

FOR IMMEDIATE RELEASE

CRITICAL OUTCOME TECHNOLOGIES INC. REPORTS FISCAL 2011 SECOND QUARTER FINANCIAL RESULTS

London, Ontario (December 10, 2010): Critical Outcome Technologies Inc. (COTI) (TSX Venture: COT) announced fiscal 2011 second quarter financial results today for the three and six month periods ended October 31, 2010.

The Company reported a net loss of \$385,171 or \$0.01 per common share for the three months ended October 31, 2010 compared to a net loss of \$976,678 or \$0.02 per common share for the comparable quarter ended October 31, 2009. The decrease in the loss of \$591,507 resulted primarily from decreased research and product development (R&D) expense of \$157,268 and decreased stock-based compensation expense of \$345,465.

The decrease in R&D expense reflects a reduction in the depth and breadth of R&D testing and synthesis activities. Despite a reduction in these activities, the Company continued development of COTI-2, its lead oncology compound, with focus on formulation as a necessary prelude to investigational new drug (IND) enabling experiments. The decrease in stock-based compensation expense is primarily attributable to differences in the vesting terms assigned to options granted to the Board of Directors in the current quarter compared to the quarter ended October 31, 2009, and to the re-measurement of compensation expense related to stock options granted to consultants in prior periods.

The Company received an investment tax credit refund of \$122,244 in the quarter, compared to a refund of \$137,301 for the comparable quarter ended October 31, 2009. The drop in the investment tax credit refund of \$15,057 coincides with the overall decrease in R&D activities that occurred in the latter half of fiscal 2010.

For the six months ended October 31, 2010, the Company reported a net loss of \$934,443 or \$0.02 per common share compared to a net loss of \$1,955,767 or \$0.04 per common share on October 31, 2009. This decreased loss of \$1,021,324 resulted primarily from decreased R&D costs of \$386,816, decreased general and administration costs of \$181,181 and decreased stock based compensation of \$448,384.

At the quarter end, the Company held cash and cash equivalents of \$1,029,721. Since the April 30, 2010 year end, the balance of cash and cash equivalents declined by \$915,655, with \$919,402 reflecting the use of cash in operations. The Company is focused on improving its cash position for operations beyond the current fiscal year and is pursuing financing alternatives as well as cash generating revenue activities related to licensing COTI-2 and entering collaboration agreements using the CHEMSAS® technology.

More detailed operating and financial results can be found in the Company's interim financial statements and the Management Discussion and Analysis (MD&A) for the six month period ended October 31, 2010, 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 and optimization of targeted small molecules potentially effective in the treatment of human diseases for which current therapy is either lacking or ineffective. Currently, COTI is focused on preparing COTI-2 for an Investigational New Drug filing in the USA in 2011. In addition, to COTI-2, COTI has a number of preclinical programs for various cancers, multiple sclerosis, human immunodeficiency virus and Alzheimer's disease. For further information on COTI, visit www.criticaloutcome.com

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. Forward-looking statements in this press release include statements about the activities that will position COTI-2 for pre-IND studies, management's efforts in pursuing financing alternatives, and the potential of generating revenue from licensing and collaborations. These forward-looking statements, by their nature, are not guarantees of future performance and are based upon COTI's current expectations, estimates, projections and assumptions, which it considers reasonable. Assumptions used by management to develop the forward-looking statements and the inherent risks associated in relying on those assumptions are discussed in the October 31, 2010 MD&A. Readers are cautioned that actual results could differ materially from those anticipated in these forward-looking statements.

This information is provided as of the date of this press release and the Company will not undertake any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as required by securities laws.

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