Covalon Announces Wound Care Distribution Agreement Into China

MISSISSAUGA, ON, Oct. 13, 2011 /CNW/ - Covalon Technologies Ltd. (the "Company" or "Covalon") (TSXV: COV), an advanced medical technologies company, today announced a multi-year, non-exclusive distribution arrangement with a China-based partner to distribute ColActive® Plus Ag into the Chinese advanced wound care market. ColActive® is available for distribution and cleared for regulatory purposes in the United States, Canada and other jurisdictions.

The agreement calls for a minimum purchase commitment of $12 million of ColActive® Plus Ag over the term of the agreement with a minimum commitment of $500,000 in the first 12 months following regulatory approval in China. ColActive® Plus Ag is a patented line of collagen matrix wound dressings used to successfully treat chronic wounds and diabetic ulcers.

Brian Pedlar, Covalon's CEO said "We are pleased to enter into this partnership that brings our ColActive® Plus advanced wound care line of collagen dressings into the healthcare market in China. China has the most diabetic patients of any country with over 92 million adults suffering from the symptoms of diabetes. ColActive® Plus Ag has been used for years in the United States as an effective treatment for diabetic ulcer wounds. Our partner has demonstrated that they have excellent healthcare relationships, and we look forward to expanding this new relationship through the distribution of additional medical products."

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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