

FOR IMMEDIATE RELEASE

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

London, Ontario (December 15, 2011): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT) announced fiscal 2012 second quarter financial results today for the three and six month periods ended October 31, 2011.

The Company reported a net loss of \$648,530 or \$0.01 per common share for the three months ended October 31, 2011 (Q2-F'12) compared to a net loss of \$334,498 or \$0.01 per common share for the comparable quarter ended October 31, 2010 (Q2-F'11). For the six months ended October 31, 2011 (YTD-F'12) the Company reported a net loss of \$1,290,786 or \$0.02 per common share compared to a net loss of \$893,448 or \$0.02 per common share for the six months ended October 31, 2010 (YTD-F'11). The increased loss in the quarter of \$314,032 and \$397,338 for the six month period related primarily to General and Administrative expense where stock-based compensation increased \$157,595 in the quarter and \$255,933 for the six months as the comparable prior year periods benefited from a recovery of unvested stock-based compensation expense of \$110,509 and the IFRS transitional impact of re-measuring consultant stock options.

“The Company continued to make steady progress in developing its drug candidate pipeline during the second 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 August and September we announced strong pharmacodynamic and pharmacokinetic test results for COTI-2. We also continued to progress in developing an optimal oral formulation for the final toxicity testing necessary to file an investigational new drug application leading to clinical trials.”

Research and Product Development expenses were \$126,134 in Q2-F'12 (YTD-F'12 - \$332,075) compared to \$137,220 in Q2-F'11 (YTD-F'11 - \$333,594).

“We continued our COTI-2 out-licensing initiatives, including a podium presentation on November 2, 2011 at the Discovery on Target: Emerging Targets for the Kinase Inhibitor Pipeline event held in Boston, MA,” noted Dr. Danter. “Participation in events like this provides 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 \$69,173 in Q2-F'12 (YTD-F'12 - \$126,891) compared to \$60,471 in Q2-F'11 (YTD-F'11 - \$122,998).

At the quarter end, the Company held cash and cash equivalents of \$791,960. This balance reflected a decline of \$1,002,661 since the April 30, 2011 year end with cash used in operating activities representing \$988,829. The Company also held a short-term investment with a market value of \$302,183 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 six month period ended October 31, 2011, 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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