SPECTRAL ON TRACK WITH REGULATORY PATHWAY FOR NOVEL SEPTIC SHOCK TREATMENT

- **Pivotal trial results to be announced immediately after end of Q3 16 -**
- **Final PMA Module scheduled for submission to FDA in Q4 16 -**

TORONTO, Canada – August 18, 2016 – Spectral Medical Inc., (TSX:EDT) (OTCQX:EDTXF) (the "Company"), a Phase III company developing the first treatment for patients with endotoxemic septic shock guided by a companion diagnostic, today announced that it expects to release primary end point results for its pivotal EUPHRATES trial immediately after the end of the third quarter ended September 30, 2016. The trial was completed in June of this year.

In addition, the Company announced that the United States Food and Drug Administration ("FDA") has completed its initial review of the third module of the Company's PMA submission and the 510k submission for the Company's standalone pump. The Company is in the process of responding to the FDA's initial queries and is on track to file the final PMA module with clinical data in the fourth quarter of this year.

"We are eagerly awaiting the results of our clinical trial, which was designed to show a significant reduction in the mortality of patients with endotoxemic septic shock. Pending satisfactory results, we would expect to proceed with completion of our regulatory filings in the fourth quarter as we seek approval for our targeted treatment which is guided by a diagnostic", said Dr. Paul Walker, President and CEO of Spectral. "If approved, this treatment could be available to patients by as early as the first half of 2017", added Dr. Walker.

About Spectral

Spectral is a Phase III company seeking U.S. FDA approval for its unique product for the treatment of patients with septic shock, Toraymyxin™ ("PMX"). PMX is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream and is directed by the Company's Endotoxin Activity Assay (EAA™), the only FDA cleared diagnostic for the risk of developing sepsis.

PMX has been approved for therapeutic use in Japan and Europe, and has been used safely and effectively on more than 150,000 patients to date. Approximately 350,000 patients are diagnosed with severe sepsis and septic shock in North America each year, representing a greater than $3 billion market opportunity for Spectral. Currently there is no specific treatment available for this condition. 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 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.

For further information please contact:

Anthony Businskas
Executive Vice President and CFO
Spectral Medical Inc.
416-626-3233 ext. 2200
tbusinskas@spectraldx.com

Ali Mahdavi
Capital Markets & Investor Relations
416-962-3300
am@spinnakercmi.com