Covalon Announces Multi-year Agreement with Large Medical Distributor

MISSISSAUGA, ON, June 22 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSX-V: COV), an advanced medical technologies company, announced today that it has signed a multi-year agreement with one of the largest United States manufacturers and distributors of health care supplies and services ("Covalon's Client"). The agreement allows Covalon's Client to use Covalon's proprietary coating technology specifically on one of its products in return for an upfront payment of US$500,000 and future royalty payments. Covalon's Client provides products and services to hospitals, extended care facilities, surgery centers, home care dealers, home care agencies, physician offices and other alternate care sites.

Covalon's team of scientists and engineers develop advanced coating technologies for medical device companies that provide unrivalled protection from hospital acquired infections.

"This agreement is a clear demonstration of Covalon's ability to structure commercially successful relationships with major industry partners," stated Brian Pedlar, Covalon President and CEO. "We intend to continue to aggressively pursue other business development opportunities."

"Covalon is becoming an important new product commercialization partner for many medical device companies in the industry," stated William Jackson, Covalon's Chief Business Officer. "It is very rewarding to see our clients recognize the value of our advanced coating technology offerings within their product lines."

About Covalon

Covalon Technologies Ltd. is a unique medical technologies company engaged in the research, development, and commercialization of advanced tissue repair applications, infection control, and specialized coatings for medical and consumer products. Together, our technology platforms, wound care products, and consulting services deliver a suite of cost-effective solutions to help our customers achieve product differentiation through improved patient outcomes. Our technologies address important healthcare issues such as infection control, medical device biocompatibility and healthy tissue repair. To learn more about Covalon, visit our website at www.covalon.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains forward-looking statements which reflect the Company's current expectations regarding future events. The forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan, "estimate", "expect", "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These forward-looking statements involve risk and uncertainties, including the difficulty in predicting product approvals, acceptance of and demands for new products, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, the regulatory environment, fluctuations in operating results and other risks, any of which could cause results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. Many risks are inherent in the industry; others are more specific to the Company. Investors should consult the Company's ongoing quarterly filings for additional information on risks and uncertainties relating to these forward-looking statements. Investors should not place undue reliance on any forward-looking statements. The Company assumes no obligation to update or alter any forward-looking statements whether as a result of new information, further events or otherwise.

For further information: Brian Pedlar, E: bpedlar@covalon.com, T: (905) 568-8400 x 233, F: (905) 568-5200, www.covalon.com

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