

**The Announcements Platform
ASX Limited
Sydney NSW 2000**

Supplementary Prospectus

Please find enclosed a Supplementary Prospectus dated 3 June 2009 which supplements the Company's Prospectus dated 4 May 2009.



**Alan Boys
Company Secretary
CollTech Australia Limited**

About CollTech

CollTech Australia Limited is an ASX-listed (ASX: CAU) bio-industrial company based in Perth, Western Australia. CollTech specialises in the development and commercialisation of ovine collagen products and is currently the only company in the world manufacturing and marketing this type of collagen. CollTech's OVICOLL® ovine collagen has several advantages over its bovine, porcine, 'plant' and marine competitors including:

- Disease-free – sourced from certified and fully traceable livestock
- Culturally acceptable and Halal certified – there is no known cultural or religious group that objects to the use of ovine products
- High purity and thermal stability – optimises function and reduces impurities

The company currently markets OVICOLL®|C and OVICOLL®|Clear for cosmetic applications and OVICOLL®|R for research applications.

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COLLTECH AUSTRALIA LIMITED
ABN 24 094 515 992

SUPPLEMENTARY PROSPECTUS

IMPORTANT NOTICE

This Supplementary Prospectus is dated 3 June 2009 and was lodged with the Australian Securities and Investments Commission on that date. This Supplementary Prospectus supplements the Company's Prospectus dated 4 May 2009 and must be read in conjunction with the Prospectus.

The Australian Securities and Investments Commission (**ASIC**) and ASX Limited (**ASX**) take no responsibility for the contents of this Supplementary Prospectus or the Prospectus.

Terms used in this Supplementary Prospectus have the same meaning as in the Prospectus unless otherwise defined or the contrary intention appears.

HOLISTA TRANSACTION

On 21 May 2009, the Company announced that it had executed the final contract for the purchase of all the issued ordinary shares in Holista Biotech Sdn Bhd (**Holista**). On 2 June 2009, the Company lodged a notice of meeting (**Notice of Meeting**) with ASIC and ASX for the purposes of seeking shareholder approval for the proposed transaction (**Transaction**).

Shareholders are encouraged to read the notice of meeting and the information contained therein. Copies of the Notice of Meeting will be sent to Shareholders and are available at www.asx.com.au and www.colltech.com.au. Alternatively, investors and their professional advisors are able to obtain a copy of the Notice of Meeting free of charge by contacting the Company at its registered office during normal business hours prior to the Closing Date.

The Transaction is subject to shareholder approval and there remains the residual risk that Shareholders may not approve it. In the event Shareholder approval is not obtained, and in the absence of alternatives, the Company may be required to raise further working capital to ensure that it continues as a going concern. In the current capital market, this would likely result in the raising being at a significant discount to the market price for Shares and a significant dilution to existing Shareholders.

INCORPORATION OF NOTICE OF MEETING

The information contained in the Notice of Meeting is incorporated by reference into this Supplementary Prospectus pursuant to section 712 of the Corporations Act and which supplements and must be read together with the Prospectus. The information contained in the Notice of Meeting, which will be primarily of interest to investors and their professional advisors and analysts, is summarised below. The sections referred to below are a reference to sections in the Notice of Meeting.

The summary has been provided to assist investors and their professional advisors in determining whether, for the purposes of making an informed investment decision in relation to the Shares, they should obtain a copy of the Notice of Meeting.

Section 1 – Overview of the Transaction

Section 1 provides an overview of the Transaction and the effect that it will have on the Company.

Section 2 – Rationale for the Transaction

Section 2 provides an overview of the rationale for the Transaction including the development of the Company's capabilities and the synergies that will flow from the Transaction.

Section 3 – Overview of the Holista Group

Section 3 provides an overview of Holista and its subsidiaries (**Holista Group**) and the Holista Group's financial information, ownership, main business operations, directors and key personnel.

Section 4 – Overview of the Company

Section 4 provides an overview of the Company, its main business operations, directors, substantial shareholders and capital structure.

Section 5 – Impact on the Company’s financial position

Section 5 provides an overview of the Company’s financial position, the impact of the Transaction on the Company’s financial position and the costs of the Transaction.

Section 6 – Impact of Company’s capital structure and level of control

Section 6 provides an overview of the Company’s current capital structure and the effect of the Transaction on the Company’s capital structure.

Section 7 – Directors and management

Section 7 provides an overview of the Company’s current Directors, the proposed new Directors and the composition of the Board after completion of the Transaction.

Section 8 – Corporate Governance

Section 8 provides an overview of the Company’s Board Charter, Constitution and Code of Conduct and their effect on future dealings between the Company, Dato’ Dr M Rajendran (**Vendor**) and any nominee Director.

Section 9 – Intentions of the Vendor

Section 9 provides an overview of the Vendor’s intentions with respect to the Company after completion of the Transaction.

Section 10 –Key risks

Section 10 provides an overview of the general risks in relation to an investment in the Company, as well as risk relating specifically to the Company and risks relating specifically to Holista.

Section 11 – Key implications and risks of the Transaction

Section 11 provides an overview of the risks associated with the Transaction proceeding and the risks associated with the Transaction not proceeding.

Section 12 – Independent Expert’s Report

Section 12 contains a summary of the report (**Independent Expert’s Report**) prepared by Grant Thornton (WA) Financial Services Pty Ltd (**Independent Expert**) which assesses whether the Transaction is fair and reasonable to Shareholders who are not associated with the Transaction.

Section 13 – Directors’ recommendations

Section 13 sets out the Directors recommendations in relation to each resolution contained in the Notice of Meeting.

Section 14 – Additional Information relating to the Resolutions

Section 14 contains additional information in relation to each resolution which the Company is required to provide in accordance with the Corporations Act and ASX Listing Rules.

Annexure A – Summary of Share Sale Agreement

Annexure A contains a summary of the share sale agreement between the Company and the Vendor dated 21 May 2009.

Annexure C – Summary of terms of Holista Redeemable Preference Shares

Annexure C contains a summary of the terms of the 3,000 Redeemable Preference Shares in Holista on issue which are not being acquired by the Company as part of the Transaction and which will be retrained by the Vendor.

Annexure D – Independent Expert’s Report

Annexure D contains the Independent Expert’s Report which assesses whether the Transaction is fair and reasonable to Shareholders who are not associated with the Transaction.

INDEPENDENT EXPERT'S AND AUDITOR'S CONSENT

Grant Thornton (WA) Financial Services Pty Ltd has given its consent to be named in this Supplementary Prospectus as the Independent Expert in the form and context in which it has been named and to the incorporation by reference into this Supplementary Prospectus of the Independent Expert's Report in Annexure D of the Notice of Meeting in the form and context in which it is included and has not withdrawn that consent prior to lodgement of this Supplementary Prospectus with ASIC.

HLB Mann Judd has given its consent to be named in this Supplementary Prospectus in the form and context in which it has been named and to the incorporation by reference into this Supplementary Prospectus of references to the Company's reviewed financial accounts as at 31 December 2008 and audited financial accounts for the financial years ending 30 June 2008 and 30 June 2007 in section 5 of the Notice of Meeting in the form and context in which they are included and has not withdrawn that consent prior to lodgement of this Supplementary Prospectus with ASIC.

Grant Thornton (WA) Financial Services Pty Ltd and HLB Mann Judd:

- has not caused or authorised the issue of this Supplementary Prospectus;
- does not make, or purport to make, any statement in this Supplementary Prospectus other than those referred to in the above paragraphs; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Supplementary Prospectus other than a reference to its name and statement included in this Supplementary Prospectus with its consent as specified in the above paragraphs.

DIRECTORS' CONSENT

Each of the Directors of the Company has consented to the lodgement of this Supplementary Prospectus with the Australian Securities and Investments Commission.

Signed on behalf of the Directors pursuant to a resolution of the Board.

A handwritten signature in black ink, appearing to read 'M. Pixley', written over a horizontal line.

Michael Pixley
Director