UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended : **July 31, 2008**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period __________ to __________

Commission File Number: **000-1348362**

Lexaria Corp.
(Exact name of small business issuer as specified in its charter)

Nevada	**20-2000871**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

604 - 700 West Pender Street, Vancouver, BC, V6E 1G8
(Address of principal executive offices)

604-602-1675
(Issuer's telephone number)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
As of July 31, 2008, there were 24,369,500 shares of common stock, par value $0.001, outstanding.

Transitional Small Business Disclosure Format (check one): Yes [ ] No [X]

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our unaudited interim financial statements included in this Form 10-QSB is as follows:

These unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-QSB. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended July 31, 2008 are not necessarily indicative of the results that can be expected for the full year.

LEXARIA CORP.

INTERIM FINANCIAL STATEMENTS

July 31, 2008
(Unaudited)
(Expressed in U.S. Dollars)

LEXARIA CORP.
(An Exploration Stage Company)

BALANCE SHEETS
(Expressed in U.S. Dollars)

	July 31 2008	OCTOBER 31 2007
ASSETS		
Current		
Cash and cash equivalents	$ **245,615**	$ 78,061
Accounts receivable	**111,834**	38,313
Prepaid expenses and deposit	**-**	17,617
Total Current Assets	**357,449**	133,991
Capital assets, net	**3,130**	913
Oil and gas properties (Note 4)		
Proved property	**3,126,626**	3,076,877
Unproved properties	**331,355**	584,106
	3,457,981	3,660,983

TOTAL ASSETS	**$ 3,818,560**	$ 3,795,887
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current		
Accounts payable	**$ 19,495**	$ 19,395
Accrued liabilities	**-**	10,896
Loan payable (Note 5)	**727,383**	50,000
Secured loan payable (Note 6)	**-**	313,402
Due to related party	**25,411**	7,286
Total Current Liabilities	**772,289**	400,979
STOCKHOLDERS' EQUITY		
Share Capital		
Authorized:		
75,000,000 common voting shares with a par value of $0.001 per share		
Issued and outstanding:		
24,369,500 common shares at July 31, 2008 and 23,757,000 at October 31, 2007	**24,370**	23,757
Additional paid-in capital	**5,320,092**	5,011,018
Deficit accumulated during the exploration stage	**(2,298,191)**	(1,639,867)
Total Stockholders' Equity	**3,046,271**	3,394,908
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 3,818,560**	3,795,887

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.
(An Exploration Stage Company)

STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
DECEMBER 9, 2004 (inception) TO July 31, 2008
(Expressed in U.S. Dollars)

	COMMON STOCK					
	SHARES	AMOUNT	STOCK TO BE ISSUED AMOUNT	ADDITIONAL PAID-IN CAPITAL	DEFICIT ACCUMULATED DURING EXPLORATION STAGE	TOTAL STOCKHOLDERS' EQUITY
Issuance of common stock for cash at $0.01 per share						
Issued June 9, 2005	6,766,000	$ 6,766	$ -	$ 60,894	$ -	$ 67,660
Issued August 23, 2005	3,000,000	3,000	-	27,000	-	30,000
Issuance of common stock for cash at $0.15 per share						
Issued June 9, 2005	5,416,000	5,416	-	806,984	-	812,400
Stock to be issued	1,700,000	-	1,700	253,300	-	255,000
Comprehensive income (loss):						
(Loss) for the period	-	-	-	-	(75,722)	(75,722)
Balance, October 31, 2005	16,882,000	15,182	1,700	1,148,178	(75,722)	1,089,338
Issuance of common stock for cash at $0.15 per share						
Stock issued - December 8, 2005	-	1,700	(1,700)	-	-	-
Issued December 8, 2005	700,000	700	-	104,300	-	105,000
Amortization of premium on loan payable - related party (note 7)	-	-	-	18,474	-	18,474
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(508,257)	(508,257)
Balance, October 31, 2006	17,582,000	17,582	$ -	1,270,952	(583,979)	704,555
Issuance of common stock for debt settlement at $0.5 per share						
Issued November 9, 2006	4,000,000	4,000	-	1,996,000	-	2,000,000
Amortization of premium on loan payable - related party (note 7)	-	-	-	3,147	-	3,147
Issuance of common stock for cash at $0.50 per share on July 18, 2007	2,100,000	2,100	-	1,047,900	-	1,050,000
Stock-based compensation on 1,300,000 options granted	-	-	-	682,312	-	682,312
Issuance of common stock per IR Marketing Agreement at $1.15 per share	75,000	75	-	10,707	-	10,782
Comprehensive income (loss):						
(Loss) for the year	-	-	-	-	(1,055,888)	(1,055,888)
Balance, October 31, 2007	23,757,000	23,757	-	5,011,018	(1,639,867)	3,394,908
Compensation earned for the period per IR Marketing Agreement	-	-	-	64,687	-	64,687
Issuance of common stock per Subscription Agreement at $.40 per share	612,500	613		244,387		245,000
Comprehensive income (loss):						
(Loss) for the period	-	-	-	-	(658,324)	(658,324)
Balance, July 31, 2008	24,369,500	$ 24,370	$ -	$ 5,320,092	$ (2,298,191)	$ 3,046,271

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.
(An Exploration Stage Company)

INTERIM STATEMENTS OF OPERATIONS
(Expressed in U.S. Dollars)

	THREE MONTHS ENDED July 31		NINE MONTHS ENDED July 31		CUMULATIVE PERIOD FROM INCEPTION 12/9/2004 TO July 31
	2008	2007	**2008**	2007	**2008**
Revenue					
Natural gas and oil revenue	**232,565**	87,988	$ **803,294**	148,729	$ **1,076,749**
Cost of revenue					
Natural gas and oil operating costs	**57,029**	32,266	**260,007**	59,061	**393,488**
Depletion	**84,594**	436,440	**338,598**	632,796	**654,162**
Write down in carrying value of oil and gas properties	**-**	258,648	**-**	354,418	**195,809**
	141,623	727,354	**598,605**	1,046,275	**1,243,459**
Gross profit	**90,942**	(639,366)	**204,689**	(897,546)	**(166,710)**
Expenses					
Accounting and audit	**3,317**	12,305	**43,747**	34,370	**164,214**
Insurance	**-**		**10,140**		**10,140**
Advertising and promotions	**-**		**4,110**	-	**24,181**
Bank charges and exchange loss	**492**	2,377	**(236)**	5,002	**10,083**
Consulting (note 8)	**60,057**	444,312	**142,131**	731,312	**923,148**
Depreciation	**423**	168	**844**	504	**1,972**
Fees and Dues	**88**	5,057	**10,889**	7,331	**34,668**
Interest expense from loan payable (note 5)	**26,655**	3,914	**72,11**	7,868	**109,485**
Investor relation	**28,331**	16,784	**94,610**	18,734	**164,333**
Legal and professional	**7,585**	12,407	**32,045**	46,461	**155,034**
Office and miscellaneous	**384**	1,046	**7,393**	8,838	**21,822**
Rent	**3,742**	2,448	**7,695**	7,346	**23,655**
Telephone	**984**		**2,811**	-	**5,301**
Taxes	**7,138**	1,043	**7,138**	1,043	**8,181**
Training	**2,775**	-	**2,775**	-	**2,775**
Travel	**8,554**	3,041	**22,671**	10,058	**58,395**
Impairment of oil and gas acquisition cost	**-**		**405,406**	-	**445,845**
	150,525	504,902	**866,311**	878,867	**2,163,230**
(Loss) for the period before other income	**(59,583)**	(1,144,268)	**(661,622)**	(1,776,413)	**(2,329,940)**
Other Income					
Interest income	**397**	4,864	**3,298**	11,857	**27,507**
Amortization of premium on loan payable (note 5)	**-**	-	**-**	807	**4,242**
Net (loss) for the period	**(59,186)**	(1,139,404)	$ **(658,324)**	$ (1,763,749)	$ **(2,298,191)**
Basic and diluted (loss) per share	**(0.00)**	(0.05)	$ **(0.03)**	$ (0.01)	$ **(0.11)**
Weighted average number of common shares outstanding - Basic and diluted	**23,843,549**	21,855,913	**23,786,060**	21,557,092	**16,778,121**

The accompanying notes are an integral part of these unaudited interim financial statements.

LEXARIA CORP.
(An Exploration Stage Company)

INTERIM STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)

	NINE MONTHS ENDED JULY 31, 2008	NINE MONTHS ENDED JULY 31, 2007	CUMULATIVE PERIOD FROM INCEPTION 12/9/2004 TO JULY 31, 2008
Cash flows used in operating activities			
Net (loss)	$ **(658,324)**	$ (1,763,749)	$ **(2,298,191)**
Adjustments to reconcile net loss to net cash used in operating activities:			
Consulting - Stock based compensation	**-**	682,312	**682,312**
Depreciation	**844**	504	**1,972**
Depletion	**338,598**	632,796	**654,162**
Write down in carrying value of oil and gas properties	**-**	354,418	**195,809**
Impairment of oil and gas acquisition cost	**405,406**	-	**445,845**
Accredited interest on loan payable	**5,657**	7,868	**43,000**
Amortization of premium on loan payable	**-**	(807)	**(4,242)**
Stock based compensation per IR Marketing Agreement	**64,687**	-	**75,470**
Change in operating assets and liabilities:			
(Increase)/Decrease in accounts receivable	**(73,521)**	(22,998)	**(111,834)**
Decrease in other receivable	**-**	1,726	**-**
(Increase)/ Decrease in prepaid expenses and deposit	**17,617**	(28,503)	**-**
Increase in accounts payable	**100**	2,177	**19,495**
Increase /(Decrease) in accrued liabilities	**(10,896)**	(8,388)	**-**
Increase /(Decrease) in due to related party	**18,125**	-	**25,411**
Net cash from (used in) operating activities	**108,293**	(142,644)	**(270,791)**
Cash flows used in investing activities			
Oil and gas property acquisition and exploration costs	**(540,062)**	(1,272,572)	**(4,250,934)**
Purchase of computer equipment	**(3,062)**	-	**(5,103)**
Net cash (used in) investing activities	**(543,124)**	(1,272,572)	**(4,256,037)**
Cash flows from financing activities			
Proceeds from issuance of common stock	**245,000**	1,050,000	**2,565,060**
Payments of secured loan payable	**(196,000)**	(50,000)	**(520,000)**
Proceeds from loan payable	**553,385**	50,000	**2,727,383**
Net cash from financing Activities	**602,385**	1,050,000	**4,772,443**
Increase (Decrease) in cash and cash equivalents	**167,554**	(365,216)	**245,615**
Cash and cash equivalents, beginning of period	**78,061**	1,285,298	**-**
Cash and cash equivalents, end of period	$ **245,615**	$ 920,082	$ **245,615**

The accompanying notes are an integral part of these unaudited interim financial statements.

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LEXARIA CORP.
NOTES TO THE FINANCIAL STATEMENTS
July 31, 2008

1. Basis of Presentation

The financial statements as of July 31, 2008 included herein have been prepared without audit pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. It is suggested that these financial statements be read in conjunction with the October 31, 2007 audited financial statements and notes thereto.

2. Organization and Business

The Company is an exploration and development stage enterprise engaged in the exploration for and production of natural gas and oil in the United States and Canada.

3. Capital Stock

Share Issuances

Since the commencement of operations of the Company (December 9, 2004) to July 31, 2008, the Company issued 9,766,000 common shares at $0.01, 7,816,000 common shares at $0.15 and 6,100,000 common shares at $0.5 per share respectively. The Company has received paid subscriptions for 1,700,000 common shares at $0.15 on October 13, 2005 and for 700,000 common shares at $0.15 on December 8, 2005. 1,700,000 of the above notes shares were paid for during the fiscal year ended October 31, 2005, but actual share certificates were not issued until December 8, 2005.

The 9,766,000 shares at $0.01 per share were subscribed for by shareholders wishing to participate in the founding of the Company. These subscriptions covered the period from inception to December 23, 2004 with 6,766,000 and 3,000,000 shares being issued on June 9, 2005 and August 23, 2005 respectively.

On November 9, 2006, the Company has settled loan payable of $2 million with its equity. Four million shares, priced at $0.50 per common share; and 4 million warrants, each warrant entitling the holder to purchase one common share at a price of $0.60 valid until November 9, 2009, have been issued to the former debt-holders.

On July 18, 2007, the Company closed its private placement which comprised of the sale of 2,100,000 units at the price of $0.50 per unit for total proceeds of $1,050,000. Each unit is comprised of one restricted common share and one warrant to purchase one additional share of common stock at a price of $0.60, exercisable for a period of two years from the closing of this offering.

On September 15, 2007, the Company issued 75,000 common shares at $1.15 per share to Agoracom Investor according to IR Marketing Agreement. The Company recorded $53,832 (net of unearned compensation of $32,418) in the statements of stockholders' equity.

On July 18, 2008, the Company issued common shares for a private placement which comprised of the sale of 612,500 units at the price of $0.40 per unit for total proceeds of $245,000. Each unit is comprised of one restricted share and one warrant to purchase one additional share of common stock at a price of $.60, exercisable until June 30, 2011.

All shares and warrants issued were restricted under applicable securities rules. As at July 31, 2008, Lexaria Corp. has 24,369,500 shares issued and outstanding and 6,712,500 warrants issued and outstanding.

4. Oil and Gas Properties

(a) Proved properties

(1) Palmetto Point Project

On December 21, 2005, the Company agreed to purchase a 20% working and revenue interest in a 10 well drilling program in Mississippi owned by Griffin & Griffin Exploration for $700,000. Concurrent with signing the Company paid $220,000 and January 17, 2006 the Company paid the remaining $480,000. The Company applied the full cost method to account for its oil and gas properties and as of July 31, 2008, seven wells were found to be proved wells, and three wells were found impaired. One of the wells was impaired due to uneconomic life, and the other two wells were abandoned due to no apparent gas or oil shows present. The costs of impaired properties were added to the capitalized cost in determination of the depletion expense.

On September 22, 2006, the Company elected to participate in additional two-well program in Mississippi owned by Griffin & Griffin Exploration and paid $140,000. As of July 31, 2008, the two wells were found to be proved wells.

On June 23, 2007, the Company acquired an assignment of 10% gross working interest from a third party for $520,000 secured loan payable (See Note 6). The Company recognized $501,922 in the oil and gas property for the year ended October 31, 2007.

On October 4, 2007, the Company elected to participate in the drilling of PP F-12-3 in Mississippi by Griffin & Griffin Exploration. The Company has 30% gross working interest and paid $266,348. On July 31, 2008, the Company accrued and paid an additional cost of $109,494 for the workovers of welss PP F-12 and PP F-12-3. PP F-12 has started limited production from October 2007, and PP F-12-3 has started limited production from November 2007.

(2) Mississippi and Louisiana, Frio-Wilcox Project

In December 2006, the first well CMR-US 39-14 was found to have sufficient hydrocarbons to become economic. USA 1-37 and BR F-33 have started production from November 2007. The Company applied the full cost method to account for its oil and gas properties.

As at January 31, 2007, the Company abandoned Dixon #1 due to no economic hydrocarbons being present and $162,420 of drilling costs was added to the capitalized costs. The Dixon #1 was the only Wilcox well the Company has drilled to date. Every other well it has participated in located in Mississippi and Louisiana is a Frio well.

On June 2, 2007, the Company abandoned Randall #1 and $107,672 drilling costs was added to the capitalized costs in determination of depletion expense.

During August to October 2007, three additional wells, PP F-90, PP F-100, and PP F-111 were drilled in the area. These Frio wells were abandoned due to modest gas shows and a total of $306,562 drilling costs was added to the capitalized costs in determination of depletion expense.

During December 2007, two additional wells, PP F-6A and PP F-83, were drilled and were plugged and abandoned due to non-economic gas shows. A total of $247,086 drilling costs was added to the capitalized costs in determination of depletion expense.

(3) Owl Creek Prospect, Oklahoma, USA

The Company elected to participate in Isbill #1-36 on August 3, 2006. Isbill #1-36 was abandoned on September 11, 2006, and costs amounted to $35,174 was added to capitalized cost in determination of depletion expenses.

On January 25, 2007, the Company elected to participate in Isbill #2-36. As at July 31, 2008, the Company has made accumulated expenditures of $72,952. Isbill #2-36 has started production from April 2007.

On October 10, 2007, the Company elected to participate in the drilling of Powell #3-25 and paid $42,236. On November 9, 2007, Powell #3-25 was plugged and abandoned. Drilling costs were added to the capitalized costs in determination of depletion expense.

Properties	October 31, 2007	Addition	Depletion for the period	Write down in Carrying Value	July 31, 2008
U.S.A. – Proved property	$ 3,076,877	$ 388,347	$ (338,598)	$ -	$ 3,126,626

(b) Unproved Properties

Properties	October 31, 2007	Addition	Cost added to capitalized cost/write down	July 31, 2008
U.S.A.-Unproved properties	$ 178,699	$ 540,783	$ (388,128)	$ 331,354
Canada-Unproved properties	405,407	-	(405,406)	1
	$ 584,106	$ 540,783	$ (793,534)	$ 331,355

(1) Strachan Leduc Reef, Alberta, Canada

On September 23, 2005, the Company entered into an agreement to participate in the Strachan Leduc Reef Farm-In in Alberta, Canada. The Company issued a payment of $218,739. (CDN $253,977) for a 4% participation in the costs of Strachan Leduc Reef Farm-In. In addition, on January 9, 2006, the Company paid an amount $57,137, February 21, 2006 paid an amount of $56,511, April 10, 2006 paid an amount of $15,614, June 5, 2006 paid an amount of $38,353 and July 21, 2006 paid an amount of $19,054 to Odin Capital Inc. for required supplemental funds due to well hole problems. The Company will earn on completion, capped or abandoned with respect to the well to be drilled at 14 of 9-38-9-W5M the following:

(i) In the Spacing Unit for the Earning Well:

a. A 2.000% interest in the petroleum and natural gas below the base of the Mannville excluding natural gas in the formation; and

b. A 4.000% interest in the natural gas in the Leduc formation before payout subject to payment of the Overriding Royalty which is convertible upon payout at royalty owners option to 50% of the Farmee's Interest;

(ii) A 1.600% interest in the rights below the base of the Shunda formation in Section 10, Township 38, Range 9W5M; and

(iii) A 1.289% interest in the rights below the base of the Shunda formation in Sections 15 and 16, Township 38, Range 9W5M down to the base as shown in the schedule attached to the agreement dated September 23, 2005.

During the period ended July 31, 2008, the Company wrote down the cost of the property to a nominal value of $1 as the future realization of the property is uncertain.

(2) Owl Creek Prospect, Oklahoma, USA

On August 3, 2006, the Company agreed to purchase a 7.5% working interest in the Owl Creek Prospect for the purchase price of $100,000. This agreement include the right to participate at a 7.5% working interest in all future wells drilled on a total of 1,080 acres surrounding the Powell #1 and #2, but does not include "dry hole or completion costs" of the future wells. In addition, the Company has the right to participate in any Areas of Mutual Interest that may be acquired by the Owl Creek Prospect participants.

As at July 31, 2008, the Company has made accumulated expenditures of $104,837.

(3) Mississippi and Louisiana, USA

The Company entered into an Agreement to acquire a working interest in multiple zones of potential oil and gas production in Mississippi and Louisiana. This Agreement contemplates up to a 50 well drill program for Wilcox and Frio wells, at the Company's option, within the defined area of mutual interest (AMI). The AMI includes over 300,000 gross acres located contiguously between Southwest Mississippi and North East Louisiana.

The Company originally agreed to pay 40% of all prospect fees, mineral leases, surface leases, and drilling and completion costs to earn a net 32% of all production from all producible zones to the base of the Frio formation (Frio Targets); and, 30% of all production to the base of the Wilcox formation (Wilcox Targets). All working interests will be registered in the name of Lexaria Corp.

The Joint Participation Agreement and Joint Lands Agreements are between Lexaria Corp. and Griffin & Griffin Exploration LLC (G&G) of Jackson, Mississippi.

On June 21, 2007, the Company acquired an additional 10% from a third party for all rights, title and benefits excluding the seven wells drilled under the AMI Agreement between August 3, 2006 and June 19, 2007, specifically wells CMR-USA-39-14, Dixon #1, Faust #1 TEC F-1, CMR/BR F-14, RB F-1 Red Bug #2, BR F-33, and Randall #1 F-4, and any offset wells that could be drilled to any of these specified wells.

On July 26, 2007, the Company acquired 5% from a third party for all rights, title and benefits in the seven wells drilled under the AMI Agreement between August 3, 2006 and June 19, 2007, specifically wells CMR-USA-39-14, Dixon #1, Faust #1 TEC F-1, CMR/BR F-14, RB F-1 Red Bug #2, BR F-33, and Randall #1 F-4, and any offset wells that could be drilled to any of these specified wells.

(C) Option Agreement

On April 17, 2008, the Company entered into an option purchase agreement with John and Gwen Deakle for a non-refundable of $25,000 (paid). Pursuant to the option agreement, the Company has the exclusive right and option to purchase on the terms and conditions set forth in the agreement all of the right, title and interest of every kind and nature set forth and established in that certain operating agreement dated January 5, 2006 between G&G, Chris Bunka, John Deakle, Bud Enterprises Ltd, Stuart Gray and Lexaria Corp., covering the joint development as defined in Section I of said agreement, being a 50% working interest in those certain oil and gas fields commonly known as Palmetto Point and Belmont Lake. The purchase will include the total current 13 existing wells and lease associated with those 13 wells and all potential future wells drilled on any of these leases are included in this Option Agreement and defined as: F-40, F-118, F-121, F-7, F-39, F-42, F-36-2, F-4, F-29, F-12-1, F-6B, F-52A and F-12-3. The option is irrevocable for a period of 60 days from the date hereof and the purchase price is US$4,500,000 at the time the option is exercised.

On June 2, 2008, the option agreement was amended to provide until June 30, 2008 to close the proposed transaction; for the Company to pay an additional $25,000 non-refundable deposit (paid); and to adjust the total purchase price to US $4,689,000 at the time the option is exercised.

The amended option agreement has since expired, but the Company is continuing to attempt to close the contemplated transaction.

5. Loan Payable

(a) Unsecured loan agreement

On November 13, 2007, the Company made an unsecured loan agreement in the amount of $250,000 with C.A.B. Financial Services Ltd. ("CAB"). CAB is owned by the president of the Company. The Maturity Date of the loan repayment will be the first annual anniversary of the date of the Loan Agreement. Interest will be 16.8% simple interest per annum and will be calculated and payable monthly in arrears. This interest payment is $3,500 per month.

On November 14, 2007, the Company made an unsecured loan agreement in the amount of CAD$250,000 with G K Braun Limited. The Maturity Date of the loan repayment will be the first annual anniversary of the date of the Loan Agreement. Interest will be 16.8% simple interest per annum and will be calculated and payable monthly in arrears. This interest payment is CAD$3,500 per month.

(b) Demand loan agreement

On March 20, 2007, the Company made a demand loan agreement in the amount of $50,000 with C.A.B. Financial Services Ltd. ("CAB"). CAB is owned by the president of the Company. The loan is unsecured and nil interest bearing and repayable on demand.

(c)Unsecured loan agreement

On May 14, 2008, the Company made an unsecured loan agreement in the amount of US$62,000 with Christopher Bunka with no set principal payments for one year. Interest will be 16.8% simple interest per annum and will be calculated and payable monthly in arrears. The interest payment is US$868 per month.

On May 14, 2008, the Company made an unsecured loan agreement in the amount of US$62,000 with a Lender with no set principal payments for one year. Interest will be 16.8% simple interest per annum and will be calculated and payable monthly in arrears. The interest payment is US$868 per month.

(d)Unsecured loan agreement

On June 3, 2008, the Company made an unsecured loan agreement in the amount of CAD$50,000 with a Lender. The Maturity Date of the loan repayment will be the first annual anniversary of the date of the Loan Agreement. Interest will be 16.8% simple interest per annum and will be calculated and payable monthly in arrears. The interest payment is CAD$700 per month.

6. Secured loan payable

On June 23, 2007, the Company acquired an assignment of 10% gross working interest of a Drilling Program from 0743868 B.C. Ltd ("0743868") for $520,000. The payment schedule is as follows: On or before July 15, 2007, the Company shall pay to 0743868 the sum of $50,000; and, on or before the 15th day of each subsequent month, the Company shall pay to 0743868 the sum of $50,000 for ten consecutive months; and then a final payment of $20,000 on the eleventh payment date until such time as the entire $520,000 has been paid. If any payment less than the total amount is made and if the Company has not within 30 days of such partial payment being made completed the payments then due, then the pro-rata portion of the contemplated rights and interests will be deemed to have been properly purchased, but the pro-rata unpaid balance of the contemplated rights and interests shall revert back to 0743868.

The Company calculated the net present value of the secured loan payable by applying 8% interest rate, which was based on a T-bill rate of 4.28 plus a risk premium. The net present value of the secured loan payable on June 23, 2007 was $501,922. The Company had made total of $350,000 repayment and accrued $18,016 interest expense since June 23, 2007 with ending balance of $169,938 as at April 30, 2008.

On May 13, 2008 the Company entered into an Assignment of Debt between 0743868 BC Ltd. (the "Assignor") and the President and shareholder of the Company (collectively the "Assignees").

The Assignor has agreed to accept US$46,000 from the Company in satisfaction of the outstanding amount and has agreed to assign the Assignees all of the Assignor's right, title and interest in and to the US$124,000 balance of the outstanding amount. As a result, the Assignor no longer has any claim against the Company.

On May 14, 2008 the Company entered into an unsecured Loan Agreement with each of the President and a shareholder of the Company for $62,000. The purpose of this Loan Agreement is to set out terms of the arrangement by which the Company agrees to make a Loan of US$124,000 at an interest rate of 16.8% and no set principal payments for one year available to the Company. The purpose of the Loan Agreement is to provide the Company with capital funds for oil and gas exploration and/or general corporate purposes.

7. Related Party Transactions

(a) During the period ended July 31, 2008, the Company paid CAB Financial Services ("CAB") $44,690 (2007: $22,500) and RMA Resource Management Associates ("RMA") $22,500 (2007: $22,500) for management, accounting, and consulting services. CAB is owned by the president of the Company and RMA is owned by the vice president of the Company.

The related party transactions are recorded at the exchange amount established and agreed to between the related parties.

(b) On March 20, 2007, the Company made a demand loan agreement in the amount of $50,000 with CAB. (See Note 5(b)).

(c) On November 13, 2007, the Company made an unsecured loan agreement in the amount of $250,000 with CAB. (See Note 5(a)). For the period ended July 31, 2008, the Company accrued and paid interest expenses of $32,195.

(d) Included in due to related parties, $25,411 was payable to President of the Company for the reimbursement of the expenses incurred on behalf of the Company by the President.

(e) On May 14, 2008 the Company made an unsecured loan agreement in the amount of US$62,000 with Christopher Bunka. (See Note 5(c)).

8. Stock Options

A summary of the stock options for the period ended July 31, 2008 is presented below:

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price
Balance, October 31, 2007	1,300,000	$ 0.81
Granted	-	-
Balance, July 31, 2008	1,300,000	$ 0.81

The Company has the following options outstanding and exercisable.

July 31, 2008	Options outstanding and exercisable		
Range of Exercise prices	Number of shares	Weighted average remaining contractual life	Weighted Average Exercise Price
$0.80	700,000	2.74 years	0.80
$0.80	400,000	2.89 years	0.80
$0.85	200,000	2.97 years	0.85
Total	1,300,000		0.81

9. Commitments and Significant Contracts

On June 21, 2007, the Company entered into a Finder's Fee Agreement ("Agreement") with an individual ("Finder") to further introduce, certain potential financiers directly or indirectly to the Company for a term of a year. Pursuant to the Agreement, the Company agreed to pay to Finder a finder's fee equal to up to 10% of the gross proceeds in connection with a Financing consummated by the Company with any Financier introduced to the Company by Finder, provided that such introduction was made during the term.

On September 15, 2007, the Company entered an Online IR Marketing Agreement with a third party for online marketing service for a term of one year for a monthly payment of $2,000 per month and 75,000 common stocks (issued) of the Company.

On March 1, 2008, the Company entered into a Controller Agreement with CAB Financial Services Ltd. for accounting and controller services of CAB on a continuing basis for a consideration of CAD$4,500 per month.

See Note 4 (c) and Note 6.

10. Subsequent Events

On August 16, 2008, the Company signed an Assignment of Working Interest and Bill of Sale for Isbill #2-36.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-Looking Statements

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled “Risk Factors”, that may cause our company’s or our industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to “common shares” refer to the common shares in our capital stock.

As used in this quarterly report, the terms “we”, “us”, “our”, “our company” and “Lexaria” mean Lexaria Corp., unless otherwise indicated.

Historical results and trends should not be taken as indicative of future operations. The Company's ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on the operations and future prospects of the Company include, but are not limited to: unanticipated problems relating to exploration, hazards such as pollution, or other hazards which cannot be insured against or predicted, changes in economic conditions, availability of capital, competition, and generally accepted accounting principles. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Overview

We are a Nevada corporation incorporated on December 9, 2004. We are an exploration and development stage oil and gas company engaged in the exploration for oil and natural gas in Canada and the United States. We are currently generating revenues and have proved oil and gas reserves from our business operations in Mississippi and in Oklahoma. We have acquired the right to explore the Strachan Hills oil and gas property in Alberta, Canada and assumed a working interest in the Owl Creek Prospect, Oklahoma and the Palmetto Point and other oil and gas properties in Mississippi, USA. Our detailed business plan is discussed herein.

The following disclosure relates to each property that we have an interest in:

Alberta

We have acquired an interest in a property located 80 miles northwest of Calgary, Alberta, Canada. On September 23, 2005, our Company signed an agreement to participate in a 13,330 foot drill program. As of July 31, 2008, the Company has paid $405,407 for a 4% gross interest to participate in any oil and gas produced (before recovery of the costs of the drill program), reducing to a 2% interest after recovery of the drilling costs. The Company expects to pay further costs equal to it’s 4% interest in completing and equipping an earning well to a pipeline tie in if warranted. The property is reached by traveling 100 miles north from the city of Calgary on Highway #22, and is approximately a one-half hour drive past the town of Rocky Mountain House.

Drilling of this well has been completed and some evaluation has been completed. The well may or may not be commercial and we require additional evaluation before we can determine the status of this well. Odin Capital Inc. of Calgary, Alberta, with whom the Company entered into this agreement, is a Canadian exploration finance company that arranges all aspects of identifying, financing, exploring and drilling properties. The operator of the earning well is Rosetta Exploration Inc. of Calgary, Alberta.

During the period ended July 31, 2008, the Company wrote down the cost of property to a nominal value of $1 as the future realization of the property is uncertain.

Mississippi

As of July 31, 2008, the Company owns a 30% gross working interest in 12 wells; a 45% gross working interest in 7 wells; and a 50% gross working interest in 43 wells (of which 38 wells remain to be drilled); all located in Mississippi under various agreements with Griffin & Griffin Exploration, L.L.C. Additional details of these interests are noted below.

The Company entered into a 10-hole drilling program agreement (the “Griffin Drilling Program Agreement”) with Griffin & Griffin Exploration, L.L.C. (“Griffin”) dated December 21, 2005, whereby we acquired a 20% gross interest in any oil and gas produced, in a 10-well drilling program (the “Drilling Program”), to be carried out at Palmetto Point, Southwest Mississippi.

Palmetto Point is approximately 150 miles southwest of Jackson, Mississippi and approximately 50 miles north/northwest of Baton Rouge, Louisiana. It is 30 miles west of Woodville, Mississippi off of State Highway 33.

By January 17, 2006 we paid $700,000 to Griffin, which represented the full cost of the Company’s 20% working interest in the Drilling Program. There were no further costs to the Company in earning its interest, including well development costs or pipeline connectors. Griffin has agreed that the leases held by it covering any mineral estate underlying the applicable well site acreage shall not provide for more than twenty-five (25%) percent royalty and overriding royalty interest. Our net interest in any oil and gas produced is calculated by subtracting the applicable royalties from our 20% gross interest. Consequently, our original net working interest in the drilling program was a minimum fifteen (15%) percent net working interest. Griffin conducted the Drilling Program in its capacity as Operator. We subsequently increased our participation under this program by spending $140,000 to earn the same 20% interest in 2 additional wells – 12 wells total and all drilled - and we subsequently increased our gross interest to 30% in these 12 wells, or a net working interest of 22.5%. The results of these wells are as follows as of July 31, 2008:

Phase I Palmetto Point 30% gross interest

Well Name	Spud/Start	Complete	Results	Depth	Status

PP F-40	May 11/06	May 16/06	Frio Gas; 12 ft.	3850	Temporary shut-in
PP F-118	May 18/06	May 22/06	Frio Gas; 14 ft.	3808	Temporary shut-in
PP F-121	May 24/06	May 29/06	Dry	3850	Plug & abandon
PP F-7	May 31/06	June 4/06	Dry	3800	Plug & abandon
PP F-39	June 10/06	June 16/06	Frio Gas/Oil; 12 ft.	3900	Producing
PP F-42	June 18/06	June 21/06	Frio Gas/Oil; 10 ft.	3170	Temporary shut-in
PP F-36-2	June 23/06	July 2/06	Frio Gas; 8 ft.	3450	Temporary shut-in
PP F-4	Oct 31/06	Nov. 5/06	Frio Gas; 8 ft.	4200	Temporary shut-in
PP F- 29	Nov 11/06	Nov. 14/06	Frio Gas; 37 ft.	4100	Temporary shut-in
PP F-12	Dec 18/06	Dec. 24/06	Frio Gas; 3 ft. Frio Oil, 26 ft.	4016	Temporary shut-in
PP F-6B		July 27/06	Frio Gas		Producing
PP F-52A		July 27/06	Frio Gas/Oil		Temporary shut-in
PP F-12-3	Nov/07	Nov/07	Frio Oil		Temporary shut-in

On August 3, 2006, we entered into our Phase II agreement with Griffin & Griffin Exploration LLC, which covers an Area of Mutual Interest (AMI) exclusive to the participants, which includes 50 prospects for drilling of wells to depths sufficient to test prospectively producible hydrocarbons from the top of the Frio Formation to the bottom of the Wilcox Formation. From these 50 prospects, Griffin and Griffin and the participants will select all drill locations. We had contracted to assume a 40% gross interest in this AMI, meaning we were obligated to pay 40% of costs related to licensing, permitting, drilling, completing and all other related costs. This 50-well AMI is intended to be drilled in several stages. The first stage had a total cost of $4 million, of which Lexaria's pro rata share is $1.6 million. The Company had placed $1,600,000 in trust to completely fund this initial commitment. During the drill program, an unrelated third party participant elected not to continue their participation in the program, and we assumed our pro-rata portion of their 10% gross working interest as our own, at no additional cost, bringing our total gross working interest in these seven wells and their leases, to 45%.

The first of these 7 wells was successfully drilled and completed and entered into production. The second well in this Phase II program targeted the Wilcox formation, did not encounter commercially viable quantities of hydrocarbons, and was plugged and abandoned, with total costs associated with this well of $162,420. All 7 of these wells have now been drilled, with results as follows:

Phase II 45% gross interest

Well Name	Spud/Start	Complete	Results	Depth	Status
CMR-USA-39-14 RB F-3	Sept. 8/06	Sept. 12/06	Frio Gas 14 ft.	3,200	Producing
Dixon #1	Jan. 03/07	Jan. 20/07	Wilcox Target; Dry	8,650	Plug & abandon
Faust #1, TEC F-1	Feb. 05/07	Feb. 11/07	Frio Gas 9 ft	5,350	Temporary shut-in
CMR/BR F-24	Feb. 20/07	Feb. 24/07	Frio Gas	3,250	Status unknown
RB F-1 Red Bug #2	May 08/07	May 13/07	Frio Gas 10 ft	3,180	Temporary shut-in
BR F-33	May 20/07	May 24/07	Frio Gas 12 ft	3,837	Producing
Randall #1 Closure F-4	May 27/07	June 03/07	Frio Target: Dry	5,100	Plug & abandon

Phase III 50% gross interest

As of July 31, 2008, five additional wells were drilled under the 50-well AMI. Each of these wells encountered non commercial quantities of hydrocarbons and were plugged and abandoned. There are 38 wells remaining to be drilled under the terms of the 50-well AMI as of July 31, 2008.

After a well has been drilled and completed and enters into production, we are responsible for paying our share of production and operations costs. As a matter of course, we will have to pay pipeline transmission costs if and when each well starts transporting natural gas.

Oklahoma

On August 3, 2006, the Company entered an agreement to acquire a 7.5% working interest in the Owl Creek Prospect, Oklahoma. The operator is Ranken Energy Ltd. of 417 W. 18th Street, Suite 101, Edmond, Oklahoma. We paid $100,000 for a 7.5% interest and to participate in the Isbill #1-36 well. The Isbill #1-36 well was drilled and on September 11, 2006 the Company elected to abandon the well but reserved the right under the agreement to participate in future additional wells in the AMI in the Owl Creek Prospect.

During the fiscal year 2007, our second participatory well was drilled at Owl Creek, the Isbill #2-36 well, in which we also have a 7.5% interest. The Isbill#2-36 well was successful and is in production of both oil and natural gas and is contributing to our revenue generation.

Results of Operations for the Nine Months Ended July 31, 2008

For the nine-month period ended July 31, 2008, there were revenues of $803,294 compared to revenues of $148,729 for the same nine-month period in the prior year. The increase in revenues for both periods was caused by oil and natural gas sales received from the Company's properties in Mississippi and Oklahoma. In particular the revenues increased from the Company's Mississippi operations as a result of three intermittently producing oil wells.

For the nine-month period ended July 31, 2008 we incurred costs and expenses in the amount of $1,464,916 compared to costs and expenses of $1,925,142 for the same nine-month period in the prior year.

This decrease in costs and expenses is attributable to costs of revenue and administrative expenses we incurred in connection with the following:

- Depletion costs decreased to $338,598 for the nine-month period ending July 31, 2008 (July 31, 2007: $632,796). There was a decrease in the write down of the carrying value of oil and gas properties, amounting to $nil for the nine-month period ended July 31, 2008 (July 31, 2007:$354,418).
- Oil and gas well operating costs decreased to $598,605 for the nine-month period ending July 31, 2008 (July 31, 2007: $1,046,275), as a result of a decrease in the write down of the carrying value of oil and gas properties and a decreased depletion amount.
- Accounting and audit costs increased to $43,747 for the nine-month period ending July 31, 2008 (July 31, 2007: $34,370) due to the increase of the audit fee.
- Insurance costs increased to $10,140 for the nine-month period ending July 31, 2008 (July 31, 2007: $nil) due to purchasing insurance cover for Directors and Officers Liability.
- Bank charges and exchange gain / loss decreased to a gain of $236 for the nine-month period ending July 31, 2008 (July 31, 2007: loss of $5,002) as result of currency movements between the Canadian and US Dollar.
- Fees paid to a consultant. In the nine-month period ending July 31, 2008, the Company incurred $142,131 (July 31, 2007: $731,312). The decrease in fees was due to $682,312 being included as stock compensation in the prior period.
- Interest expense from loan agreements increased to $72,142 for the nine-month period ending July 31, 2008 (July 31, 2007: $7,868) due to the interest accrued and paid on a related party and third party loans, both secured and not secured.
- Investor relation costs increased to $94,610 for the nine-month period ending July 31, 2008 (July 31, 2007: $18,734), as the Company contracted an arms length party to perform investor relations.
- Impairment of oil and gas acquisition cost increased to $405,406 for the period ended July 31, 2008 (July 31, 2007: $nil) as the result of the Company had written down its cost of oil and gas property in Strachan Leduc Reef, Alberta, Canada.

The Net Loss for the nine-months ending July 31, 2008 was $(658,324) (July 31, 2007: $(1,763,749)), The decrease in losses was caused by an increase in revenues from the Company's operations which was partially offset by an increase in the Company's operating expenses.

From January 2008 until July 2008, one of the Company's producing properties (the Belmont Lake oil field) was partially inaccessible due to flooding of the Mississippi River. Although limited oil and gas production continued throughout the flood, the Company's production was limited and therefore its revenue was impacted during the period. The Company and its operator are taking steps utilizing certain technologies which it hopes will mitigate such production interruptions in the future and thus give a greater likelihood of uninterrupted production in the future. Rising and falling water levels of the Mississippi River are not predictable, however, thus the possibility of future interruptions exists.

Assets

As of July 31, 2008, we had current assets of $357,450 and total assets of $3,818,560. We had total assets of $3,795,887 as of October 31, 2007. The increase in total assets was caused by the write down of oil and gas property in Canada of $405,406 and offset by an increase in oil and gas properties of $378,750, an increase in an accounts receivable of $73,521 resulting from increased revenues from the Company's Mississippi prospect, and an increase in cash from the private placement.

Liquidity and Capital Resources

As of July 31, 2008, we had total current assets of $357,449 (October 31, 2007: $133,991) and total assets in the amount of $3,818,560 (October 31, 2007: $3,795,887). Our total current liabilities as of July 31, 2008 were $772,289 (October 31, 2007: $400,979). As a result, on July 31, 2008 we had negative working capital of $(414,840) (October 31, 2007: $(266,988)). The decrease in working capital was caused by an increase in Loan Payable by $363,981 which was partially offset by the increase of accounts receivable and cash to $241,075.

We relied on cash on hand previously raised through the issue of equity/debt capital and on the cash flows from operations to fund our operations during the nine-months ended July 31, 2008.

The company generates revenue, but not sufficient to generate a profit. We still anticipate the need to raise significant capital through the sale of equity or debt securities on a private or public basis in order to sustain operations and meet our objectives. It is uncertain whether we will be able to obtain the necessary capital.

We intend to fund operations and commitments over the next twelve months from our cash on hand, including our capital expenditures, working capital or other cash requirements. We believe cash from operating activities, and our existing cash resources may not be sufficient to meet our working capital requirements for the next 12 months. We will likely require additional funds to support the Company's business plan. Management intends to raise additional working capital through debt and equity financing. There can be no assurance that additional financing will be available on acceptable terms, if at all. If adequate funds are not available, we may be unable to take advantage of future opportunities, respond to competitive pressures, and may have to curtail operations.

Natural Gas and Oil Properties

We account for our oil and gas producing activities using the full cost method of accounting as prescribed by the United States Securities and Exchange Commission ("SEC"). Accordingly, all costs associated with the acquisition of properties and exploration with the intent of finding proved oil and gas reserves contribute to the discovery of proved reserves, including the costs of abandoned properties, dry holes, geophysical costs, and annual lease rentals are capitalized. All general corporate costs are expensed as incurred. In general, sales or other dispositions of oil and gas properties are accounted for as adjustments to capitalized costs, with no gain or loss recorded. Amortization of evaluated oil and gas properties is computed on the units of production method based on all proved reserves on a country-by-country basis. Unevaluated oil and gas properties are assessed at least annually for impairment either individually or on an aggregate basis. The net capitalized costs of evaluated oil and gas properties (full cost ceiling limitation) are not to exceed their related estimated future net revenues from proved reserves discounted at 10%, and the lower of cost or estimated fair value of unproved properties, net of tax considerations. These properties are included in the amortization pool immediately upon the determination that the well is dry.

Unproved properties consist of lease acquisition costs and costs on well currently being drilled on the properties. The recorded costs of the investment in unproved properties are not amortized until proved reserves associated with the projects can be determined or until they are impaired.

Revenue Recognition

Revenue from sales of crude oil, natural gas and refined petroleum products are recorded when deliveries have occurred and legal ownership of the commodity transfers to the customers. Title transfers for crude oil, natural gas and bulk refined products generally occur at pipeline custody points or when a tanker lifting has occurred. Revenues from the production of oil and natural gas properties in which we share an undivided interest with other producers are recognized based on the actual volumes sold by us during the period. Gas imbalances occur when our actual sales differ from its entitlement under existing working interests. We record a liability for gas imbalances when we have sold more than our working interest of gas production and the estimated remaining reserves make it doubtful that the partners can recoup their share of production from the field. For the nine-months ending July 31, 2008 and for fiscal 2007, we had no overproduced imbalances

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Item 3. Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of July 31, 2008. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer, Mr. Christopher Bunka. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of July 31, 2008, our disclosure controls and procedures are effective. There have been no significant changes in our internal controls over financial reporting during the quarter ended July 31, 2008 that have materially affected or are reasonably likely to materially affect such controls.

Disclosure controls, procedures and controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

<u>Limitations on the Effectiveness of Internal Controls</u>

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any pending legal proceeding as at July 31, 2008. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

No matters have been submitted to our security holders for a vote, through the solicitation of proxies or otherwise, during the quarterly period ended July 31, 2008.

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No.	Description
3.1*	Articles of Incorporation
3.2*	Bylaws
4.1*	Specimen ordinary share certificate
31.1	Rule 13(a) - 14 (a)/15(d) - 14(a) Certifications

32.1	Section 1350 Certifications

*Incorporated by reference to same exhibit filed with the Company's Registration Statement on Form SB-2 dated January 10, 2006.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 28, 2008

LEXARIA CORP.

/s/ "Leonard MacMillan"
Leonard MacMillan
Vice President (Principal Executive Officer) and member of the Board of Directors
8/28/2008

/s/ "Chris Bunka"
Chris Bunka
Chairman of the Board, CEO, Secretary, Treasurer
8/28/2008

Rule 13a-14(a)/15d-14(a)
CERTIFICATIONS

I, Leonard MacMillan, the Vice President and Director of Lexaria Corp., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of LEXARIA CORP.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this quarterly report;

4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date : August 28, 2008

By: */s/ "Leonard MacMillan"*
Leonard MacMillan
Vice President
and member of the Board of Directors

Rule 13a-14(a)/15d-14(a)

CERTIFICATIONS

I, Chris Bunka, Principal Financial Officer (Principal Accounting Officer), and Director of Lexaria Corp., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of LEXARIA CORP.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this quarterly report;

4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15e and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: : August 28, 2008

By: *<u>/s/ "Chris Bunka"</u>*
Chris Bunka
CEO, Principal Financial Officer (Principal Accounting Officer) and Chairman of the Board of Directors

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Section 1350 Certifications

CERTIFICATE OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Chris Bunka, President, CEO (Principal Executive Officer) and Director of Lexaria Corp. certify that the Quarterly Report on Form 10-QSB (the "Report") for the quarter ended : July 31, 2008, filed with the Securities and Exchange Commission on the date hereof:

(i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

(ii) the information contained in the Report fairly presents in all material respects, the financial condition and results of operations of Lexaria Corp.

Date: August 28, 2008

By: *<u>/s/ "Chris Bunka"</u>*
Chris Bunka
CEO (Principal Executive Officer) and Chairman of the Board of Directors

A signed original of this written statement required by Section 906 has been provided to Lexaria Corp. and will be retained by Lexaria Corp. and furnished to the Securities and Exchange Commission or its staff upon request.

Section 1350 Certifications

CERTIFICATE OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Chris Bunka, Principal Financial Officer (Principal Accounting Officer) and Director of Lexaria Corp. certify that the Quarterly Report on Form 10-QSB (the "Report") for the quarter ended : July 31, 2008, filed with the Securities and Exchange Commission on the date hereof:

(i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and

(ii) the information contained in the Report fairly presents in all material respects, the financial condition and results of operations of Lexaria Corp.

Date: August 28, 2008

By: *__/s/ "Chris Bunka"__*
Chris Bunka
Principal Financial Officer (Principal Accounting Officer),
and Chairman of the Board of Directors

A signed original of this written statement required by Section 906 has been provided to Lexaria Corp. and will be retained by Lexaria Corp. and furnished to the Securities and Exchange Commission or its staff upon request.