

## FOR IMMEDIATE RELEASE

### **TD2 AND CRITICAL OUTCOME TECHNOLOGIES INC. DEVELOP NOVEL ANTI-CANCER DRUG**

#### **World renowned clinical oncologist and TGen Drug Development chosen to lead drug development program for COTI-2**

**SCOTTSDALE, Arizona, and LONDON, Ontario — January 12, 2010** — TGen Drug Development (TD2) and Critical Outcome Technologies Inc. (COTI) (TSXV:COT) announced today that they will work together to obtain approval of clinical trials for a promising new anti-cancer drug called COTI-2.

This easily synthesized small molecule compound was discovered and developed by COTI of London, Ontario, Canada. This working relationship resulted through the expanded relationship between Canadian companies and the Phoenix-based Translational Genomics Research Institute (TGen).

TD2, TGen's Scottsdale-based drug-development subsidiary, will work with COTI to complete the Investigational New Drug (IND) enabling research necessary to gain U.S. Food and Drug Administration approval of clinical trials, perhaps by the end of 2010, and eventually move the drug to market where it can benefit patients.

COTI-2 works by inducing a brisk apoptotic response — the cancer cell kills itself — by targeting a pro-survival enzyme family called AKT. Initial tests have shown that COTI-2 can limit the growth of tumors in several types of cancer without the toxic side effects seen in other AKT inhibitors. It also may be even more effective when used in combination with other anti-cancer drugs.

"While traditional cancer chemotherapy is frequently limited by significant toxic side effects, it is drug candidates like COTI-2 that represent a new generation of less toxic drugs with good anti-tumor activity," said Dr. Wayne Danter, COTI's President and Chief Scientific Officer.

COTI-2's development will be guided by Dr. Daniel Von Hoff, TGen's Physician-In-Chief and Senior Investigator of TGen's Clinical Translational Drug Division. Dr. Von Hoff has led the development of numerous successful cancer therapies. Dr. Von Hoff's biography can be found at [www.tgen.org/research/index.cfm?pageid=77&peopleid=65](http://www.tgen.org/research/index.cfm?pageid=77&peopleid=65).

"I am delighted about our participation in the continued development of this interesting new agent with what appears to be a highly desirable mechanism of action," said Dr. Von Hoff. "I am very hopeful that

COTI-2 will have a therapeutic impact in patients with tumors that are non-responsive to conventional therapeutic agents across a number of cancer indications."

Researchers hope to demonstrate that this oral pill will be especially beneficial for patients with small-cell lung cancer (SCLC), endometrial cancer and ovarian cancer, but may also help treat those with colorectal and pancreatic cancers. Collectively, these treatments could represent a worldwide market of more than \$20 billion by 2018.

"We are ready to move this exciting new agent to patients quickly and to identify patients most likely to benefit from COTI-2," said Dr. Steve Gately, TD2's President and Chief Scientific Officer.

"We are delighted to have the expertise of such a well respected individual as Dr. Von Hoff," said Mr. Michael Cloutier, Chief Executive Officer of COTI. "We believe that affiliating the development of COTI-2 with the scientific expertise of TD2 and Dr. Von Hoff will greatly assist in our commercial efforts. We value the partnership we have with TD2, which allows us to proceed with this program in a step wise fashion as resources become available."

The relationship between TD2 and COTI was initiated at BioPartnering North America 2008 thanks to the Canadian Consulate-Phoenix, which sponsored TGen's participation at the conference. The Canadian Consulate-Phoenix plays a key role in making strategic introductions across Arizona's universities, research facilities, local communities and commercial companies.

"I am thrilled to see this new drug development collaboration between TD2 and an emerging Canadian biotechnology company. The Canada Arizona Business Council hopes that many more will be done," said R. Glenn Williamson, Chief Executive Officer and Founder of the Canada Arizona Business Council.

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### **About TGen Drug Development (TD2)**

TGen Drug Development (TD2), a wholly owned subsidiary of the Translational Genomics Research Institute (TGen), is a 501(c) 3 non-profit organization. TD2 provides innovative services for oncology-focused biopharmaceutical companies utilizing a dedicated team of professionals with broad experience and understanding in drug development. TD2 is uniquely positioned to support the need for improved and accelerated development of new chemical entities (NCE's) for life-threatening diseases. TD2 utilizes a unique combination of experience gained through its contract research organization business, and an integrated suite of proprietary and non-proprietary tools, preclinical study execution, regulatory affairs assistance, clinical trial design and management, and drug development experts to successfully move therapeutics towards regulatory approval. TD2 is dedicated to reducing the risks and uncertainty inherent in the drug development process. [www.td2.org](http://www.td2.org)

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### **About TGen**

The Translational Genomics Research Institute (TGen) is a Phoenix, Arizona-based non-profit organization dedicated to conducting groundbreaking research with life changing results. Research at TGen is focused on helping patients with diseases such as cancer, neurological disorders and diabetes. TGen is on the cutting edge of translational research where investigators are able to unravel the genetic

components of common and complex diseases. Working with collaborators in the scientific and medical communities, TGen believes it can make a substantial contribution to the efficiency and effectiveness of the translational process. TGen is affiliated with the Van Andel Research Institute in Grand Rapids, Michigan. For more information, please visit: [www.tgen.org](http://www.tgen.org).

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**About COTI-2**

COTI-2 is a novel small molecule that acts by inhibition of Akt/PKB (Protein kinase B) phosphorylation that leads to caspase-9 activation in cancer cells resulting in apoptosis or programmed cell death. COTI-2 is easily synthesized and has good *in vitro* and *in vivo* efficacy against multiple cancers including small cell lung, non-small cell lung, colon, brain, ovarian, endometrial and pancreatic cancers. These markets could represent a market size of more than \$21 billion by 2018. COTI-2 test results show it to be highly effective as a single agent therapy and as a combination therapy in a number of animal models of human cancers. COTI-2 differs from other cancer treatments in that other treatments involve the killing of all growing and dividing cells in the body resulting in significant toxic side effects while COTI-2 appears to target and destroy cancer cells only and has demonstrated low toxicity in normal human cells compared to human cancer cells. The combined scientific evidence indicates that COTI-2 is an ideal agent for combination therapy with current standard agents for a number of cancers. COTI is currently evaluating partners to share in the risk/reward of development via a licensing agreement for COTI-2. To request a non-confidential data package or discuss a partnership concerning COTI-2 please contact Michael Barr, Director of Business Development and Marketing at [mbarr@criticaloutcome.com](mailto:mbarr@criticaloutcome.com).

**About Critical Outcome Technologies Inc. (COTI)**

COTI is a drug discovery and preclinical drug development company 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 and other cancers, multiple sclerosis, HIV integrase inhibitors, adult acute leukemia, colorectal cancer and Alzheimer's disease. For more information, please visit [www.criticaloutcome.com](http://www.criticaloutcome.com).

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