Press Release

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. REPORTS FINANCIAL RESULTS FOR THE FOURTH QUARTER AND THE YEAR ENDED APRIL 30, 2009

London, Ontario (July 15, 2009): Critical Outcome Technologies Inc. (TSX Venture: COT) today announced its financial results for the fourth quarter and the year ended April 30, 2009.

Business Highlights

"Critical Outcome Technologies Inc. (COTI) has made substantial progress in just our second full year of operations as a public company," said Mr. Michael Cloutier, Chief Executive Officer of COTI. "We have worked hard to raise awareness of our technology and its capabilities with major pharmaceutical companies and announced our second collaboration agreement during the year."

Selected business highlights for the year include:

- Continued positive preclinical test results for COTI-2, including greater than additive benefits in combination therapy with conventional first line single agent therapies, for the treatment of endometrial, colon and non-small cell lung cancer (NSCLC). These results broaden the treatment base beyond the initial indications for small cell lung cancer and brain cancer, and enhance COTI-2's licensing appeal to pharmaceutical companies.
- Established a co-development agreement for HIV-1 integrase inhibitor molecules with a major multinational pharmaceutical company. The agreement demonstrates the broad capability of the CHEMSAS® technology for various therapeutic indications and represents the Company's second collaboration project.
- Progressed in the development of other oncology compounds, particularly COTI-4 and COTI-219, to make them ready for licensing discussions in fiscal 2010.
- Filed three new patent applications; two related to COTI-2 and one for COTI-4.

Financial Review

Fourth Quarter

The Company reported a net loss for the quarter ended April 30, 2009 (Q4 2009) of $1,336,945 or $0.03 per share compared to a net loss of $612,542 or $0.02 per share for the three months ended April 30, 2008 (Q4 2008). This increased loss year over year of $724,403 related primarily to non-cash expenses of $449,503. The major cash expense increases occurred in research and product development (R&D) of $195,131 and higher salaries and benefits of $141,390. These increased costs were partially offset by

professional fees which decreased by $34,500. Revenue from the Company's collaboration agreement activities totaled $29,972 during Q4 2009 compared to no revenue in Q4 2008.

Fiscal Year

Revenue from operations for the year ending April 30, 2009 (FYE 2009) was $49,158 compared to $30,822 in the year ended April 30, 2008 (FYE 2008). A net loss of $3,919,019 or $0.08 per share was incurred for FYE 2009 compared to a net loss of $1,902,372 or $0.05 per share in FYE 2008. This increased loss of $2,016,647 resulted primarily from the higher level of R&D activities during the year.

Operating expenses increased from $2,160,472 for FYE 2008 to $4,144,520 for FYE 2009, an increase of $1,984,048. The major cash expenditures responsible for this increase were R&D, salaries and benefits. R&D increased $972,389 with the majority of this expense focused on synthesis and testing of COTI-2, the Company's lead cancer compound. Salaries and benefits increased $172,783 primarily reflecting additional staffing as the Company put in place the personnel and business processes necessary to support these R&D efforts.

During the year, the Company realized net proceeds of $633,936 on the exercise of warrants to provide funding for operations. At April 30, 2009, the Company had $3,652,459 in cash, cash equivalents and short-term investments that are expected to provide sufficient funding for fiscal 2010 spending plans but will require the Company to seek additional sources of funding for subsequent years. In this regard, the Company announced on June 10, 2009 that it was undertaking a private placement to raise up to $5,500,000.

More detailed operating and financial results can be found in the Company's annual audited financial statements and Management's Discussion and Analysis for the year ended April 30, 2009, which can be found on SEDAR at www.sedar.com.

Product Development Highlights

"Our unique lead oncology compound, COTI-2, continues to provide positive test results in preclinical testing and to generate licensing interest based upon these results. We believe the ongoing development of COTI-2, as we move forward to complete the enabling research for a New Drug Submission and the start of the Phase 1 clinical trial, combined with the successful delivery of other drug candidates under collaboration agreements, will lead to revenue opportunities to enhance shareholder value in fiscal 2010", said Dr. Wayne Danter, President and Chief Scientific Officer of COTI.

Selected product development highlights include:

In May 2008 - announced that patents to its novel drug candidates for the treatment of acute leukemias had been granted by the European Patent Office.

In June 2008 – announced confirmatory experimental results identified a novel and potentially first in class mechanism of action for COTI-2. Experiments conducted in triplicate confirmed that COTI-2 has a profound effect on caspase-9 activation through inhibition of Akt/PKB. The resulting activation of caspase 9 leads to a vigorous apoptosis or programmed cell death in cancer cells.

In July 2008 - announced positive preclinical test results for the cellular mechanism of action of COTI-219 and the completion of synthesis of COTI-4A (an analog of COTI-4).

In February 2009 – announced the results of a series of in vitro experiments using COTI-2 alone and in combination with either Tarceva or Erbitux in seven different human cancer cell lines representing colon cancer and NSCLC. These tests indicated that COTI-2, as a single agent, inhibited proliferation of human colon cancer cell lines (HCT-15, HCT-116, HT-29, COLO-205, and SW620) and human NSCLC cell lines (H292 and H1975) at concentrations in the nanomolar range. In combination with either Tarceva or Erbitux, there was a greater-than-additive capacity to reduce growth in all five colon cancer lines regardless of KRAS status. Further, in combination tests with Tarceva there was an additive or greater-than-additive capacity to reduce growth in both NSCLC cell lines.

In May 2009 – announced that COTI-2 in intravenous combination testing with paclitaxel, the conventional first line single agent therapy for the treatment of endometrial cancer, showed superior test results compared to paclitaxel alone as measured by an improved tumor regression rate, an improved survival rate and delayed tumor growth in an animal model of aggressive human endometrial cancer (AN3CA).

Annual General Meeting Announcement

COTI's Annual Meeting of Shareholders will be held on Thursday, September 10, 2009 at 9:30 a.m. at The London Club, 177 Queens Avenue, London, Ontario.

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. Currently, six targeted libraries of lead compounds are under active development; small cell lung cancer, multiple sclerosis, HIV integrase inhibitors, adult acute leukemia, colorectal cancer and alzheimer's disease.

For more information on COTI, visit www.criticaloutcome.com or contact us at 519-858-5157 or e-mail:

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Forward-looking Statements

Information contained in this press release may contain certain statements, which constitute "forward looking statements" within the meaning of the Securities Act (Ontario) and applicable securities laws. These forward-looking statements, by their nature, are not guarantees of future performance and are based upon COTI's current expectations, estimates, projections and assumptions, which it considers reasonable. COTI operates in a highly competitive and regulated environment that involves significant risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. Information in this press release should be considered accurate only as of the date of the release and may be superseded by more recent information disclosed in later press releases, filings with the securities regulatory authorities or otherwise.

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