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Altria Group Invests Up to \$12M in Lexaria Bioscience's DehydraTECH™ Technology

KELOWNA, British Columbia, Jan. 17, 2019 (GLOBE NEWSWIRE) -- via NetworkWire - Lexaria Nicotine LLC, a wholly owned subsidiary of [Lexaria Bioscience Corp.](#) (OTCQX: LXP) (CSE: LXX), has entered into a definitive agreement with Altria Group Inc. (NYSE: MO) to fund the research & development of Lexaria's patented DehydraTECH™ technology.

Lexaria's DehydraTECH™ enhances the performance of beneficial compounds in ingestible products across four categories: taste & smell, speed of action, bio-absorption and bioavailability. The partnership will explore innovation in oral, reduced-risk nicotine consumer products and potentially commercialize DehydraTECH™ for oral nicotine delivery.

"This is an incredible milestone for Lexaria Bioscience and our shareholders. We are proud that Altria has chosen to invest in our DehydraTECH™ technology and look forward to reaping the benefits of working with a world-class partner," states Chris Bunka, CEO of Lexaria Bioscience. "Together we have the opportunity to change nicotine delivery and make a difference in the lives of millions of consumers."

In exchange for a minority equity interest Altria Ventures Inc., an indirect Altria Group subsidiary, will fund up to US\$12 million for Lexaria Nicotine to conduct milestone-based clinical investigations utilizing DehydraTECH™.

Altria will pay Lexaria Nicotine a royalty on revenue generated from the sale of nicotine products containing DehydraTECH™ and holds the option to acquire 100% ownership in Lexaria Nicotine, at which time royalty payments would stop. Additionally, Altria has the right to initially appoint one of the seven directors on Lexaria Nicotine's board of directors and, through further phased investments, may have the right to appoint up to three of the seven directors.

About Lexaria Bioscience

Lexaria Bioscience Corp. has developed and out-licenses its disruptive delivery technology that promotes healthier ingestion methods, lower overall dosing and quicker onset of lipophilic active molecules. Lexaria has ten patents granted in the USA and in Australia and has filed over 50 patent applications worldwide across ten patent families. Lexaria's technology provides more rapid delivery to the bloodstream; and important taste-masking benefits, for orally administered bioactive molecules including cannabinoids, vitamins, non-steroidal anti-inflammatory drugs (NSAIDs), nicotine and other molecules.

www.LexariaBioscience.com

Lexaria Nicotine LLC is a United States domiciled, majority-owned subsidiary of Lexaria Bioscience Corp., focused on reduced-risk nicotine solutions.

www.LexariaNicotineCo.com

For regular updates, connect with Lexaria on Twitter <https://twitter.com/lexariacorp> and on Facebook <https://www.facebook.com/lexariabioscience/>

About Altria Group

Altria's wholly-owned subsidiaries include Philip Morris USA Inc. (PM USA), U.S. Smokeless Tobacco Company LLC (USSTC), John Middleton Co. (Middleton), Sherman Group Holdings, LLC and its subsidiaries (Nat Sherman), Ste. Michelle Wine Estates Ltd. (Ste. Michelle) and Philip Morris Capital Corporation (PMCC). Altria holds an equity investment in Anheuser-Busch InBev SA/NV (AB InBev).

The brand portfolios of Altria's tobacco operating companies include *Marlboro*[®], *Black & Mild*[®], *Copenhagen*[®] and *Skol*[®]. Ste. Michelle produces and markets premium wines sold under various labels, including *Chateau Ste. Michelle*[®], *Columbia Crest*[®], *14 Hands*[®] and *Stag's Leap Wine Cellars*[™], and it imports and markets *Antinori*[®], *Champagne Nicolas Feuillatte*[™], *Torres*[®] and *Villa Maria Estate*[™] products in the United States. Trademarks and service marks related to Altria referenced in this release are the property of Altria or its subsidiaries or are used with permission. More information about Altria is available at altria.com and on the Altria Investor app. Take a closer look at Altria and its companies on www.Altria.com

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FORWARD-LOOKING STATEMENTS

This release includes forward-looking statements. Statements which are not historical facts are forward-looking statements. Lexaria Bioscience makes forward-looking public statements concerning its expected future financial position, results of operations, cash flows, financing plans, business strategy, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, including statements that include words such as "anticipate," "if," "believe," "plan," "estimate," "expect," "intend," "may," "could," "should," "will," and other similar expressions are forward-looking statements, including but not limited to: that the R&D Program will be successful or result in any regulator-approved products or that the contemplated royalties will generate material revenue. Such forward-looking statements are estimates reflecting Lexaria Bioscience's best judgment based upon current information and involve a number of risks and uncertainties, and there can be no assurance that other factors will not affect the accuracy of such forward-

looking statements. Factors which could cause actual results to differ materially from those estimated by Lexaria Bioscience include, but are not limited to, government regulation, managing and maintaining growth, the effect of adverse publicity, litigation, competition, the patent application and approval process and other factors which may be identified from time to time in Lexaria Bioscience's public announcements and filings. There is no assurance that existing capital is sufficient for Lexaria Bioscience's needs or that it will be able to raise additional capital. There is no assurance that Lexaria Bioscience will successfully complete any other contemplated or existing technology license agreements; or that results from any studies will be favorable or in any way support future business activities of any kind. Scientific R&D is often unpredictable and unanticipated results could emerge from any study and have a material impact as can any results that cannot be reproduced in subsequent testing. There is no assurance that any planned corporate activity, scientific study, R&D, business venture, or initiative will be pursued, or if pursued, will be successful. There is no assurance that any of Lexaria Bioscience's postulated uses, benefits, or advantages for the patented and patented technology will in fact be realized in any manner or in any part. No statement herein has been evaluated by the Food and Drug Administration (FDA). DehydraTECH™ technology is not intended to diagnose, treat, cure or prevent any disease.

The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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