



Press Release

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. TO RECEIVE FUNDING CONTRIBUTION THROUGH NRC-IRAP

London, Ontario (June 29, 2010): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT), announced today that it has signed a Contribution Agreement that provides non-repayable funding of up to \$300,000, in addition to technical and business oriented advisory services, with the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP). The funding is to support a project to develop novel multi-kinase targets for the treatment of acute myelogenous leukemia (AML).

“We are very appreciative of this support from NRC-IRAP, as it is an important part of the funding for advancing the development of a potential treatment for this highly lethal leukemia,” stated Dr. Wayne Danter, President and CSO of COTI.

The project has an estimated total cost of \$955,470 and is expected to last 16 months. The Company has been developing its AML program for a number of years and holds patents on three scaffolds over two patents in each of Europe and the United States, with Canadian approval anticipated in fiscal 2011. This funding will assist the Company to advance this project with a goal of a lead compound being ready for licensing in 2012.

Notice to Readers

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. For example, the statement “This funding will assist the Company to advance this project with a goal of a lead compound being ready for licensing in 2012” is a forward-looking statement. Forward-looking statements, by their nature, are not guarantees of future performance and are based upon management’s current expectations, estimates, projections and assumptions. COTI operates in a highly competitive environment that involves significant risks and uncertainties which could cause actual results to differ materially from those anticipated in these forward-looking statements. Management of COTI considers the assumptions on which these forward-looking statements are based to be reasonable, but as a result of the many risk factors, cautions the reader that actual results could differ materially from those expressed or implied 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.

About Acute Myelogenous Leukemia

AML is the most common type of acute leukemia, with more than 12,810 new cases and 9,000 deaths occurring each year in the United States (US) alone. The most recent Canadian data for 2006 suggests there were 1,053 new cases of AML in Canada each year. There are an estimated 2,000 new cases of AML diagnosed in the United Kingdom annually. Estimates were for approximately 84,000 cases of adult and childhood leukemia in the world's seven major pharmaceutical markets of the US, UK, France, Italy, Spain, Germany and Japan in 2006. AML's would account for 43% of these cases.

COTI's Acute Myelogenous Leukemia (AML) treatment program was designed to target several important cell-signaling enzymes called kinases. These enzymes form a cellular network responsible for a large number of important functions including cell division, cell growth and development, metabolism and cellular immunity. Approaches that are more traditional have sought to discover and develop "clean" drugs that have very good efficacy against a single cell-signaling target. COTI believes that this is the sub-optimal approach since most cancers, including leukemia, have multiple gene mutations and therefore multiple abnormal gene products like kinases. Unfortunately, the adaptive genetic machinery of cancer cells quickly finds an alternative pathway or pathways around the effects of single kinase inhibitors. As a result, resistance to chemotherapy emerges early and often. In AML, the most lethal adult leukemia, up to 40% of cases will have mutations in a particular gene known as FLT3. An abnormal gene produces an abnormal or absent cellular protein. However, in most cancers including leukemia, multiple gene mutations result in multiple kinase abnormalities. It is for this reason that COTI has undertaken an AML drug discovery project intentionally targeting multiple kinases that are important in leukemia. COTI's multi-kinase inhibitors have also been designed to be orally available, have low toxicity, and synergize with other first line agents.

About Critical Outcome Technologies Inc. (COTI)

COTI is formed around a unique computational platform technology called CHEMSAS[®], which allows for accelerated identification and optimization of targeted small molecules potentially effective in the treatment of human diseases for which current therapy is either lacking or ineffective. COTI is focused on preparing its lead anti-cancer compound, COTI-2, for an Investigational New Drug filing in the USA in 2011. In addition to COTI-2, the company has a significant preclinical pipeline targeting market opportunities such as: acute myelogenous leukemia and other cancers, multiple sclerosis, HIV integrase, and Alzheimer's disease. For further information, visit www.criticaloutcome.com.

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