Covalon Announces Distribution Agreement Into Middle East

MISSISSAUGA, ON, Aug. 15, 2011 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced a multi-year distribution agreement with a Canadian distributor that will export and distribute Covalon's ColActive® Plus Ag collagen wound care dressings in the Middle East. ColActive® Plus Ag is a patented line of collagen matrix wound dressings which are available for distribution and cleared for regulatory purposes in the United States, Canada and other jurisdictions.

The first order under the agreement has been received and the agreement includes purchase commitments for a minimum of $700,000 in the first year of the agreement with a total minimum purchase commitment of approximately $11.2 million over five years.

Brian Pedlar, Covalon CEO, said, "Covalon is pleased to enter into a relationship that provides us with initial distribution into the Middle East. Our partner has demonstrated that they have excellent healthcare relationships in a number of Middle Eastern countries, and we look forward to expanding this new relationship through the distribution of additional medical products. We are dedicated to bringing world-class medical products to the Middle East healthcare market, which we believe has been under-served by many North American medical companies."

"Covalon recently disclosed that it recovered the exclusive worldwide rights to its advanced wound care products from a major medical company," stated Pedlar. "This has allowed Covalon to start to aggressively market its existing advanced wound care products as well as introduce both new formulations and totally new technologies. We expect to announce additional deals in the near future."

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

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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.

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