



Naturally Advanced Technologies and Hanesbrands Inc. Enter Multiphase Joint Development Agreement for Organic-Fiber Commercialization

- Jointly developing a processing facility to produce organic apparel-grade fiber in first phase –
 - To determine commercialization and marketing plan in second phase –
 - Management schedules conference call on Tuesday, August 11, 2009 -

Portland, Oregon, August 4, 2009– Naturally Advanced Technologies Inc. (NAT, OTCBB: NADVF, TSXV: NAT) has entered into a multiphase joint development agreement with Hanesbrands Inc. (NYSE: HBI), that will allow Crailar® Organic Fibers technology to be processed for use in commercial apparel knit products made by Hanesbrands.

NAT, using technology developed with and licensed from The National Research Council of Canada (NRC), and Hanesbrands, a leading producer and marketer of innerwear, outerwear and hosiery apparel, will retrofit existing dyeing equipment at a Hanesbrands facility to develop a commercially viable use of the 100 percent organic fiber.

“We are eagerly working with NAT to incorporate Crailar Organic Fibers into our production process,” stated Michael Faircloth, Hanesbrands’ vice president of global supply chain support. “Our interest in developing Crailar’s potential for applications in the knit apparel market grew out of the impressive performance-enhancement characteristics it demonstrates, as well as the economic and environmental benefits it offers.”

“The agreement with Hanesbrands is a significant step in our plan to commercialize Crailar Organic Fibers, a technology that employs a 100 percent organic process that uses hemp as its feedstock,” stated Ken Barker, CEO of NAT. “As previously announced, Crailar Organic Fibers were successfully spun on existing cotton systems at North Carolina State University in tests that were sponsored by Hanesbrands. These tests demonstrated the evolution of hemp fiber from a niche market alternative to a mainstream solution. Now Hanesbrands is taking action to develop an in-house facility in North Carolina for processing Crailar Organic Fiber. We are very excited to continue working with Hanesbrands in this next phase of our partnership, which will include technology development, marketing initiatives and commercialization planning.”

Phase One: Development

- Jointly develop a processing facility to produce organic apparel-grade fiber for use in commercial apparel products.
- Establish the Technology Development Plan that will specify deliverables.

Phase Two: Commercialization

- Develop coordinated marketing plan for Crailar.
- Determine and execute an integrated commercialization plan that maximizes the supply chain.

The JDA was effective as of June 22nd, 2009 and carries a 30-day cancellation clause by either party.

Conference Call

Management will host a live conference call and interactive webcast presentation providing a company update on recent corporate developments on Tuesday, August 11, 2009 at 10:00 a.m. Pacific Time. Ken Barker, chief executive officer, will deliver a slide presentation followed by an interactive question and answer session. Event details follow:

- To view the slide presentation and participate via the web, you may pre-register via the following link: <http://www.naturallyadvanced.com/s/Investors.asp>.
- To participate via telephone, please dial 866-454-4209, or 913-312-9305 for international callers and mention password #9484209. We recommend dialing in at least 5-10 minutes before the presentation start time.
- If you are unable to participate during the live webcast and call, it will be available for replay for 90 days at <http://www.naturallyadvanced.com/s/Investors.asp>. The telephone replay will be available until midnight Eastern Time, August 13, 2009 by dialing 888-203-1112, or 719-457-0820 for international callers, and entering password #9484209.

About Hanesbrands Inc.

Hanesbrands Inc. is a leading marketer of innerwear, outerwear and hosiery apparel under strong consumer brands, including *Hanes*, *Champion*, *Playtex*, *Bali*, *Just My Size*, *barely there* and *Wonderbra*. The company designs, manufactures, sources and sells T-shirts, bras, panties, men's underwear, children's underwear, socks, hosiery, casualwear and activewear. Hanesbrands has approximately 45,000 employees in more than 25 countries. More information may be found on the company's Web site at www.hanesbrands.com.

About Naturally Advanced Technologies, Inc.

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 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. See www.naturallyadvanced.com

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Forward Looking Statement Disclaimer

This news release includes certain statements that may be deemed "forward-looking statements". All statements in this news release, other than statements of historical facts, are forward-looking statements. Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information and including, without limitation, risks and

uncertainties relating to: any market interruptions that may delay the trading of the Company's shares, technological and operational challenges, needs for additional capital, changes in consumer preferences, market acceptance and technological changes, dependence on manufacturing and material supplies providers, international operations, competition, regulatory restrictions and the loss of key employees. In addition, the Company's business and operations are subject to the risks set forth in the Company's most recent Form 10-KSB, Form 10-QSB and other SEC filings which are available through EDGAR at www.sec.gov. These are among the primary risks we foresee at the present time. The Company assumes no obligation to update the forward-looking statements.

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