Covalon Secures First Distribution Agreement in China

- Medical device distributor to market Covalon's antimicrobial coated catheters throughout China and Hong Kong.
- Ten-year license and distribution agreement includes contractual minimum purchase commitments of $7.7 million

MISSISSAUGA, ON, Sept. 6, 2011 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced a distribution agreement with a China-based medical device distributor to market Covalon's antimicrobial coated catheters throughout China and Hong Kong.

The ten-year license and distribution agreement includes contractual minimum purchase commitments of approximately $7.7 million which Covalon will receive over the term of the agreement commencing on regulatory approval in China.

Covalon's proprietary antimicrobial coating for catheters is designed to be effective against the most common and serious pathogens involved in the spread of hospital-acquired infections.

"I am extremely pleased that our sales efforts to expand into markets beyond the United States are succeeding in creating new opportunities for Covalon," stated Brian Pedlar, Covalon CEO. "Having a partner with solid distribution channels in China opens up significant potential to introduce leading edge medical devices to the largest patient population in the world. We are looking forward to obtaining regulatory clearance in China for our advanced coating technology."

Since 2008, Covalon has supplied FDA-cleared, antimicrobial coated catheters to the United States market under private label. These Covalon coated catheters are marketed by one of the largest medical product distributors in North America.

About Covalon

Covalon Technologies Ltd. researches, develops and commercializes new healthcare technologies that help save lives around the world. Covalon's patented technologies, products and services address the advanced healthcare needs of medical device companies, healthcare providers and individual consumers. Covalon's technologies are used to prevent, detect and manage medical conditions in specialty areas such as wound care, tissue repair, infection control, disease management, medical device coatings and biocompatibility. 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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