



Press Release

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. ANNOUNCES THE LAUNCH OF A DRUG DISCOVERY PROGRAM FOR ALZHEIMER'S DISEASE

London, Ontario (July 21, 2009): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT), today announced that the Company has undertaken the discovery and optimization of novel lead compounds for the treatment of Alzheimer's Disease (AD). "Based on partnering interest expressed by multiple global pharmaceutical organizations we have decided to establish a drug discovery program to help combat this devastating disease", said Mr. Michael Cloutier, Chief Executive Officer of COTI.

To address this substantial unmet medical need, COTI has leveraged its proprietary drug discovery technology CHEMSAS® to develop a novel approach for the discovery of potentially effective oral treatments for AD. Multiple and interacting factors have been proposed as causes of AD and there is an increasing number of validated therapeutic targets. Traditional drug development has focused on agents that inhibit an enzyme of the neural transmitter Acetylcholine. The United States Food and Drug Administration (FDA) and European Medicines Agency have approved treatments for AD from this class that currently dominate the market although they have not produced results that consistently meet the requirements of healthcare professionals and patients. The COTI scientific team has focused their research efforts on the area of secretases, a class of enzymes that cut the amyloid precursor protein into three fragments. Sequential cutting by beta secretase and gamma secretase produces the beta amyloid peptide fragments that accumulate into the "plaques" or scars found in the brains of people with AD. "The COTI scientific team believes that the development of inhibitors that target both beta and gamma secretase in an optimal ratio represents a valid research and therapeutic approach", said Dr. Wayne Danter, President and Chief Scientific Officer of COTI.

COTI's novel, optimized lead compounds targeted against AD have already undergone extensive computational and human medicinal chemistry optimization, a chemical synthetic feasibility review and an intellectual property assessment. The first six dual secretase inhibitors on three different scaffolds are now ready for synthesis and preclinical evaluation. Beyond the parties currently engaged, COTI is actively seeking partners to co-develop this exciting new program.

About Alzheimer's Disease

There are currently 5.3 million people in the United States and more than half a million in Canada living with AD. In Canada, 1 in 11 adults over the age of 65 are afflicted with AD. As AD is primarily found in this segment of the population, the incidence rate for AD is expected to increase rapidly in the coming years as the "baby boomers" begin to turn 65 in 2011. There are currently only two classes of drugs approved by the FDA to treat AD: Acetylcholinesterase Inhibitors and N-Methyl-D-Aspartate Receptor Antagonists.



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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. Currently, six targeted libraries of lead compounds are under active development: small cell lung cancer, HIV integrase inhibitors, acute adult leukemia, multiple sclerosis, colorectal cancer and alzheimer's disease.

For further information, please visit the website at www.criticaloutcome.com or contact:

Michael Barr, Director of Business Development and Marketing
519-858-5157

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