

MEDIA RELEASE – R&D and Commercial Launch of First *Halal* Ovine Collagen

ASX-Listed Holista Signs Agreements in Presence of Malaysian Deputy PM to conduct advanced R&D and commercialise *halal* food-grade sheep collagen

Kuala Lumpur/Perth, 2 Nov 2010 – Holista CollTech Limited (“Holista”), with operations in Malaysia and Australia, signed two landmark agreements yesterday in the presence of Malaysia’s Deputy Prime Minister YAB Tan Sri Haji Muhyiddin Yassin to conduct advanced research and commence sales of the world’s first *halal* food-grade sheep collagen.

The agreements signed by Malaysia-based and Australian Securities Exchange-listed (ASX: HCT) Holista, which recently completed R&D processes and protocols with Universiti Sains Malaysia (“Science University” or “USM”) to develop *halal* ovine collagen, put Malaysia on the global map of development of bio-tech products which are compliant with Islamic laws.

In the first agreement, Holista will collaborate again with USM, this time to research how plant-based enzymes can break down the collagen further to facilitate easier digestion by humans, and to extract potential bio-products, including excess fat and fibres from sheep skins for use as *halal* chicken feed.

Witnessed by Tan Sri Muhyiddin Yassin and 500 biotechnology partners at the annual BioMalaysia 2010 conference and exhibition at the Kuala Lumpur Convention Centre, Holista’s CEO Dato’ Dr. Rajen Marnickavasagar (“Dato’ Dr. Rajen”) exchanged documents with USM’s Vice Chancellor, Professor Tan Sri Dato’ Dzulkifli Abdul Razak, and its R&D project head, Professor Aishah Abdul Latiff.

Dato’ Dr Rajen signed a separate agreement with Mr Steven Lee, Deputy Chairman of UniAmla Co. Limited, a China-based health supplement distributor and marketer, to commercialise and launch the first *halal* ovine supplement for human consumption in China and Taiwan.

UniAmla is the tenth-largest multi-level marketing company in China and plans to buy from Holista up to 30 metric tons of food-grade ovine collagen a year in drum form, starting in 2011, and then formulate and produce the supplement in Malaysia for export to China.

Holista, which has an established supplement distribution presence in Malaysia, also plans to market its own brand of ovine collagen locally and in North and South-East Asia.

Collagen has been part of Traditional Chinese Medicine for centuries – and is widely used in China, Taiwan, Korea and Japan. The most common protein in the human body, it is used in modern medicine for anti-ageing, burns, bone health, and in a wide range of cosmetics.

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Until Holista's breakthrough, collagen has been extracted mostly from cows or pigs. The former presents problems for Hindus and Buddhists who cannot use beef products, while Muslims cannot use pork-based products. Holista's disease-free collagen will address a significant market gap as it is culturally neutral to most potential users.

Holista developed the *halal* collagen with USM after six months of research and is now applying to Malaysia's Department of Islamic Development (JAKIM) for certification to allow use among Muslims and to export to countries with significant Muslim populations, including the Middle East.

The global food-grade collagen market is estimated at USD1.6 billion annually (RM 4.8 billion). Each kilogram of collagen (in drum form) currently sells for about AUD40 (RM120). Holista believes its *halal* ovine collagen will command a premium over existing products.

Holista is building a 25,000 square feet facility near Kuala Lumpur at a cost of AUD2.7 million (RM8.5 million). When completed in April 2011 it will import sheep skins from Australia to produce up to one ton of food-grade collagen daily in a form which has been hydrolyzed or broken into smaller molecules to aid digestion.

"UniAmla has always been an innovative company looking to 'wow' customers with cutting edge products. Thus, we are excited to introduce in China and countries where we have a footprint this unique mammalian collagen that is from certified Australian sheep skins. This is definitely an advantage over most current mammalian collagen which is sourced mostly from other animals," said Steven Lee of UniAmla.

"This is significant for the Malaysian industry especially were we are moving the industry to be global and commercially viable" said Dato' Iskandar Mizal Mahmood – the CEO of the Malaysian Biotechnology Corporation which had earlier granted Holista the BioNexus status for Holista, giving it various incentives, including tax exemption.

USM's Professor Tan Sri Dato' Dzulkifli said USM was excited to collaborate with an international industrial partner such as Holista. "We have successfully applied our advanced research capabilities to commercialise the *halal* ovine collagen food supplement, a landmark development for Malaysia. Our scientists have used plant enzymes to convert collagen protein into the required form for use as food, ensuring its *halal* status," he said.

"The agreements signed today put Australian and Malaysian biotechnology on the world map," said Dr, Rajen. "We believe this is the first food-grade *halal* mammalian collagen to be developed out of Southeast Asia. This breakthrough will provide Holsita a vital revenue stream when we complete our collagen extraction facility in April 2011."

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About Holista CollTech Limited

Listed on the Australia Securities Exchange (ASX:HCT) since 2004, Holista CollTech Ltd is a research-driven biotech company dedicated to delivering scientifically enhanced, engineered and first-class natural health supplements and wellness products for the general consumers. The Group develops, manufactures and commercialises “health-related” products to address the unmet and growing needs of natural medicine and is the only company producing sheep (ovine) collagen using its patented extraction methods.

Holista’s main operations are in Malaysia where it specialises in the research and development (R&D) and commercialisation of ovine collagen. Its other operating subsidiaries include Total Health Concept Sdn. Bhd. which distributes health supplements in Malaysia and South East Asia.

Holista has filed several global patents, two of which have been granted. To advance R&D in nutritional products, the Group is collaborating with world-leading institutions such as the University of Western Australia, Oxford Brookes University (UK), National Centre for Natural Products Research (US), Indian Institute of Integrative Medicine and University of Hamdard (India) and Tsinghua University (China).

The Group has a customer base of 45,000 and access to more than 1,700 distribution points.

For more information, visit www.holistaco.com

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