WA (April 25, 2004) - Nutraceutix, Inc. a leading contract manufacturer of premium probiotics and controlled delivery health supplements, is pleased to announce that Mr. Steve Moger, former Corporate Financial Officer and General Manager, has completed the acquisition of Nutraceutix in its entirety from SCOLR, Inc. Nutraceutix, Inc. is now a privately held corporation.

Nutraceutix is expanding its successful bulk probiotic fermentation, freeze-drying and blending operations and will be occupying, along with all administrative departments, a new, state-of-the-art facility in May of 2004. Nutraceutix is also expanding its tableting and product packaging capabilities to accommodate increased business in contract finished goods production including bulk tablets, capsules and bottled product in both the probiotics market as well as the controlled delivery nutraceutical market.

In concert with the change of ownership and expansion, Nutraceutix announces the appointments of Randy Schoenfeldt, a Nutraceutix veteran, to Vice President of Business Development and Tim Gamble, a long-time associate of Mr. Moger, to Vice President of Sales and Marketing. Mr. Moger comments, "Formalizing our executive management team with experienced, knowledgeable business people like Randy and Tim brings a new level of professionalism to an already strong organization. I am very pleased with the team we have assembled throughout the company." He adds, "We are in a leadership position with our collection of patented and patent-pending technologies that deliver premium high-viability, extended shelf-life and gastric-bypass probiotics. We won't miss a beat with existing clients and are well positioned to capture even more of the growing probiotic and controlled delivery nutraceutical marketplaces."

Nutraceutix, Inc. develops custom, made-to-order formulations of distinctive extended shelf-life gastric-bypass probiotics and exceptional controlled delivery nutraceuticals for private labels and brands. Nutraceutix leverages an unmatched collection of advanced "BIO-TECHNIQUES™" (technology and process patents, patents-pending, trademarks, licensing arrangements and extensive expertise) to provide truly distinctive products to customers and the brands they promote. Nutraceutix-made products are selling in thousands of leading, quality-conscious retail outlets today. For more information on Nutraceutix, please call 1.800.548.3222 or visit <http://www.nutraceutix.com/>.