



For Immediate Release

SPECTRAL DIAGNOSTICS RAISES \$14 MILLION AND ENTERS INTO STRATEGIC COLLABORATION WITH BIOMS MEDICAL TO COMMERCIALIZE TREATMENT FOR SEPSIS

- BioMS Medical makes strategic investment of \$12 million in Spectral -

Toronto, Ontario and Edmonton, Alberta, December 17, 2009 – Spectral Diagnostics Inc. (TSX: SDI) and BioMS Medical Corp. (TSX: MS) today announced that BioMS Medical (“BioMS”) and a syndicate of investors have invested \$14 million in Spectral Diagnostics (“Spectral”, or the “Company”) to advance Toraymyxin™, a treatment for severe sepsis, towards regulatory approval and commercialization in the United States.

Spectral obtained exclusive rights for the Toraymyxin™ device in the US from Toray Industries Inc., of Japan, in March of 2009 and, following the closing of the financing (the “Closing”), anticipates initiating a pivotal US clinical trial in the first half of 2010. Toraymyxin™ has been used in more than 70,000 patients globally and has demonstrated in clinical trials that it safely and effectively removes endotoxin and reduces mortality in patients with severe sepsis. There are approximately 125,000 patients who develop endotoxemia related severe sepsis in the US each year and who currently face a high risk of mortality with limited treatment options, representing a potential market opportunity in excess of \$1 billion per annum.

“We are now focused on obtaining clearance from the FDA to initiate the pivotal US trial - a randomized double blinded prospective trial, comparing standard of care versus standard of care plus Toraymyxin™, in patients with proven endotoxemia,” said Dr. Paul Walker, President and CEO of Spectral. “The resources from this investment, combined with the clinical, regulatory and capital market expertise of the BioMS team, will assist Spectral to effectively conduct its anticipated pivotal trial in the US.”

“The use of a specific diagnostic test, the EAA™, to identify endotoxin, a substance that is known to be harmful to the body, and proceed to remove it with the Toraymyxin™ column makes this study unique in the history of sepsis clinical trials,” said Dr. R. Phillip Dellinger, Professor of Medicine, University Medicine and Dentistry New Jersey, Head, Division of Critical Care Medicine, Department of Medicine, Cooper University Hospital, Camden New Jersey and primary investigator for the study. Cooper University Hospital will also be the coordinating center for the clinical trial.

“BioMS is very pleased to support Spectral and its management team in the development of Toraymyxin™ in the US. This once again positions BioMS with a unique opportunity that addresses a significant unmet medical need and has blockbuster

potential,” said Kevin Giese, President and CEO of BioMS Medical. “In addition, this relationship highlights the value of our experienced team, which will play a key role in helping Spectral to advance Toraymyxin™ from a clinical, regulatory and commercial perspective.”

About Toraymyxin™, Endotoxin and Sepsis

Spectral’s Endotoxin Activity Assay (EAA™) is the only FDA cleared assay for the measurement of endotoxin in the bloodstream. Toraymyxin™ is a therapeutic hemoperfusion device that removes endotoxin from the bloodstream. The anticipated US pivotal trial will use Spectral’s EAA™ to identify patients with severe sepsis who have elevated endotoxin in the blood and will most likely benefit from treatment with Toraymyxin™.

Sepsis affects approximately 750,000 patients in the US each year. It accounts for approximately 1 in 10 ICU admissions at an annual cost to the US healthcare system of \$17 billion. Sepsis is the 10th most common cause of death in the US, ahead of acute heart attacks and breast cancer.

Results of a randomized controlled trial (the EUPHAS trial) were recently published in the *Journal of the American Medical Association (JAMA)*. 2009; Vol. 301 No. 23, 2445-2452). The results demonstrated that Toraymyxin™ absorbs endotoxin from the bloodstream, and when added to conventional therapy, significantly improved hemodynamics and organ dysfunction, and reduced 28-day mortality in patients with severe sepsis and septic shock in comparison to those patients in the conventional therapy group.

Terms of the Financing

Under the terms of the financing (the “Financing”) the Company will issue 35,000,000 units of the Company (the “Units”) at a price of \$0.40 per Unit to BioMS and GrowthWorks WV Management Ltd. and certain of its affiliates (collectively, “GrowthWorks”), for aggregate gross proceeds of \$14 million. Each Unit consists of one common share of the Company (“Common Share”) and one half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “Warrant”) entitling the holder thereof to acquire one Common Share at a price of \$0.60 per Common Share for a period of four years from Closing.

BioMS will invest \$12 million to acquire 30,000,000 Units under the Financing, and following Closing will hold 30,000,000 Common Shares, representing approximately 48% of the issued and outstanding Common Shares, calculated on a non-diluted basis, after giving effect to the Proposed Transactions (as defined below). BioMS will also be issued 15,000,000 Warrants in the Financing. GrowthWorks will invest \$2 million in the Financing.

In connection with the Financing, and as partial consideration for services performed, at Closing, the Company will also issue broker warrants to Desjardins Securities Inc., who acted as agent for the Financing, which will entitle them to acquire 1,050,000 Common Shares at an exercise price of \$0.40 per Common Share, and a further 525,000 Common Shares at an exercise price of \$0.60 per Common Share, in each case, for a period of four years from Closing.

At Closing, the Company has also agreed to issue 2,890,625 Common Shares to GrowthWorks at a deemed price of \$0.40 per Common Share as full repayment and final settlement of a non-interest bearing, unsecured convertible promissory note in the principal amount of \$1,156,250 dated June 19, 2006 issued by the Company to GrowthWorks (the "Promissory Note Conversion", and together with the Financing, the "Proposed Transactions").

Under the terms of the Financing, BioMS will be entitled to nominate up to two directors to the Spectral board for as long as the collective shareholdings of BioMS and its affiliates constitutes 10% or more of the issued and outstanding Common Shares (calculated on a non-diluted basis). GrowthWorks will also be entitled to nominate one director to the Spectral board for as long as the collective shareholdings of GrowthWorks and its affiliates constitutes 10% or more of the issued and outstanding Common Shares (calculated on a non-diluted basis). Each of Spectral, BioMS, GrowthWorks, and Dr. Paul Walker have entered into a voting agreement to support the appointment of such BioMS and GrowthWorks nominees from time to time in accordance with the foregoing. Additionally, at Closing, such persons will enter into a 120 day lock-up agreement in respect of all Spectral securities owned or over which it has control or direction.

In connection with the Financing, BioMS and Spectral have also agreed to enter into a three year \$3 million services agreement at Closing, whereby BioMS will provide clinical, regulatory and capital market consulting services to Spectral.

The Closing of the Proposed Transactions is subject to the approval of the Toronto Stock Exchange, and other customary closing conditions. The Proposed Transactions are also subject to the majority approval of the shareholders of the Company ("Shareholders") at a special meeting (the "Special Meeting") which has been called for January 29, 2010. The record date for the purposes of determining Shareholders entitled to vote at the Special Meeting has been set as the close of business on December 29, 2009. The transaction is currently expected to close in early February, 2010.

The board of directors of the Company unanimously supports the Proposed Transactions and recommends that Shareholders vote in favour of them. Further details of the transaction will be included in a proxy circular to be mailed to shareholders in due course. The private placement agreement will also be filed on SEDAR at www.sedar.com.

Spectral & BioMS Audiocast

[Click here](#) to view a slide presentation and audio recording by Dr. Paul Walker, President and CEO of Spectral and Mr. Kevin Giese, President and CEO of BioMS Medical where they discuss this collaboration and the opportunity for Toraymyxin™ in the treatment of severe sepsis. If the above link is inactive, please visit www.biomsmedical.com or www.spectraldx.com.

About Spectral Diagnostics

Spectral is a leader in the battle against sepsis. Spectral's Endotoxin Activity Assay (EAA™) is the only FDA cleared assay for the measurement of endotoxin in the bloodstream. With the growing awareness for the role of endotoxemia in sepsis, the EAA™ can be used to identify patients, enable therapeutics and monitor treatment.

In March 2009, Spectral obtained exclusive US rights to Toraymyxin™, a therapeutic hemoperfusion device that removes endotoxin from the bloodstream. The Company is now focussed on developing and commercializing a treatment for patients with severe sepsis and high endotoxin levels utilizing its diagnostic with an effective therapeutic device.

About BioMS Medical Corp.

BioMS Medical is a biotechnology company engaged in the investment, development and commercialization of pharmaceutical technologies. For further information please visit our website at <http://www.biomsmedical.com>

This press release may contain forward-looking statements, which reflect the Company's current expectation regarding future events. These forward-looking statements involve risks and uncertainties that may cause actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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