

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. ACHIEVES MILESTONES MOVING COTI-2 CLOSER TO IND FILING

Oral Formulation Works as a Pill or Capsule

London, Ontario (September 11, 2012): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT) announced today that it has finalized an oral formulation for COTI-2 in moving forward to the final preclinical studies supporting the investigational new drug (IND) submission enabling a Phase 1 clinical trial. This oral formulation is designed to optimize the absorption of an orally administered dose of COTI-2 and can be administered by pill or capsule.

COTI is also pleased to announce that it has successfully developed and validated a robust quantitative detection method undertaken with Algorithmic Pharma Inc. This method will be used for the Phase 1 studies in detecting COTI-2 in the blood and tissues of treated subjects. Both Health Canada and the United States Food and Drug Administration (FDA) require a validated detection method for measuring a drug's concentration in human plasma as part of the IND submission package.

"These results represent significant milestones in the preclinical development of COTI-2 and move this exciting compound forward towards what will be our first CHEMSAS® derived compound to be filed for IND approval. This approval would validate CHEMSAS® as an artificial intelligence drug discovery method capable of identifying lead compounds that can be successfully developed to human clinical trials," said Dr. Wayne Danter, President and Chief Executive Officer of COTI. "We are pleased with the progress that COTI-2 continues to make as we strengthen the scientific and business cases for out-licensing."

The development of the phase 1 oral formulation is the second of three risk reduction studies that COTI announced its intention to complete based on insights from prospective licensing partners. The third study will see the completion of the final two species toxicity experiments that form part of the IND submission required by the FDA using this oral formulation.

About Critical Outcome Technologies Inc.

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 with high probability of being 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.

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

Dr. Wayne Danter, President and CEO

wdanter@criticaloutcome.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.