

MATERIAL CHANGE REPORT

1. Name and Address of Company:

Critical Outcome Technologies Inc.
700 Collip Circle, Suite 213
London, Ontario N6G 4X8

2. Date of Material Change:

May 10, 2007

3. News Release:

A press release disclosing the details outlined in this Material Change Report was issued by Critical Outcome Technologies Inc. ("COTI") from London, Ontario on May 11, 2007 and disseminated through the facilities of CCN Matthews.

4. Summary of Material Change:

COTI announced that Scott Baker has been appointed as Chief Operating Officer and as part of his employment arrangement has been granted 100,000 stock options at an exercise price of \$1.34 which vest over 3.25 years based upon contract milestones with the first 25,000 options vesting on September 30, 2007.

5. Full Description of Material Change:

Please see the attached press release.

6. Reliance on Confidentiality Section of the Act:

Not applicable.

7. Omitted Information:

Not applicable.

8. Executive Officers:

Further information regarding the matters described in this report may be obtained from Gene Kelly, Chief Financial Officer. Mr. Kelly is knowledgeable about the details of the material change and may be contacted at (519) 858-5157 .

DATED May 11, 2007, at London, Ontario.