

## **Flax project to benefit Williamsburg County**

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Naturally Advanced Technologies, Inc. (NAT), the developers of the patented CRAiLAR® fiber process, recently announced that it has joined forces with Hanes-brands, Inc. and the U.S. Department of Agriculture's Agricultural Research Service (USDA-ARS) in a cooperative research project designed to cultivate and evaluate the viability of various flax strains for use in CRAiLAR® technology.

The project using crops from Williamsburg County is taking place at a facility in Kingstree on County Camp Road and has an initial term of one year with a renewal option for two additional years. The facility was leased in 2010. The rest of the fiber when provided will come from Williamsburg. "We have been very happy with the state of operations in Williamsburg County," said Guy Prevost, CFO of NAT. "Hilton McGill has been integral to developing our relationships there, and we look forward to looking at more opportunities as we grow with this first, important agreement to commercialize our CRAiLAR® fiber."

The all-natural CRAiLAR® process is the first to remove the binding agents from flax that contribute to its stiff texture by bathing it in a proprietary enzyme wash. The result is a textile fiber that merges the strength and durability of flax with the most desirable attributes of cotton. Yarns made from CRAiLAR® fibers can be used in knit, woven or non-woven fabrics alone, or blended with other natural fibers used to manufacture apparel products similar to those marketed by Hanesbrands, a leading basic apparel company based in Winston-Salem, N.C.

"This agreement is a strong validation of our CRAiLAR® technology and a demonstration of its ability to perform within the Hanesbrands family," said Ken Barker, CEO of NAT. "The company has been working toward this agreement since the collaborative partnership with Hanesbrands began in August 2009, and we expect to begin shipping to our full existing capacity beginning next month. Hanesbrands has been an invaluable partner to our proof of concept and we look forward to expanding our relationship with them and others as we move forward." Conversations are ongoing regarding opportunities to expand in Williamsburg County as well.

CRAiLAR® Flax is soft like cotton, has a similar color, possesses similar performance traits and is comfortable to wear year-round. CRAiLAR® Flax and cotton look the same, fit the same and wash the same. Yet CRAiLAR® Flax fibers shrink less than cotton fibers, wick moisture better, and have increased dye uptake, meaning they require fewer chemicals to achieve the same depth of color.

The agreement is the culmination of a multiphase joint development agreement announced in August 2009 with the intent to commercialize CRAiLAR®. Hanesbrands made its first purchase of 10,000 lbs. of CRAiLAR® in the first quarter of 2010 and, after successful spinning trials, announced a final evaluation phase in Q2 2010. In December 2010, the companies announced additional product testing that called for Hanesbrands to purchase up to 375,000 of CRAiLAR® Flax fiber between December 1, 2010, and early 2011.

Naturally Advanced Technologies, Inc. is committed to unlocking the potential of renewable and environmentally sustainable biomass resources from hemp and other bast fibers. The company, through its wholly owned subsidiary, CRAiLAR® Fiber Technologies, Inc., is developing proprietary technologies for production of bast fibers, cellulose pulp, and their resulting by-products, in collaboration with Canada's National Research Council and the Alberta Innovates - Technology Futures (formerly the Alberta Research Council). CRAiLAR® technology offers cost-effective and environmentally sustainable processing and production of natural, bast fibers such as hemp and flax, resulting in increased performance characteristics for use in textile, industrial, energy, medical and composite material applications. The company was founded in 1998 as a provider of environmentally friendly, socially responsible clothing and adheres to a "triple bottom line" philosophy, respecting the human rights of employees, the environmental impact of the company's operations and fiscal responsibility to its shareholders. For more information, visit [www.naturallyadvanced.com](http://www.naturallyadvanced.com).

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