



Press Release

FOR IMMEDIATE RELEASE

Contacts:

Dr. Wayne Danter, President & CSO
519-858-5157
wdanter@criticaloutcome.com

Michael Barr, Director of Marketing &
Business Development
519-858-5157
mbarr@criticaloutcome.com

CRITICAL OUTCOME TECHNOLOGIES INC. REPORTS THIRD QUARTER 2007 FINANCIAL RESULTS

London, Ontario (April 2, 2007): Critical Outcome Technologies Inc. (TSX Venture: COT) today announced its financial results for the third quarter ended January 31, 2007. There were no revenues from operations during the quarter as the Company reported a net loss for the period of \$501,305 or \$0.01 per share compared to a net loss of \$66,788 or \$0.01 per share for the three months ended January 31, 2006. There were two major expenses in the quarter which accounted for the majority of the increased loss over the comparable period in 2006; a non-cash expense for stock option compensation recorded in the amount of \$213,705 resulting from the announcement of stock options granted in January 2007 and \$97,940 in synthesis costs incurred for its multiple sclerosis molecules.

Revenues from operations for the first nine months ending January 31, 2007 were \$2,500. A net loss of \$766,026 or \$0.03 per share was incurred for this period compared to a net loss of \$160,309 or \$0.02 per share in the comparable period in 2006. These year to date results reflect the increased business activity of the Company in fiscal 2007, as it put infrastructure in place focused on moving its molecular libraries forward.

On January 16th the Company successfully closed a \$1,000,000 private placement which raised net proceeds of \$984,518. "This financing built upon the major financing we closed on October 11, 2006 and combined with those proceeds of \$2,178,386 provides the financial capacity to move our molecular libraries forward through our development cycle in a substantial way," stated Dr. Wayne Danter, President & CSO.

At January 31, 2007 the Company had \$2,534,008 in cash and cash equivalents.

Highlights during the quarter included:

- On November 7th the Company completed the discovery, optimization and final selection of its library of lead compounds for the oral treatment of acute multiple sclerosis. The compounds were engineered to be orally available, have low toxicity, cross the blood brain barrier and

selectively inhibit Vascular Endothelial Growth Factor (VEGF-R) and Platelet Derived Growth Factor (PDGF-R) receptor kinases. The process of synthesizing these compounds was also started in early November with Dalton Pharma Services.

- On January 23rd the Company through its interest in DDP Therapeutics (formerly 6441513 Canada Inc.) received promising preliminary results regarding *in vitro* drug resistance in Lung Cancer cell lines for the first 3 small cell lung cancer lead molecules.

About Critical Outcome Technologies Inc. (COTI)

COTI is formed around a unique computational platform technology called CHEMSAS[®], which allows for *the accelerated* identification, profiling and optimization of targeted small molecules potentially effective in the treatment of human diseases for which current therapy is either lacking or ineffective. COTI's business is focused on the discovery and pre-clinical development of libraries of optimized lead molecules for the treatment of specific cancers, HIV and multiple sclerosis. Currently, five targeted libraries of lead compounds (small cell lung cancer, multiple sclerosis, HIV integrase inhibitors, colorectal cancer, and acute myelogenous leukemia in adults) are under active development.

For more information on COTI, visit www.criticaloutcome.com

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Critical Outcome Technologies Inc.
(a development stage company)
Interim Balance Sheets
Unaudited

	January 31, 2007	April 30, 2006
Assets		
Current assets:		
Cash	\$ 2,534,008	\$ 170,464
Other receivables	69,162	8,842
Prepaid expenses and deposits	79,515	5,241
	2,682,685	184,547
Equipment (note 4)	23,174	33,766
Patents (note 5)	95,982	68,727
Trademark (note 6)	1,088	1,740
Investment in 6441513 Canada Inc (note 7)	1	1
	\$ 2,802,930	\$ 288,781
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 101,532	\$ 171,266
Due to shareholders (note 8)	109,377	127,194
Notes payable and other advances (note 9)	20,000	45,000
Current portion of capital lease obligations (note 10)	4,867	16,128
	235,776	359,588
Capital lease obligations (note 10)	41,514	33,525
Shareholders' equity		
Share capital and warrants (note 11)	3,771,595	576,292
Contributed surplus (note 13)	464,751	251,000
Deficit	1,710,706	931,624
	2,525,640	(104,332)
Commitments (note 17)		
Subsequent events (note 19)		
	\$ 2,802,930	\$ 288,781

See accompanying notes to unaudited interim financial statements

Critical Outcome Technologies Inc.
(a development stage company)
Interim Statements of Operation and Deficit
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 31,		January 31,	
	2007	2006	2007	2006
Revenues:				
Contract services	\$ -	\$ -	\$ -	\$ 30,000
Screening services	-	2,500	2,500	2,500
	-	2,500	2,500	32,500
Expenses:				
Salaries and benefits	103,174	43,500	275,497	105,061
Stock option compensation (note 12)	213,705	-	213,705	-
Professional fees	40,237	7,408	99,433	33,552
Synthesis costs	97,940	-	97,940	-
Marketing	29,399	1,329	80,455	3,689
Amortization of furniture & equipment	7,339	8,919	21,672	13,634
Research and product development	278	9,000	15,350	18,000
Office and general	3,481	977	14,233	3,525
Rent	3,206	1,467	12,461	10,267
Computer expense	6,941	1,780	12,032	7,848
Interest and bank charges	834	1,339	8,304	3,229
Corporate Governance	5,867	-	5,867	-
Insurance	2,888	-	2,888	-
Amortization of trademark	218	218	653	653
Education and training	189	-	189	-
Reorganization costs	-	-	(500)	-
	515,696	75,937	860,179	199,458
Loss before other income	515,696	73,437	857,679	166,958
Other income				
Investment tax credit refund (note 14)	-	6,320	75,050	6,320
Interest income	14,391	329	16,603	329
	14,391	6,649	91,653	6,649
Loss	501,305	66,788	766,026	160,309
Deficit, beginning of the period	1,208,709	434,216	931,624	340,695
Net book value of Aviator Petroleum Corp on amalgamation	(692)	-	(13,056)	-
Deficit, end of the period	\$ 1,710,706	\$ 501,004	\$ 1,710,706	\$ 501,004
Basic and diluted loss per common share	\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.02
Weighted average number of common shares outstanding	35,088,419	9,280,000	27,477,437	8,765,507

See accompanying notes to unaudited interim financial statements

Critical Outcome Technologies Inc.
(a development stage company)
Interim Statements of Cash Flows
(Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2007	2006	2007	2006
Cash provided by (used in):				
Operating activities:				
Loss	\$ 501,305	\$ 66,788	\$ 766,026	\$ 160,309
Items not involving cash:				
Stock option compensation	213,705	-	213,705	-
Amortization of trademark	217	218	653	653
Amortization of equipment	7,339	8,919	21,672	13,634
Net cash acquired on amalgamation with Aviator Petroleum	(692)	-	(13,056)	-
Change in non-cash operating working capital	(380,604)	62,398	(204,329)	56,889
	(661,340)	4,747	(747,381)	(89,133)
Investing activities:				
Additions to furniture and equipment	(11,080)	-	(11,080)	-
Additions to patents	(8,295)	(4,902)	(27,255)	(21,852)
	(19,375)	(4,902)	(38,335)	(21,852)
Financing activities:				
Issue of common shares & warrants (net)	1,016,917	-	3,195,303	99,999
Cash on amalgamation with 1336554 Ontario Inc	-	-	46	-
Issue of preference shares	-	-	-	1
Note payable and other advances	-	-	(25,000)	-
Repayment of obligation under capital lease	4,683	-	(3,272)	(1,540)
Due to shareholders	(44,476)	10,847	(17,817)	21,626
	977,124	10,847	3,149,260	120,086
Increase in cash	296,409	10,692	2,363,544	9,101
Cash, beginning of the period	2,237,599	229	170,464	1,820
Cash, end of the period	\$ 2,534,008	\$ 10,921	\$ 2,534,008	\$ 10,921
Supplemental cash flow information:				
Interest expense paid	\$ 8	\$ -	\$ 2,351	\$ -

See accompanying notes to unaudited interim financial statements