



July 17, 2002  
Press Release

## ***Star Scientific, Inc. Comments on State Attorney Generals' FDA Submission***

Star Scientific, Inc. (NASDAQ:STSI) issued the following statement of Paul L. Perito, Chairman, President and Chief Operating Officer:

Comments were filed with the U.S. Food and Drug Administration (FDA) yesterday, by a group of state Attorneys General, in support of two previously filed citizens' petitions. One petition was filed on December 18, 2001 by The Campaign for Tobacco-Free Kids and other public health groups, and a second petition was filed on February 15, 2002 by GlaxoSmithKline Consumer Healthcare, LP (Glaxo). Those petitions requested that the FDA regulate Ariva(TM), Star's smokeless tobacco cigalett(TM) bits, as a food and/or a drug. On May 1 Star Scientific filed responses to both petitions. Those responses concluded that the petitions are factually flawed and without merit, because Ariva(TM) does not fit the definition of a food or a drug under the Federal Food Drug and Cosmetic Act. Furthermore, they pointed out that because Ariva(TM) is a smokeless tobacco product that is intended to provide tobacco satisfaction, the FDA lacks authority to regulate Ariva(TM), based on the March 2000 Supreme Court decision in *FDA v. Brown & Williamson Tobacco Corporation*.

In our opinion, the comments filed by the Attorneys General raise no new substantive issues. However, the comments contain serious misstatements about, and mischaracterizations of Ariva's(TM) properties and intended use, and we intend to respond formally to this filing. As Star has made clear on the product's packaging and labeling, and in numerous public statements, Ariva(TM) is a smokeless tobacco product developed for use by adult smokers in situations where they cannot or choose not to smoke. It is made from tobacco that has been powdered and then compressed into hard pellet, or "cigalett"(TM) form, and contains natural and artificial flavorings and ingredients that also are found in other tobacco products. In fact, Ariva(TM) is simply a compressed form of Star's Stonewall(TM) dry snuff product, and both products are manufactured under license from the Bureau of Alcohol, Tobacco and Firearms (BATF).

As a customarily marketed tobacco product, Ariva(TM) is required to be kept in the same location in retail stores as other tobacco products and valid proof of age is required for purchase. Therefore, we find the Attorney Generals' suggestion that the enhanced warnings we place on Ariva(TM) packaging, "This Product is for Adult Tobacco Users only", "Underage Sale Prohibited" and "Keep Away from Children and Adolescents" (which go beyond what is required by the Surgeon General), are intended to attract minors, to be somewhat disingenuous. In addition, the repeated references to Ariva(TM) as a "candy-like" product simply mirror the mischaracterization by Glaxo in the citizen petition it filed in February, upon which the Attorney Generals' comments rely in large measure. This is especially troubling in light of the fact that Glaxo currently has an application pending before the FDA that requests approval to sell a new pharmaceutical nicotine lozenge for smoking cessation. Although Ariva(TM) is a conventional smokeless tobacco product for which no express or implied health claims are made, Glaxo appears to believe that our smokeless compressed tobacco product somehow threatens the marketplace viability of its

pharmaceutical nicotine cessation product.

Finally, we find it telling that the Attorneys General focus on Glaxo's analysis of Ariva (TM), yet make no comment about the fact that Ariva(TM) contains almost undetectable levels of tobacco-specific nitrosamines (TSNAs), which reputable scientists believe are the only biologically significant carcinogens in smokeless tobacco. The TSNA levels in Ariva (TM) are approximately one one-hundredth of the levels found in the best-selling smokeless tobacco products, a fact which the Attorneys General chose to ignore.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the challenges inherent in new product development initiatives particularly in the smokeless tobacco area, the uncertainties inherent in the progress of scientific research, the Company's ability to raise the capital necessary to grow its business, potential disputes concerning the Company's intellectual property, risks associated with litigation regarding such intellectual property, potential delays in obtaining any necessary government approvals of the Company's low-TSNA tobacco products, market acceptance of the Company's proposed new smokeless tobacco products, competition from companies with greater resources than the Company, the Company's decision not to join the Master Settlement Agreement ("MSA") and its decision to challenge the constitutionality of the MSA, the effect of state statutes adopted under the MSA and any subsequent modification of the MSA, the Company's dependence on key employees and on its strategic relationships with Brown & Williamson Tobacco Corporation. The impact of potential litigation, if initiated against or by individual states that have adopted the MSA, could be materially adverse to the Company.

See additional discussion under "Factors That May Affect Future Results" in the Company's Annual Report on Form 10-K for the year ended December 31, 2001, and other factors detailed from time to time in the Company's other filings with the Securities and Exchange Commission, available at [www.sec.gov](http://www.sec.gov). The Company undertakes no obligation to update or advise upon any such forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

#### About Star Scientific

Star Scientific is a technology-oriented tobacco company with a toxin reduction mission. It is engaged in the development of tobacco products that deliver fewer carcinogenic toxins (principally tobacco specific nitrosamines, or TSNAs), through the utilization of the innovative StarCured(TM) tobacco curing technology, and in sublicensing that technology to others. Star Scientific has a Corporate and Sales Office in Chester, VA, an Executive, Scientific & Regulatory Affairs office in Bethesda, MD, and manufacturing and processing facilities in Petersburg and Chase City, VA.

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