



**FOR IMMEDIATE RELEASE**

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**Visualant Issues Shareholder Letter**

Seattle, WA, July 18, 2011, Visualant, Inc. (OTCBB: VSUL.OB), a pioneer provider of industry-leading identification solutions, issued the following shareholder letter:

July 18, 2011

Dear Shareholder:

June 30, 2011 is the close of our third fiscal quarter. I want to take this opportunity to highlight the Company's several accomplishments over the past quarter.

Visualant closed approximately \$1 million in financing. This financing allows us to grow the business both internally and through acquisition.

With funding in place, we completed the acquisition of Visualant related assets from the RATLab LLC. The RATLab LLC is owned by Dr. Tom Furness, co-inventor of the Visualant Spectral Pattern Matching ("SPM") technology. Visualant secured all rights, title and interest to the SPM technology in the important fields of use of medicine, agriculture and the environment. Additionally, Dr. Furness is now a consultant to the Company and is Visualant's Senior Scientific Advisor. Also, as part of the RATLab asset acquisition, Dr. Brian Schowengerdt, a co-inventor of the SPM technology, joined the Company as a consultant and will be working on productizing the company's SPM technology.

During the quarter, the Board of Directors appointed Marco Hegyi as Chairman. Mr. Hegyi, a senior technology executive formerly with Microsoft and Yahoo, is actively focused on bringing products to market which embody and exploit Visualant's SPM technology. Working with our scientists and Visualant board member Paul R. Bonderson Jr., Mr. Hegyi is driving the rapid deployment of our technology from its current demonstration form to a market ready product that generates revenues.

Our SPM technology maps color at the photon level and with our algorithms, uses that color mapping to authenticate and diagnose. The potential for our SPM technology is so innovative and unique that it has the potential to create new industry standards and applications.

Working with Visualant consultant Lance Gima, former head of the forensic laboratory for the State of California, the Company applied for a significant grant to focus on the applications of the SPM technology in forensic science. Mr. Gima sees application for SPM technology both in crime scene and crime laboratory analytics. While there can be no assurance of success in our grant application, we intend to pursue this and other research and development grants to extend the reach and application of our SPM technology.

Visualant licensee Javelin LLC, as previously announced, is investigating environment applications of SPM technology. They are focused on detecting minute amounts of oil in water and water in aviation fuel among other target markets. Javelin performed a laboratory test where they successfully differentiated between ten vodkas. That was a stunning result which has applicability to their broad environmental diagnostic work with our SPM technology.

The acquisition of TransTech closed on June 8, 2010, and provides Visualant with approximately \$10 million in annual revenues. The TransTech acquisition was financed by a three year promissory note. The note is to be paid off over 3 years, in annual installments, the first of which was paid on June 8, 2011. The remaining two payments are due in 2012 and 2013.

In early April of this year TransTech participated in the largest security industry show in the US, the International Security Show and Exposition, in Las Vegas. TransTech's participation in the show was a great success. In addition to show-casing the various products distributed by TransTech, the Visualant SPM technology was demonstrated to a number of potential partners and end users.

In addition to participating in a number of industry trade shows and events, TransTech was busy expanding the reach and revenue of its business and is pleased to announce the following milestones this past quarter:

- A distribution agreement with Farpointe for their Access Card Programmer;
- The incorporation of access card programmer into ID card printers;
- The introduction of private labeling of ID badge bundles and supply kits for their 300 plus dealer network;
- The TransCam ID capture solution for rapid and secure ID badge creation;
- The launch of their BadgePros site at [www.badgepros.com](http://www.badgepros.com) to provide technical support and information to their large dealer network; and,

- Jim Gingo, TransTech President and Visualant Board Member, continues his active involvement on the Executive Committee of the Security Industry Association. Jim currently serves as its Treasurer.

We are working hard on behalf of all of our shareholders. Our future is bright. You will find updated information at the Visualant website at [www.visualant.net](http://www.visualant.net).

We encourage you to visit our website and sign up to receive information from your Company. Please do not hesitate to be in touch with us if you have any questions.

Sincerely,

Ron Erickson  
Chief Executive Officer

**About Visualant, Inc.**

Visualant, Inc. (OTCBB:VSUL and [www.visualant.net](http://www.visualant.net)) develops low-cost, high speed, light-based security and quality control solutions for use in homeland security, anti-counterfeiting, forgery/fraud prevention, brand protection and process control applications. Our patent-pending technology uses controlled illumination with specific bands of light, to establish a unique spectral signature for both individual and classes of items. When matched against existing databases, these spectral signatures allow precise identification and authentication of any item or substance. This breakthrough optical sensing and data capture technology is called Spectral Pattern Matching (“SPM”). SPM technology can be miniaturized and is easily integrated into a variety of hand-held or fixed mount configurations, and can be combined in the same package as a bar-code or biometric scanner.

Through its wholly owned subsidiary, TransTech Systems, Inc. ([www.ttsys.com](http://www.ttsys.com)), the Company provides security and authentication solutions to security and law enforcement markets throughout the United States.