

Press Release

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. SUCCESSFULLY COMPLETES CRITICAL STUDY

**COTI-2 proven to be highly selective, orally effective and well tolerated;
well positioned for clinical development.**

London, Ontario (October 20, 2011): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT) announced today the final results of recent pharmacodynamics and pharmacokinetics experiments demonstrating clear evidence of COTI-2's ability to significantly inhibit the growth of cancer cells that over express AKT/AKT2, confirming it as a promising targeted therapy candidate.

Detailed analysis of the new data confirmed that treatment with COTI-2 produced the expected changes in important proteins including GSK3 β and caspase-9 that are known to be direct phosphorylation targets for AKT/AKT2. Importantly, COTI-2 produced increased levels of activated caspase-9 which promotes apoptosis (cell suicide) in susceptible cancer cells. Moreover, the available single dose pharmacokinetic (PK) data from this study indicated that once-daily oral therapy with COTI-2 may be optimal. The detailed results will be highlighted during a podium presentation at an upcoming high profile scientific conference.

"These final results and their implications represent a significant milestone in the development of COTI-2," said Dr. Wayne Danter, COTI's Chief Executive Officer. "They strengthen our prior research, provide new insights into a specific mechanism of action and support a first-in-class distinction for this promising anti-cancer drug candidate. We have also established that COTI-2 is both highly selective and well tolerated. These results, in combination with the recently announced U.S. patent, continue to strengthen our position as we move towards its out-licensing and a pivotal commercial validation of our CHEMSAS[®] platform."

In summary, COTI-2 is an orally effective and selective allosteric modulator/inhibitor of AKT/AKT2 with a good PK profile and low toxicity. This new data in addition to previously generated results position it well for further development, including a phase 1 clinical trial.

This final data is from the first of three key studies related to the continued development of COTI-2 and is important to licensing partners as it provides specific insight into clinical development strategies for COTI-2. COTI will present this scientific data in detail at the upcoming scientific conference, Discovery on Target: Emerging Targets for the Kinase Inhibitor Pipeline held on November 2-4, 2011 in Boston, MA and will also be sharing it with prospective licensing partners at BIO Europe taking place in Dusseldorf, Germany, October 30- November 2, 2011.

COTI-2's specific cellular targeting, low toxicity, and proven efficacy support a potentially dramatic change in the treatment of cancers that over express AKT/AKT2. Over expression of AKT/AKT2 is common in a broad range of human cancers, including ovarian, endometrial, pancreatic, breast, colorectal and lung. The percent of tumors producing excess active AKT/AKT2 ranges from 20% to 100% depending on the cancer type.

Notice to Readers

Information provided 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 "as we move towards its out-licensing" is a forward-looking statement. This statement conveys the Company's efforts to secure a licensing deal, but COTI is not in a position at this time to determine when and if a deal will be finalized. Forward-looking statements, by their nature, are not guarantees of future performance and are based upon management's current expectations, estimates, projections and assumptions. Risks that could impact on these forward-looking statements are outlined in the Company's annual information form. 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.

About Critical Outcome Technologies Inc. (COTI)

COTI is a leading-edge company specializing in accelerating the discovery of small molecules thus enabling these new drugs to be brought to market in a more cost effective, efficient and timely manner. COTI'S proprietary artificial intelligence system, CHEMSAS®, utilizes a series of predictive computer models to identify compounds most likely to be successfully incorporated in disease-specific drug discovery, as well as subsequent optimization and preclinical development. These compounds are targeted for a variety of diseases, particularly those for which current treatments are either lacking or ineffective.

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