

SPECTRAL ANNOUNCES FOURTH QUARTER AND FISCAL 2012 RESULTS

TORONTO, Canada – March 27, 2013 – Spectral Diagnostics Inc., (TSX:SDI) (OTCQX: DIAGF), a Phase III company developing the first theranostic treatment for patients with septic shock, today announced its audited financial results for the fourth quarter and year ended December 31, 2012.

2012 Highlights:

- Continued enrolling patients into the Company's Phase III EUPHRATES trial at a per site rate that is higher than previous sepsis trials. Directed by the Company's Endotoxin Activity Assay (EAA™), which is the only FDA-cleared diagnostic for the risk of developing sepsis, Spectral's EUPHRATES trial is currently targeted to enroll 306 evaluable patients at up to 60 sites in North America. Contingent on maintaining current enrolment rates and timely site start ups, the trial should be fully enrolled by the end of 2014.
- As of March 25, 2013, 100 patients have been randomized into Spectral's EUPHRATES trial.
- Announced an exclusive distribution agreement with Toray International Italy S.r.l. - a subsidiary of Toray Industries, Inc. - to sell the Company's Endotoxin Activity Assay in combination with Toraymyxin in Saudi Arabia and Turkey. The expansion of commercial jurisdictions with Toray further confirms the outstanding market opportunity for the Company's unique theranostic treatment for septic shock.
- Subsequent to year end, announced that the first interim analysis has been conducted on the initial 76 randomized patients in its EUPHRATES trial. The Data and Safety Monitoring Board (DSMB), consisting of experts in the fields of critical care medicine, infectious disease, nephrology, biostatistics and regulatory affairs, reviewed the totality of the data set for evidence of safety concerns, such as adverse events and/or adverse device effects, related to the use of the Toraymyxin cartridge. The results from the first interim safety analysis by the DSMB state that there are no safety issues to date concerning the application of the Toraymyxin cartridge to patients in the EUPHRATES trial. In addition, the results state that the EUPHRATES clinical protocol appears to be defining the correct target patient population for this study.
- Concluded the reporting period with approximately \$10.5 million in cash, cash equivalents and short-term investments.
- Subsequent to year end, on March 7, 2013, the Company announced it entered into a private placement agreement with Toray Industries, Inc. Under the terms of the private placement, Spectral will issue 16,666,667 common shares in the capital of the Company to Toray at a price of \$0.30 per common share, for gross proceeds of \$5 million. On March 18, 2013 the Company announced that other investors had subscribed for an additional \$ 0.6 million under the same terms, bringing the total private placement gross proceeds to \$5.6 million. The net proceeds of the private placement will be used to continue to support the Company's EUPHRATES clinical trial and for general operating purposes. Immediately after the closing of the private placement, Toray's investment will represent approximately 12.6% of the issued and outstanding common shares of Spectral, calculated on a non-diluted basis. Closing of the private placement is expected at the beginning of April, 2013 and is subject to the approval of the Toronto Stock Exchange.

"2012 was a very important year for the Company," said Dr. Paul Walker, President and CEO of Spectral Diagnostics. "We made crucial and significant progress with our Phase III sepsis asset and consequently we are now potentially less than a year away from our second planned interim analysis of the trial data."

The second interim analysis will occur after 184 randomized patients have been followed for 28 days. At the second analysis, the trial's DSMB will advise Spectral on the trial's safety, efficacy or futility, with stopping rules in place for efficacy and futility. A sample size recalculation will be done if necessary. Management remains on track to disclose information from the second interim analysis in the first half of 2014.

Financial Review

Revenue for the three months ended December 31, 2012 was \$647,000 compared to \$628,000 for the same period in the preceding year. For the year ended December 31, 2012, revenue was \$2,589,000 compared to \$2,430,000 for the same period in 2011.

Revenue was positively impacted by the revised terms of certain EAA™ distribution agreements that took effect during 2012. Conversely, revenues were negatively impacted by the increased strength of the Canadian dollar compared to the U.S. dollar and the Euro. It is anticipated that revenue in 2013 will be consistent with levels achieved in 2012.

For the quarter ended December 31, 2012, the Company reported a loss of \$2,067,000 compared to a loss of \$1,940,000 for the corresponding period in 2011. For the year ended December 31, 2012, Spectral reported a loss of \$8,543,000 compared to \$6,713,000 for the same period in 2011. The Company's loss was greater for the three and twelve months of 2012 due to higher costs for its EUPHRATES trial.

Cash, cash equivalents and short-term investments on hand at December 31, 2012 were \$10.5 million. Cash was used during the quarter ended December 31, 2012 to fund operations and for working capital purposes.

The total number of shares outstanding for the Company was 113,883,394 as at December 31, 2012.

About Spectral Diagnostics

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product for the treatment of severe sepsis with 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.

Toraymyxin has been approved for therapeutic use in Japan and Europe, and has been used safely and effectively on more than 100,000 patients to date. In March 2009, Spectral obtained the exclusive development and commercial rights in the U.S. for Toraymyxin, and in November 2010, signed an exclusive distribution agreement for this product in Canada. More than 250,000 patients are diagnosed with severe sepsis and septic shock in North America each year, representing a greater than \$1 billion market opportunity for Spectral. Spectral is listed on the Toronto Stock Exchange under the symbol SDI, and on the OTCQX 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 as well as general economic, market and business conditions, and could differ materially from what is currently expected.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of this statement.

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Spectral Diagnostics Inc.

Statement of Financial Position

(in thousands of Canadian dollars)

	December 31 2012 \$	December 31 2011 \$
Assets		
Current assets		
Cash and cash equivalents	5,425	13,470
Short-term investment	5,137	5,086
Trade and other receivables	590	515
Inventories	277	295
Prepayments	226	407
	11,655	19,773
Non-current assets		
Property, plant and equipment	497	419
Intangible assets	434	459
	931	878
Total assets	12,586	20,651
Liabilities		
Current liabilities		
Trade and other payables	1,913	1,610
Deferred revenue	99	102
Total liabilities	2,012	1,712
Equity		
Share capital	27,101	27,101
Contributed surplus	3,864	3,864
Other equity reserves	8,260	8,082
Deficit	(28,651)	(20,108)
Total equity	10,574	18,939
Total liabilities and equity	12,586	20,651

Spectral Diagnostics Inc.

Statement of Loss and Comprehensive Loss
For the years ended December 31, 2012 and 2011

(in thousands of Canadian dollars, except for share and per share data)

	2012 \$	2011 \$
Revenue	2,589	2,430
Other income	110	109
Expenses		
Changes in inventories of finished goods and work-in-process	277	288
Raw materials and consumables used	471	264
Employee benefits	2,944	2,662
Consulting and professional fees	4,619	3,047
Management services	1,013	1,500
Regulatory and investor relations	502	270
Travel and entertainment	772	554
Depreciation and amortization	216	316
Foreign exchange loss	26	2
Other expenses	473	414
	11,313	9,317
Operating loss	(8,614)	(6,778)
Finance income	71	65
Loss and comprehensive loss for the year	(8,543)	(6,713)
Basic and diluted loss per common share	(0.08)	(0.07)
Weighted average number of common shares outstanding	113,883,394	90,869,696

Spectral Diagnostics Inc.

Statement of Changes in Equity

For the years ended December 31, 2012 and 2011

(in thousands of Canadian dollars)

	Issued capital Number	\$	Contributed surplus \$	Share-based compensation \$	Warrants \$	Deficit \$	Total Equity \$
Balance, January 1, 2011	80,550,061	17,538	3,696	2,722	5,311	(13,395)	15,872
Private placement	33,333,333	9,563	-	-	-	-	9,563
Loss and comprehensive loss for the year	-	-	-	-	-	(6,713)	(6,713)
Share-based compensation	-	-	-	217	-	-	217
Warrants expired	-	-	168	-	(168)	-	-
Balance, December 31, 2011	113,883,394	27,101	3,864	2,939	5,143	(20,108)	18,939
Loss and comprehensive loss for the year	-	-	-	-	-	(8,543)	(8,543)
Share-based compensation	-	-	-	178	-	-	178
Balance, December 31, 2012	113,883,394	27,101	3,864	3,117	5,143	(28,651)	10,574

Spectral Diagnostics Inc.

Statement of Cash Flows

For the years ended December 31, 2012 and 2011

(in thousands of Canadian dollars)

	2012 \$	2011 \$
Cash flow provided by (used in)		
Operating activities		
Loss and comprehensive loss for the year	(8,543)	(6,713)
Adjustments for:		
Depreciation on property, plant, and equipment	191	173
Amortization of intangible assets	25	143
Share-based compensation	178	217
Changes in items of working capital :		
Trade and other receivables	(75)	80
Inventories	18	(86)
Prepayments	181	(376)
Trade and other payables	303	288
Deferred revenue	(3)	1
Net cash used in operating activities	(7,725)	(6,273)
Investing activities		
Property, plant and equipment expenditures	(269)	(66)
Redemption of short-term investment	5,086	5,021
Purchase of short-term investment	(5,137)	(5,086)
Net cash used in investing activities	(320)	(131)
Financing activities		
Private placement	-	9,563
Net cash provided by financing activities	-	9,563
(Decrease) increase in cash and cash equivalents	(8,045)	3,159
Cash and cash equivalents, beginning of year	13,470	10,311
Cash and cash equivalents, end of year	5,425	13,470