FDA Accepts Spectral's Expanded Access Protocol for Toraymyxin™

Toraymyxin™ may now be used at hospitals that participated in EUPHRATES trial

Toronto, Ontario, June 27, 2016 – Spectral Medical Inc. ("Spectral" or the "Company"), (TSX:EDT) (OTCQX:EDTXF), a Phase III Company advancing a precision treatment targeting specific patients at high risk of death from endotoxemic septic shock, today announced that the U.S. Food and Drug Administration (FDA) has accepted its protocol for Expanded Access of Toraymyxin™, the Company's investigational therapeutic device that removes endotoxin from the bloodstream.

The Expanded Access program, sometimes referred to as Compassionate Use, can now begin at certain of the 29 U.S. hospitals that had participated in the recently completed Phase III EUPHRATES clinical trial and have agreed to be part of this program. Patients who meet the clinical criteria for septic shock, are in multiple organ failure and who have elevated levels of endotoxin in the blood, as measured by the Company's FDA cleared Endotoxin Activity Assay (EAA™), would be eligible for the treatment. A similar program is planned for Canada, where there were 12 hospitals engaged in the clinical trial.

"As we move to complete our PMA submission for Toraymyxin™ with the FDA later this year, physicians in our clinical trial locations can now have immediate access to a therapy that has been used on more than 150,000 patients outside of North America for more than a decade," said Dr. Paul Walker, President and CEO of Spectral. "Prior clinical research has demonstrated that removing endotoxin from the blood with Toraymyxin™ can result in positive patient outcomes and a reduction in mortality."

A novel therapy for certain patients in septic shock, Toraymyxin™ is a medical device specifically targeted at those with elevated levels of endotoxin in the blood. Toraymyxin™ is a direct hemoperfusion adsorption column that has been shown to be highly effective in removing endotoxin. Studies have shown that Toraymyxin™ can remove up to 90 percent of an endotoxemic patient's circulating endotoxin when administered twice within a 24 hour period.

About Spectral Medical Inc.

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product for the treatment of endotoxemic septic shock. Toraymyxin™ (PMX) is a therapeutic hemoperfusion device that removes endotoxin, a main trigger of sepsis and septic shock, 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 only active and most innovative Phase III study for a medical device in the area of septic shock.

PMX has been approved for therapeutic use in Japan and Europe, and has been used on more than 150,000 patients to date. In March 2009, Spectral obtained the exclusive development and commercial rights in the U.S. for PMX, and in November 2010, signed an exclusive distribution agreement for this product in Canada. Over 350,000 patients are diagnosed with septic shock in North America each year, representing a greater than $3 billion market opportunity for Spectral.

Spectral is listed on the Toronto Stock Exchange under the symbol EDT, and on the OTCQX under the symbol EDTXF. For more information, please visit www.spectraldx.com.

Forward-looking statements

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 commercialize its products, the ability of Spectral to take advantage of business opportunities in the biomedical industry, the granting of necessary approvals by regulatory authorities, the ability of Spectral to complete the Offering as expected 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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