



Press Release

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. REPORTS THIRD QUARTER 2009 FINANCIAL RESULTS

London, Ontario (March 12, 2009): Critical Outcome Technologies Inc. (TSX Venture: COT) announced third quarter financial results today for the three and nine month periods ended January 31, 2009.

Selected Highlights

The Company is pleased to report positive results on its research and development programs and revenue initiatives. Selected operating highlights during the quarter include:

- Completion of a series of *in vitro* experiments with the Company's lead product, COTI-2, tested alone and in combination with either Tarceva® or Erbitux®, two chemotherapeutic agents in use for non-small cell lung cancer and colon cancer. The details of the significant, positive test results, that broaden the therapy indications for which COTI-2 can be applied, were announced on February 9, 2009.
- Progress in the synthesis of compounds developed by the Company related to previously announced co-development and collaboration projects, with the syntheses scheduled to be completed in the fourth quarter.
- Ongoing mechanism of action studies on COTI-219 that indicate a cellular cancer target, unique from the Company's lead compound COTI-2. Follow on animal studies were initiated to increase the testing data package in preparation for licensing discussions in fiscal 2010.
- Progress on licensing activities with interested parties for COTI-2, supported by continued positive testing results building a strong scientific data package.

Financial Results

The Company reported a net loss of \$(998,301) or \$(0.02) per share compared to a net loss of \$(269,404) or \$(0.01) per share for the comparable quarter ended January 31, 2008. For the nine months ended January 31, 2009 the net loss was \$(2,582,074) or \$(0.06) per share compared to a net loss of \$(1,289,830) or \$(0.03) per share in the comparable prior year quarter.

Operating revenues of \$13,204 were recorded in the quarter compared to \$30,822 in the prior year. The increased loss of \$728,897 resulted from four main expenses; increased research and development

of \$368,077, increased stock-based compensation of \$101,609, amortization of the molecules acquired in fiscal 2008 of \$97,224 and increased corporate governance costs of \$61,863.

There were no financing activities during the quarter with 44,320 warrants and 26,600 stock options expiring. At January 31, 2009, the Company had cash, cash equivalents and short-term investments of \$4,449,630. Since the April 30, 2008 year end, the balance of cash, cash equivalents and short-term investments declined by \$1,764,079 from \$6,213,709 reflecting the use of cash in operations and the repayment of \$353,247 on a promissory note which matured in the first quarter of the fiscal year.

More detailed operating and financial results can be found in the Company's interim financial statements and Management's Discussion and Analysis for the three and nine-month periods ended January 31, 2009, which can be found on SEDAR at www.sedar.com.

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. COTI's business is focused on the discovery and pre-clinical development of novel, optimized molecules for the treatment of specific cancers, HIV and multiple sclerosis. Currently, five targeted libraries of lead compounds are under active development: small cell lung cancer, HIV integrase inhibitors, acute adult leukemia, multiple sclerosis and colorectal cancer.

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 management's current expectations, estimates, projections and assumptions. 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. Management of COTI considers the assumptions on which these forward-looking statements are based to be reasonable, but because 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.

For more information on COTI, visit www.criticaloutcome.com or contact:

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