



**FOR IMMEDIATE RELEASE**

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**Visualant Issues Shareholder Letter**

Seattle, WA. – March 29, 2011, Visualant, Inc. (OTCBB: VSUL), a pioneer provider of industry-leading color based identification and diagnostic solutions, issued the following shareholder letter:

March 29, 2011

Dear Visualant Shareholders:

As we come to the close of the second quarter of our fiscal year (March 31), I wanted to take this opportunity to highlight some of the progress Visualant has made in recent months. We are excited to report that we are seeing an increasing variety and number of applications for our proprietary Spectral Pattern Matching technology.

First, I would like to acquaint our newer shareholders with some of Visualant's fundamentals. As many of you know, the core of our business is based upon our proprietary Spectrum Pattern Matching ("SPM") technology. The technology was created by Dr. Tom Furness and Dr. Brian Schowengerdt with assistance from a small group of smart young technologists. Our SPM technology allows us to map color at the photon level with our proprietary scanner and, with our proprietary algorithms, place that mapping in a database. We can then use the information in the database to authenticate or diagnose. As an authenticator SPM technology can guard against and detect identity crime, forgery, counterfeiting, and other frauds. As a diagnostic device SPM technology has applications in medical, agricultural and environmental diagnostics.

We see color as nature's fingerprint. Everything in nature has color.

The Visualant SPM scanning device has over 700 color receptors which permit it to see and map color that humans can see and colors outside of the humanly visible portion of the color spectrum. As human beings, we see a lot of color, but we do not see all the colors in nature. As humans, we have three color receptors (red, blue and green) in our eyes. They allow us to see fairly well. Other species see more color than we do. A shrimp, for example, has 17 color receptors in its eyes. A bumblebee has 32 color receptors in its eyes. These and other species need their special ability to see color.

So, what can the SPM technology see? It can see distinct differences that are not discernible by humans. The SPM technology sees what you and I cannot see. For example, in our lab we did an experiment with twenty vials of different white powders. The white powders all look the same to the human eye. With our SPM technology we can differentiate between various brands of baking soda that look the same to our

eye. This past week SPM technology determined the difference between ten different vodkas, which were visually indistinguishable from one another.

The vodka test was performed by Javelin LLC, who has entered into a license agreement with Visualant to exploit environmental related applications for the SPM technology. They are initially looking for the presence of oil in water and adulterates in oil among other applications. We announced that license early in this quarter. We believe it will be the first of many license agreements.

In addition to working on exploring new applications for the Visualant SPM technology, we are also growing the business of our distribution arm, TransTech Systems, Inc. of Aurora, OR. We have announced several significant contracts that have been won by TransTech. TransTech management, led by President Jim Gingo and Jeff Kruse, head of Sales and Marketing, continue to grow their business.

Early in the quarter we announced a letter of intent to acquire Eagle Technology of Brea, CA. Eagle will provide products for the TransTech channel of distribution and will bring enhanced revenues as well. We are working on due diligence on Eagle and plan to close on that acquisition next quarter.

Visualant will have its annual shareholders' meeting soon. You will shortly be receiving a notice of that meeting. With the quarter ending on March 31, 2011, you will see our quarterly report filed on or before May 15.

We will continue to provide these periodic updates to our shareholders. We will post these on the Visualant website at [www.visualant.net](http://www.visualant.net). If we have an email address for you, we will send you a copy of these newsletters electronically. We want to remind you that if you have not already done so, please enter your email and other information on the form on the website at: <http://visualant.net/contactus.html>.

Thank you for your continuing support of Visualant.

Please do not hesitate to contact the Company if you have any questions.

Sincerely,

Ron Erickson  
Chairman and 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., the Company provides security and authentication solutions to security and law enforcement markets throughout the United States.