

SPECTRAL DIAGNOSTICS REFILES THIRD QUARTER UNAUDITED INTERIM FINANCIAL STATEMENTS

TORONTO, April 11 /CNW/ - **Spectral Diagnostics Inc., (TSX: SDI)**, a Phase III company developing the first theranostic treatment for severe sepsis and septic shock, today announced that it has refiled, on SEDAR, its unaudited interim financial statements for the nine month period ended September 30, 2010 to include specific disclosure that these interim financial statements have not been subject to a review by the Company's auditors. Other than this disclosure, there are no changes to these unaudited interim financial statements.

About Spectral Diagnostics

Spectral is a Phase III company seeking U.S. FDA approval for its lead theranostics product for the treatment for severe sepsis and 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 18 countries, and has been used safely and effectively in more than 80,000 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.

For further 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.

Spectral Diagnostics Inc.

Balance Sheets - unaudited

As at September 30, 2010 and December 31, 2009

(in thousands of dollars)

	2010 \$	2009 \$
Assets		
Current assets		
Cash and cash equivalents	16,353	2,944
Accounts receivable	766	781
Inventories	251	123
Prepaid expenses	85	45
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	17,455	3,893
Property, plant and equipment	406	457
Commercial instruments	74	94
Purchased technology and trademarks	736	588
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	18,671	5,032

Liabilities**Current liabilities**

Accounts payable and accrued liabilities	784	1,077
Current portion of convertible notes payable	1,319	2,336
	<u>2,103</u>	<u>3,413</u>

Deferred revenue

	157	254
	<u>2,260</u>	<u>3,667</u>

Shareholders' Equity**Common shares**

	21,281	2,524
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Other equity

	6,586	5,794
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Deficit

	<u>(11,456)</u>	<u>(6,953)</u>
	<u>16,411</u>	<u>1,365</u>
	<u>18,671</u>	<u>5,032</u>

These unaudited interim financial statements have been prepared by management of Spectral Diagnostics Inc. and have not been reviewed by the Company's auditors.

Spectral Diagnostics Inc.

Statements of Operations, Comprehensive Loss and Deficit - unaudited
For the nine months ended September 30, 2010 and 2009

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

	3 Months Ended September 30		9 Months Ended September 30	
	2010 \$	2009 \$	2010 \$	2009 \$
Sales	722	815	2,148	2,433
Cost of sales	138	232	457	582
Gross margin	<u>584</u>	<u>583</u>	<u>1,691</u>	<u>1,851</u>
Operating expenses				
Selling, general and administrative	850	707	2,511	2,261
Clinical trial	595	41	1,563	305
Service fees	250	-	750	-
Amortization	155	155	466	478
Foreign exchange loss	35	59	48	111
Stock-based compensation	-	32	792	32
Research and product development, net of tax credits	-	5	24	41
	<u>1,885</u>	<u>999</u>	<u>6,154</u>	<u>3,228</u>

Loss before the following	(1,301)	(416)	(4,463)	(1,377)
Interest on convertible notes payable	(24)	(41)	(83)	(123)
Other net investment income (loss)	35	28	43	(34)
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Loss and comprehensive loss for the period	(1,290)	(429)	(4,503)	(1,534)
Deficit - Beginning of period	(10,166)	(5,294)	(6,953)	(4,189)
Deficit - End of period	<u>(11,456)</u>	<u>(5,723)</u>	<u>(11,456)</u>	<u>(5,723)</u>
Basic and diluted loss per common share	<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.07)</u>	<u>(0.06)</u>
Weighted average number of common shares outstanding	<u>75,844,484</u>	<u>24,118,424</u>	<u>64,281,721</u>	<u>24,118,424</u>

These unaudited interim financial statements have been prepared by management of Spectral Diagnostics Inc. and have not been reviewed by the Company's auditors.

Spectral Diagnostics Inc.
Statements of Cash Flows - unaudited
For the nine months ended September 30, 2010 and 2009

(in thousands of dollars)

	3 Months Ended		9 Months Ended	
	September 30		September 30	
	2010	2009	2010	2009
	\$	\$	\$	\$
Cash provided by (used in)				
Operating activities				
Loss and comprehensive loss for the period	(1,290)	(429)	(4,503)	(1,534)
Items not affecting cash				
Amortization	155	155	466	478
Amortization of commercial instruments included in cost of sales	10	22	58	65
Stock-based compensation expense	-	32	792	32
Interest on convertible notes payable	24	41	83	123
Unrealized loss on short-term investments	-	-	-	91
Changes in non-cash working capital	150	(54)	(1,546)	(93)
	<u>(951)</u>	<u>(233)</u>	<u>(4,650)</u>	<u>(838)</u>
Financing activities				
Proceeds on issue of private placement	-	-	17,608	-
Proceeds on exercise of stock options	17	-	49	-
Settlement of convertible notes payable	-	-	1,100	-
	<u>17</u>	<u>-</u>	<u>18,757</u>	<u>-</u>
Investing activities				
Purchase of property, plant and equipment	(6)	(31)	(61)	(85)
Purchase of commercial instruments	(11)	(7)	(38)	(32)
Purchase of technology and trademarks	-	-	(502)	-
Decrease in short-term investments	-	2,945	-	3,909
Decrease in deferred revenue	(32)	(43)	(97)	(129)
	<u>(49)</u>	<u>2,864</u>	<u>(698)</u>	<u>3,663</u>

Increase (decrease) in cash and cash equivalents during the period	<u>(983)</u>	<u>2,631</u>	<u>13,409</u>	<u>2,825</u>
Cash and cash equivalents - Beginning of period	<u>17,336</u>	<u>491</u>	<u>2,944</u>	<u>297</u>
Cash and cash equivalents - End of period	<u>16,353</u>	<u>3,122</u>	<u>16,353</u>	<u>3,122</u>
Non cash working capital and financing activities				
Decrease in current portion of convertible notes payable	-	-	(1,100)	-
Settlement of convertible notes payable	-	-	1,100	-

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CNW 17:20e 11-APR-11