

LecTec Corporation Announces Mediation Has Concluded

July 29, 2010

TEXARKANA, Texas--([BUSINESS WIRE](#))--**LecTec Corporation (OTCBB: LECT)** announced today that with regard to the Chattem, Inc. litigation, the Report of Mediation by Harlan A Martin has been filed stating the parties were unable to reach settlement. LecTec continues its preparation for trial set for early January 2011. The details of its mediation and trial preparation are confidential. LecTec continues to be confident in its case and a positive outcome at trial.

Greg Freitag, LecTec CEO commented “We continue to execute on our business plan and those activities necessary to prepare for the Annual Shareholders Meeting to be held on September 22, 2010. The Proxy Statement for such meeting will be mailed to shareholders around August 20, 2010. We appreciate the support of the shareholders and their understanding that we are limited in our ability to disclose details of certain matters.”

About LecTec

LecTec is an intellectual property (“IP”) licensing and holding company with approximately \$10,000,000 in cash at March 31, 2010. LecTec holds multiple domestic and international patents based on its original hydrogel patch technology and has also filed for a provisional patent for its hand sanitizer patch. The LecTec hydrogel patch technology allows for a number of potential applications, including its previously marketed TheraPatch® products, while its anti-microbial hand sanitizer patch is intended to be dry, thereby rendering the patch harmless in the event that it is licked, chewed, or exposed to the eye. An initial prototype of the LecTec hand sanitizer patch has been developed. Although LecTec is conducting limited research and development on its hand sanitizer patch, it intends to engage a strategic partner to complete the hand sanitizer patch development and bring it to market. LecTec also has a licensing agreement (“Novartis Agreement” or “Agreement”) with Novartis Consumer Health, Inc. (“Novartis”), which pays royalties to LecTec from time to time, within the terms of the Agreement, based upon a percentage of Novartis’ net sales of licensed products. LecTec takes legal action as necessary to protect its IP and is currently involved in two patent infringement actions. Finally, LecTec is pursuing a merger/acquisition strategy with the intent to leverage its cash asset and improve shareholder liquidity. The Company’s website is www.lectec.com.

Cautionary Statements

This press release contains forward-looking statements concerning possible or anticipated future results of operations or business developments which are typically preceded by the words “believes,” “wants,” “expects,” “anticipates,” “intends,” “will,” “may,” “should,” or similar expressions. Such forward-looking statements are subject to risks and uncertainties, which could cause results or developments to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, the Company’s dependence on royalty payments from Novartis Consumer Health, Inc., which is selling an adult vapor patch licensed by the Company, the Company’s dependence on key personnel and Board of Director members, the Company’s pending patent infringement litigation against Chattem, Inc. and Prince of Peace Enterprises, Inc., the issuance of new

accounting pronouncements, information disseminated on internet message boards from posters expressing opinions that may or may not be factual, the availability of opportunities for license, sale or strategic partner agreements related to patents that the Company holds, limitations on market expansion opportunities, and other risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission, and particularly as described in the "Risk Factors" included in our Form 10-K for the year ended December 31, 2009.

Contacts

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