SPECTRAL DIAGNOSTICS PROVIDES CLINICAL UPDATE ON THE EUPHRATES TRIAL

TORONTO, Canada – March 11th 2014 – Spectral Diagnostics Inc. (TSX: SDI) (OTCQX: DIAGF) ("Spectral" or the "Company"), a Phase III company developing the first theranostic treatment for patients with septic shock today announced an update on its ongoing EUPHRATES trial.

On January 27, 2014, the Data Safety Monitoring Board ("DSMB") met to review the results of the second interim analysis after 184 patients had been randomized and followed for 28 days in accordance with the Statistical Analysis Plan agreed to with the FDA. On that date, the DSMB reported that stopping rules for safety, efficacy and futility were not met and that the trial should continue. The DSMB did not, however, provide the planned sample size recalculation at that time. The DSMB requested that additional analysis be performed by the Contract Research Organization on the original 184 patients prior to the recalculation. This analysis is ongoing and is expected to take several more weeks to complete. In the meantime, the enrollment in EUPHRATES continues with currently 256 patients randomized.

Spectral has scheduled the next quarterly DSMB meeting for early April 2014, at which time it expects to receive the recommendations of the DSMB based on its review of the requested detailed analysis, as well as data from additional patients enrolled since the 184 patient cut off for the second interim analysis.

A sample size recalculation is expected to be performed and reported to the Sponsor, as well as any other recommendations. The EUPHRATES trial was designed to show a benefit in mortality between the treated group and the control group of between 10% to 15% at a power of eighty percent. The original sample size of 360 enrolled patients would be required to show a 15% benefit in mortality, while demonstrating a 10% difference could require up to approximately 700 patients.

The Company expects to announce its clinical pathway forward after receiving and evaluating the DSMB recommendations.

About Spectral Diagnostics

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product (Toraymyxin) for the treatment of septic shock. Toraymyxin is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream. Directed by the Company's Endotoxin Activity Assay (EAA™), the only FDA-cleared diagnostic for the risk of developing sepsis, Spectral's EUPHRATES trial is the world's first theranostics trial in the area of sepsis.

Spectral is listed on the Toronto Stock Exchange under the symbol SDI, and on the OTC QX under the symbol DIAGF. For more information please visit www.spectraldx.com

Forward Looking Statement

Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. Implicit in this information, particularly in respect of the future outlook of Spectral and anticipated events or results, are assumptions based on beliefs of Spectral's senior management as well as information currently available to it. While these assumptions were considered reasonable by Spectral at the time of preparation, they may prove to be incorrect.

Readers are cautioned that actual results are subject to a number of risks and uncertainties, including the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of Spectral to take advantage of business opportunities in the biomedical industry, the granting of necessary approvals by regulatory authorities, the ability to manufacture products

and supply the market, as well as general economic, market and business conditions, and could differ materially from what is currently expected.

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