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Press Release

SOURCE: Star Scientific

Star Scientific Announces Test Market of Ariva smokeless tobacco cigaletts

Test Markets Initiated In Dallas, Texas and Richmond, Va.

CHESTER, Va.--(BW HealthWire)--Nov. 14, 2001--Star Scientific, Inc. (Nasdaq:[STSI](#) - [news](#)) announced that starting today in the Dallas metro area and in a group of stores in Richmond, Va., adult smokers will have the opportunity to try an innovative smokeless tobacco product that neither requires smoke to be inhaled into the lungs nor exposes others to second-hand smoke.

Ariva(TM) is a compressed, powdered tobacco product designed to dissolve in the mouth without expectoration, and to be used during situations when smoking is prohibited or inconvenient. "Those who will use Ariva(TM) are adult smokers who increasingly find themselves in situations where they can't smoke -- for example, mothers who choose not to expose their children to second-hand smoke, travelers who fly on long plane trips, or restaurant patrons who are prohibited from smoking in dining rooms," said Paul L. Perito, Chairman, President and COO of Star Scientific. Star Scientific believes Ariva(TM) smokeless cigalett(TM) pieces provide adult smokers, for the first time, with the opportunity to choose a convenient, taste-acceptable alternative to use in all those environments where smoking is prohibited either by law or social custom. "As a result of the broad enactment of laws prohibiting smoking in a variety of environments, cigarette companies have been separated from their adult customers. This cultural shift provides Star Scientific the opportunity to own a significant new market segment, 'When You Can't Smoke,'" Mr. Perito said.

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“According to market research, we know that more than 40 percent of America's 47 million smokers are looking for acceptable alternatives to cigarettes. Ariva(TM) gives them that alternative, as well as a critical benefit: they are not taking smoke into their lungs,” said Perito. Scientific research has identified more than 4,000 chemical compounds in cigarette smoke, 43 of which are toxic and cause cancer. The inhalation of these chemical compounds makes smoking the most harmful use of tobacco.

The cigalett(TM) pieces will be sold in 20-packs at a retail price of around \$3, which is comparable to the cost of premium cigarettes and snuff. The product will be sold in selected convenience stores in the Dallas and Richmond areas initially and the test market will later include locations in Jackson, Miss. and Orlando, Fla.

The tobacco in Ariva(TM) is 100% Virginia, StarCured(TM) tobacco, which the company believes contains the lowest levels of tobacco-specific nitrosamines (TSNAs) in the world.(1) Star Scientific's revolutionary, StarCured(TM) tobacco curing technology has caused a dramatic change in the tobacco industry and has had a positive impact on domestic tobacco farmers, as well. This high-quality, reduced-toxin leaf gives US flue-cured tobacco growers the opportunity to compete more effectively against the large influx of foreign-grown tobacco leaf, and to earn a premium on the sale of StarCured(TM) tobacco.

Like other tobacco products, Ariva(TM) contains nicotine and is not for sale to minors. It will be kept in the same location as other tobacco products, and purchase will require valid proof of age. But unlike other tobacco products, Ariva(TM) is packaged in child-resistant packaging. The company has taken a very conservative approach to the labeling of Ariva(TM). For this reason, the product labeling will contain no health or reduced-risk claims during the test market. As has been the company's practice with its new tobacco products, the package labeling contains clear and concise enhanced health warnings that go beyond what currently is mandated by the U.S. Surgeon General. It also states prominently that Ariva(TM) is for adult tobacco users only.

Jonnie R. Williams, the inventor of the StarCured(TM) technology, and the Company's CEO said: “This investment in our new smokeless tobacco products is essential to our long-term objectives and goals. As noted in a press release we issued last week, Ariva(TM) will be priced comparably to premium cigarettes, but we anticipate its margins will be greater than cigarette margins because of lower production costs and lower tax rates. We believe that as a branded product with higher profit margins, Ariva(TM) will enhance shareholder value.”

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 less 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



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Office in Chester, Va., an Executive, Scientific & Regulatory Affairs office in Bethesda, MD, and manufacturing and processing facilities in Petersburg and Chase City, Va.

See Star's website at: <http://www.starscientific.com>

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 fact that the Company may not be successful in litigation to enforce its patent rights, that tobacco companies and others potentially infringing its patent may not enter into royalty agreements to sublicense its patents, that the tobacco industry may not adopt low-TSNA tobacco as its predominant tobacco rapidly or at all, or that a non-infringing product competitive with the patents may be developed by a third party. Other risks of the business include the challenges inherent in new product development initiatives, the Company's ability to raise the capital necessary to grow its business, potential disputes concerning the Company's intellectual property, potential delays in obtaining any necessary government approvals of the Company's proposed reduced risk tobacco products, market acceptance of the Company's proposed new 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, 2000, and other factors detailed from time to time in the Company's other filings with the Securities and Exchange Commission. 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.

- (1) Respected scientists worldwide believe TSNAs are among the most abundant and potent carcinogens in tobacco and tobacco smoke.

Note: A Photo is available at URL:

<http://www.businesswire.com/cgi-bin/photo.cgi?pw.111401/bb3>

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