



XTRACTION SERVICES ENTERS INTO LEASING AGREEMENT WITH LEHUA, A LICENSED CANNABIS PROCESSOR SPECIALIZING IN THC-INFUSED BEVERAGES

Not for Distribution to U.S. Newswire Services or For Dissemination in the United States

LOS ANGELES, January 20, 2020 -- Xtraction Services Holding Corp., ("Xtraction Services", "XS" or the "Company") (CSE:XS) (OTCQB: XSHLF), a specialty finance company engaged in equipment leasing in the United States, announced today entering into a Lease Agreement (the "**Agreement**"), with Lehua Group USA, LLC ("**Lehua**"), a multi-state, licensed cannabis processor specializing in THC-infused beverages.

Lehua has been approved for an equipment lease of up to \$575,000 for strategic equipment purchases to expedite Lehua growth plans. Lehua recently acquired Nebula Management LLC, a licensed cannabis processor and distributor in California, that produces vape cartridges under the Herbology brand. Lehua plans to replicate its production line and introduce its portfolio of leading beverage brands into the California market through the acquisition.

The lease will be deployed in tranches on a pro-rata basis and based on 36-month terms. Tranche 1 was drawn immediately to acquire \$140,000 of equipment for pre/post processing of extracts from Across International (USA), one of Xtraction Services' Preferred Vendors.

Highlights:

- **Lehua is a licensed cannabis processor which has developed unique and patented extraction and emulsion methods to deliver leading products in beverages and vape pens. They have the number one beverage brand in Washington State ("Olala") and an award-winning CO2 Live Resin vape oil ("Haku").**
- **Preferred Vendor partner is Across International, an industry leader in manufacturing of heat treatment, laboratory and material processing equipment (New Jersey)**
- **36-month term from draw-down date of each tranche**
- **Total lease amount approved for up to \$575,000 with Tranche 1 drawn immediately for \$140,000 of new equipment**

David Kivitz, Chief Executive Officer of XS commented, "We are very pleased to be working with Lehua to provide leasing solutions to allow them to build out their manufacturing division in California. They are a market leader in the infused beverage category who exemplify a number of our criteria for leasing opportunities. In addition to Lehua, we have a number of meaningful leads within our growth pipeline and look forward to providing additional updates on our leasing portfolio as they become available."

Doug Berchtold CEO of Lehua Group International commented, "Our expansion into California is a tremendous strategic step forward for Lehua. We are thankful to Xtraction Services for providing the financing to procure key equipment assets to facilitate our ambitious plans. The team at Xtraction Services were very supportive and flexible throughout the process and executed the transaction smoothly and in a timely fashion. We look forward to expanding our continued working relationship with Xtraction Services as we build out our California manufacturing division."

About Xtraction Services

Founded in 2017, XS specializes in providing equipment leasing solutions in the United States to owner/operators of cannabis and hemp companies, including cultivators, oil processors, manufacturers, testing laboratories, among others. In addition, XS provides a full range of consulting services including equipment selection and procurement, through its network of preferred vendor partnerships with original equipment manufacturers and equipment distributors. Further, XS also provides a full range of all on-site support services including staff recruitment, process development, and product formulation. This powerful dynamic provides an end-to-end solution for customers which results in recurring revenues, strong profit margins, and a proven business model for XS stakeholders.

For more information please contact Xtraction Services:

David Kivitz
Chief Executive Officer

Antony Radbod
Director, Sales and Marketing

Tel: 1-407-900-4737 Ext. 5
Email: ir@xtractnow.com
www.xtractnow.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Information

This press release contains "forward-looking information" and may also contain statements that may constitute "forward-looking statements", collectively "forward-looking information", within the meaning of applicable Canadian securities legislation. Such forward-looking information is not representative of historical facts or information or current condition, but instead represent the beliefs and expectations regarding future events about the business and the industry and markets in which Xtraction Services operates, as well as plans or objectives of management, many of which, by their nature, are inherently uncertain. Generally, such forward-looking information can be identified by the use of terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". Forward-looking information contained herein may include but is not limited to, any additional leasing opportunities and the ability to capitalize on such and the timing thereof.

Forward-looking information is not a guarantee of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Accordingly, readers should not place undue reliance on forward-looking information, which are qualified in their entirety by this cautionary statement. Xtraction Services does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking information, except as required by applicable securities law.

This press release does not constitute an offer to sell nor a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. Not for distribution to U.S. newswire services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.