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CRITICAL OUTCOME TECHNOLOGIES INC. REPORTS FISCAL 2012 THIRD QUARTER FINANCIAL RESULTS

London, Ontario (March 29, 2012): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT) announced fiscal 2012 third quarter financial results today for the three and nine month periods ended January 31, 2012.

The Company reported a net loss of \$619,550 or \$0.01 per common share for the three months ended January 31, 2012 (Q3-F'12) compared to a net loss of \$634,345 or \$0.01 per common share for the comparable quarter ended January 31, 2011 (Q3-F'11). For the nine months ended January 31, 2012 (YTD-F'12) the Company reported a net loss of \$1,910,337 or \$0.03 per common share compared to a net loss of \$1,527,793 or \$0.03 per common share for the nine months ended January 31, 2011 (YTD-F'11). The decreased loss in the quarter of \$14,795 related to a decrease in sales and marketing expense and an increase in investment tax credits, offset by an increase in research and product development costs (R&D). The increase in the YTD-F'12 loss of \$382,544 for the nine month period related primarily to stock-based compensation expense that increased \$259,275 year over year as the comparable prior year period benefited from a recovery of unvested stock-based compensation expense of \$110,509 and the IFRS transitional impact of re-measuring consultant stock options. Other expenses contributing to the increase included: an increase in R&D expense, a decrease in the investment tax credits recognized and an increase in professional consulting fees.

“The Company continued to make steady progress in developing its drug candidate pipeline during the third quarter of fiscal 2012 with primary focus on COTI-2, the Company’s lead oncology compound,” said Dr. Wayne Danter, President and Chief Executive Officer. “In January 2012, we announced the identification of eight viable oral formulation candidates for COTI-2. We also moved ahead with the development of a validated detection method for measuring the concentration of COTI-2 in animal and human plasma. Completion of this detection method validation will enable us to select the optimal oral formulation candidate based upon bioavailability and other pharmacokinetic properties as well as efficacy and ease of manufacturing.”

R&D expenses were \$163,640 in Q3-F'12 (YTD-F'12 - \$495,715) compared to \$125,255 in Q3-F'11 (YTD-F'11 - \$458,849).

“We continued our COTI-2 out-licensing initiatives during the quarter on a number of fronts. This included attending Biotech Showcase a pharmaceutical partnering conference held concurrent to J.P. Morgan's annual Healthcare Conference in San Francisco, California in January and followed this up in February with a podium presentation at the Emerging Targeted Oncology Partnering Forum held in San Francisco” noted Dr. Danter. “These events provide the Company an opportunity to share its insights

into the targeted therapeutic potential of COTI-2 with a targeted scientific audience of key influencers from many potential partnering organizations in addition to our efforts with business development representatives.”

Sales and Marketing expenses were \$58,966 in Q3-F’12 (YTD-F’12 - \$185,857) compared to \$72,356 in Q3-F’11 (YTD-F’11 - \$195,354).

At the quarter end, the Company held cash and cash equivalents of \$494,688. This balance reflected a decline of \$1,299,933 since the April 30, 2011 year end with cash used in operating activities representing \$1,464,232. As announced on March 26, 2012, these funds have been supplemented with the closing of the first tranche of a non-brokered private placement for gross proceeds of \$500,000. The Company also held a short-term investment with a market value of \$103,050 at the quarter end compared to \$300,296 at April 30, 2011.

More detailed operating and financial results can be found in the Company’s unaudited condensed interim financial statements and the Management Discussion and Analysis for the three and nine month periods ended January 31, 2012, which can be found on SEDAR at www.sedar.com

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. Upon confirming the predictions of CHEMSAS® through a series of preclinical tests, COTI seeks to license these compounds for further preclinical and clinical compounds.

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