

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. INITIATES DEVELOPMENT OF OPTIMAL ORAL FORMULATION OF COTI-2, ITS LEAD ONCOLOGY DRUG CANDIDATE

London, Ontario (May 18, 2011): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT) announced today that it has initiated a project to develop an optimal oral formulation of COTI-2. This lead oncology product has demonstrated efficacy as a single agent and in combination therapy in a number of animal models of human cancers. Development of an oral formulation for use in humans will maximize the amount of an orally administered dose that is absorbed into the body.

Following the completion of a successful private placement in April, COTI announced its intention to launch three studies related to the continued development of COTI-2 based on scientific and business feedback from prospective licensing partners. The first study, a pharmacodynamic animal experiment, is already underway. Today's announcement represents the initiation of the second research study. An agreement between COTI and Xcelience Formulation Development, LLC (Xcelience) of Tampa, Florida was signed on May 2, 2011 and work on the project is now underway.

The third study will be the completion of the 28-day Good Laboratory Practice (GLP) toxicity experiments in two species that forms part of the Investigational New Drug (IND) enabling experiments required by the U.S. Food and Drug Administration (FDA) prior to beginning clinical trials.

"We are committed to achieving all three of these COTI-2 developmental milestones and we are pleased with the initiation of the oral formulation optimization project," said Dr. Wayne Danter, COTI's CEO and President. "Xcelience is a recognized industry leader with an impressive track record of success in formulating more than 100 development stage small molecules for clinical use."

"We are pleased to be recognized for our strength in formulation development expertise and selected for the COTI-2 program," said Derek G. Hennecke, CEO and President of Xcelience. "The partnership that has developed is a great example of the value two companies can create when they work together to achieve program objectives."

About COTI-2

COTI-2 has shown itself to be highly effective both as a single agent and in combination therapy in a number of animal models of human cancers. Other cancer treatments involve the killing of healthy growing and dividing cells in the body resulting in significant toxic side effects, while COTI-2 appears to target and destroy cancer cells only and has demonstrated low toxicity in normal human cells compared

to human cancer cells. The combined scientific evidence indicates that COTI-2 is an ideal agent for combination therapy with current standard agents for a number of cancers, including small cell lung, non-small cell lung, colon, brain, ovarian, endometrial, triple negative breast and pancreatic.

In scientific terms, COTI-2 is a novel small molecule that acts by inhibiting Akt/PKB phosphorylation that leads to caspase-9 activation in cancer cells resulting in tumour cell death. COTI-2 has demonstrated greater selectivity as well as an improved safety profile and pharmacokinetics in comparison to other Akt inhibitors. COTI is currently evaluating partners to share in the development of COTI-2 via a licensing agreement.

About Xcelience Formulation Development, LLC (Xcelience)

Xcelience is a contract research organization providing formulation development, preformulation, analytical, and clinical trial manufacturing to a global client base since 1997. The company is renowned for reliably expediting early development activities to speed potential drugs to clinical trials while applying stage-specific scientific knowledge and experience. Xcelience's unique corporate structure creates project teams that work intensively with each client, bringing an extension of their own organization into the Xcelience lab. For more detailed information about Xcelience, visit www.xcelience.com.

About Critical Outcome Technologies Inc. (COTI)

COTI is a leading-edge biotechnology firm specialized in assisting pharmaceutical, biotechnology and therapeutic companies with the accelerated discovery of small molecules to enable new drugs to be brought to market in a more timely, cost effective and efficient manner.

COTI'S proprietary technology 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.

COTI is located in London, Ontario and is publicly traded on the TSX Venture Exchange under the symbol 'COT'.

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