PRESS RELEASE
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DIAGNOCURE ANNOUNCES FISCAL 2006 FOURTH QUARTER AND YEAR END RESULTS
Focused strategic direction announced

QUEBEC CITY (December 13, 2006) – DiagnoCure Inc. (TSX: CUR), a leading developer of molecular diagnostics for the detection and management of cancer, announced a net loss from continuing operations of $1,718,318 or $0.05 per share for the quarter ending October 31, 2006, and a net loss from continuing operations of $6,491,586 or $0.19 per share for the fiscal year.

The Company reported that progress continues on the market development of Gen-Probe's test for prostate cancer based on DiagnoCure's PCA3 gene. The test, which scientists believe will be more accurate than existing tests for prostate cancer, received European CE mark status and was launched in Europe in November. "Our partner, Gen-Probe (NASDAQ- GPRO), continues its introduction of the highly accurate PCA3-based prostate cancer test in Europe", said John Schafer, the newly appointed President and CEO of DiagnoCure. "This European launch followed the launch of the ASR (Analyte Specific Reagent) format of the PCA3 test in the U.S. earlier this year. We are financially strong as a company and our market-driven position in prostate cancer diagnostic assay development continues to strengthen as Gen-Probe executes its product development and marketing plans."

Gen-Probe's PCA3 gene-based test detects the overexpression of PCA3 RNA in urine. Studies have shown that, in greater than 95 percent of prostate cancer cases, PCA3 is 60 to 100-fold overexpressed in prostate cancer cells compared to normal cells, indicating that PCA3 may be a useful biomarker for prostate cancer. Early data shows that the PCA3 test is more specific for prostate cancer than the traditional serum prostate specific antigen (PSA) test, thus decreasing the likelihood of false positive results.

Mr. Schafer also announced specific changes being undertaken at DiagnoCure related to an on-going review of the Company's product development strategy, which includes the decision to discontinue the company's research initiatives in cell-based assays. "This decision provides additional resources to DiagnoCure's highly focused efforts in the development of exciting new molecular diagnostic tests directed at the high value oncology marketplace", he said. "Until now we have been working in both diagnostic areas. Molecular diagnostics has become the fastest growing segment of the *in vitro* cancer diagnostics market. Clinical validation of molecular diagnostic tests and their associated biomarkers are beginning to expand the cancer diagnostics market and new tests are already showing promise as potential replacements for existing *in vitro* cancer diagnostic assays".

In line with the decision to focus on molecular diagnostics, the Company will immediately discontinue support of research and development activities related to product improvements in its bladder cancer product, ImmunoCyt™ / uCyt+™, and will also reduce its marketing activities related to this product. As a result, DiagnoCure will reduce staff in research and development, sales and marketing, and administrative support. The Company will ensure that customers continue to receive quality products, technical support and services for ImmunoCyt™ / uCyt+™. These restructuring actions will result in a non-recurring charge of approximately $900,000 in the first quarter of fiscal 2007. This announcement follows the decision last month to discontinue financial support for Samba, the company's subsidiary in France, which had been developing automation software for ImmunoCyt™/uCyt+™. Following one-time costs associated with the restructuring and the discontinued operations in France, DiagnoCure expects combined savings of approximately $3 million a year, a portion of which will be redirected toward further development of the Company's molecular diagnostics strategy, marker discovery, mergers and acquisitions and in-licensing activities.

"These decisions are dictated by our realigned strategic direction, and does not reflect negatively on the competitive high quality of our bladder cancer product", Mr. Schafer said. "We believe ImmunoCyt™ / uCyt+™ can thrive in a cytology environment, and we are actively searching for a strong outside partner to facilitate the continued growth of the product." Mr. Schafer continued, "These changes will allow us to consolidate our research skills in DiagnoCure's selected areas of focus while providing a strong foundation from which to continue the Company's growth as the Canadian leader and a global player in *in vitro* cancer diagnostics."

Highlights of the Quarter

Mr. Paul Gobeil, Chairman of the Board of DiagnoCure, announced the appointment of Mr. John C. Schafer to the position of President and Chief Executive Officer of DiagnoCure Inc., effective August 23, 2006. Mr. Gobeil stated "Mr. Schafer brings to DiagnoCure more than 30 years experience in the field of diagnostics, along with an excellent track record in management and growth of high technology diagnostic companies. He has the credentials, the knowledge and the demonstrated ability to realize our significant potential in prostate cancer diagnostics and to broaden our base in the field of diagnostics with emerging technologies.

PCA3 remains the cornerstone of DiagnoCure's and Gen-Probe's oncology efforts. As a result of DiagnoCure's exclusive partnership with Gen-Probe, 2006 has been a year of great achievement. After transferring the PCA3 technology to their APTIMA® platform, Gen-Probe successfully completed the development of the PCA3 test in a quantitative format and in May 2006, Bostwick Laboratories and AmeriPath announced the commercial availability of the PCA3 test in ASR format. Gen-Probe has confirmed that they have advanced discussions with large US reference labs and potential "second phase partners" for further PCA3 distribution in the United States and Canada.

In early November 2006, after receiving the European CE Mark for their PCA3 prostate cancer test, Gen-Probe completed the first phase of its European launch in six laboratory sites across Europe. Additional labs will be distributing the test in subsequent launches over the coming months. Gen-Probe has also initiated clinical research studies at seven prestigious European universities.

In connection with the Company's continued efforts to strengthen its product pipeline, on October 3, 2006, DiagnoCure signed an agreement with Radboud University Medical Center, Nijmegen, the Netherlands, and obtained exclusive technology rights to Dr. Jack Schalken's discoveries related to the role of FOX gene expression in prostate cancer and commissioned further research into the diagnostic, prognostic and therapeutic potential of these genes.

Results for the Fiscal year ended October 31, 2006

Revenues for 2006 were $5,030,853 compared with $5,775,273 for the same period of 2005. Revenue recognition of the continued calendar payments from Gen-Probe were $2,965,789 for 2006, down $116,643 from the prior year due to strengthening of the Canadian dollar over that of the U.S. dollar. Sales of DiagnoCure's bladder cancer test, ImmunoCyt™ / uCyt+™, were $378,327 for 2006 versus $441,166 for the same period a year ago. Sales of the DiagnoCure-developed uPM3™ ASR test for 2006 were $376,660 compared to $612,946 for the same period of 2005. During the past summer DiagnoCure made the transition to the Gen-Probe PCA3 test. Final uPM3™ orders were processed in May and DiagnoCure withdrew its own test from the market in June, as per the agreement with Gen-Probe.

Income from research & development contracts, predominantly with Gen-Probe, decreased in 2006 by $767,366 net, as was anticipated under the contract terms. Also in this period, DiagnoCure sold clinical samples to Gen-Probe, in support of Gen-Probe's prostate cancer testing R & D, for an amount of $258,418. Interest income increased from $723,357 for 2005 to $787,008 for 2006. This increase is attributable to the rise in the interest rate during 2006. Cost of sales were $585,515 for 2006 compared to $575,099 for 2005 and relate directly to sales volume and mix.

Operating expenses, including the non-cash item related to stock-based compensation, increased from $8,248,823 for 2005 to $10,936,924 in 2006, an increase of approximately 33% or $2,688,101, primarily as a result of the following:

- Research and development expense, net of investment tax credits, increased by $952,421, from $3,093,742 for 2005 to $4,046,163 for 2006. The increase was in line with the Company's plan, and included 2006 increases in project spending for enhancements to ImmunoCyt™ / uCyt+™ and the related automated platform, the lung cancer project, further potential applications of the PCA3 gene and other research into cancer diagnostic products, including breast, lung and kidney.

- General and administrative expenses increased, from $1,616,236 for 2005 to $2,194,990 for 2006. This increase of $578,754 was attributable to an increase in professional fees (legal and investor relations, implementation of 52-109 regulations related to internal control), higher regulatory and filing fees and increased employee-related expenses including the CEO search and transition, information technology, pension and administrative support.

- Selling and business development expenses increased by $1,042,963 from $1,890,514 for 2005 to $2,933,477 for the same period in 2006. This increase was attributable to the execution of DiagnoCure's marketing and new business development plans to promote our products, manage our intellectual property portfolio, support our efforts to identify and conclude new potential strategic alliances and in-licensing agreements and an update of the Company's strategic plan.

- Stock-based compensation expenses, a non-cash charge, increased by $70,365, from $1,262,034 for 2005 to $1,332,399 for the same period in 2006. This increase was a result of the grant of 940,000 options in 2006 compared to 337,500 in 2005.

As previously announced, the Company stopped funding its subsidiary, Samba Technologies SAS, of Meylan, France effective October 31, 2006. The decision to withdraw support for the subsidiary was taken as part of a comprehensive analysis related to DiagnoCure's examination of its business strategy. The action to withdraw support of the Samba operations resulted in the subsidiary being treated in DiagnoCure's year-end accounts as "discontinued operations" and generated a loss of $595,044 (non-cash, $454,000).

Based on the above, DiagnoCure recorded a net loss from continuing operation in 2006 of $6,491,586 or $0.19 per share, compared with $3,048,649, or $0.09 per share, for the same period of 2005. These results were in line with management plans for the year.

Results for the Fourth Quarter of Fiscal 2006

Total revenues for the fourth quarter of 2006 were $1,192,448 compared with $1,376,791 for the fourth quarter of 2005. The Gen-Probe PCA3 test is now being sold in the U.S. in an ASR (Analyte Specific Reagent) format and in Europe. Given the recent release of the test, it is difficult to predict what any future royalty revenue flow will accrue to DiagnoCure. As anticipated, DiagnoCure continues to receive royalty payments from early Gen-Probe PCA3 sales in the U.S. and expects to start receiving additional royalties from European sales in 2007. PCA3 ASR royalty receipts to date, while modest, are consistent with the management plan for 2006. In May 2006, when DiagnoCure agreed to the Gen-Probe release of an ASR version of the PCA3 test in the U.S. and to advance the launch of the PCA3 prostate cancer test in Europe prior to a full U.S. FDA approval and launch, the Company knew it would be advancing its scientific leadership while deferring the royalty revenue stream in the short term in favour of unrestricted market access in the medium term. Further, in June 2006, once Gen-Probe's PCA3 ASR test became commercially available in the U.S., in accordance with the terms of the arrangement with Gen-Probe, DiagnoCure withdrew its uPM3™ test from the market in. Income from research & development contracts, predominantly with Gen-Probe, decreased in the fourth quarter of 2006 by a net amount of $90,413 as was anticipated under the contract terms.

Sales of DiagnoCure's bladder cancer test, ImmunoCyt™ / uCyt+™ , were $111,935 for the fourth quarter of 2006 versus $92,513 for the same period a year ago, reflecting increased sales in Europe. While uCyt+™ sales outside the U.S. increased over last year, U.S. based sales of ImmunoCyt™ suffered from strong competition and reimbursement issues.

Cost of sales decreased from $142,809 for the fourth quarter of 2005 to $112,611 for the fourth quarter of 2006. This decrease is related to the curtailment of UPM3™ sales. Operating expenses rose from $2,244,139 for the fourth quarter of 2005 to $2,798,155 for the same period in 2006, an increase of $554,016, primarily as a result of increased spending in support of the R & D program and an increase in administrative expenses. As noted above, the Company stopped funding its subsidiary, Samba Technologies.

Based on the above, for the fourth quarter of 2006, DiagnoCure recorded a net loss of $1,718,318 or $0.05 per share, compared with a loss of $1,010,157, or $0.03 per share, for the fourth quarter of 2005. These results are in line with management expectations and reflect our continuing R&D commitments.

At the end of the quarter, cash, short-term investments and long-term investments were $18,319,194, down $4,284,596 from the $22,603,790 reported as at October 31, 2005. This represents an average monthly cash burn of only $357,050 for

the year. Management is satisfied that it has adequate cash resources to execute its business plan in the near-term and mid-term.

Financial Data

For the periods ended	Three-months ended October 31		For the years ended October 31	
	2006	2005 (Restated)	**2006**	2005 (Restated)
Sales	**173,517**	261,552	**1,013,405**	1,054,110
Revenue under research and license agreement	**823,562**	983,875	**3,230,440**	3,997,806
Interest	**195,369**	131,364	**787,008**	723,357
Total revenues	**1,192,448**	1,376,791	**5,030,853**	5,775,273
Cost of sales	**112,611**	142,809	**585,515**	575,099
Gross margin	**1,079,837**	1,233,982	**4,445,338**	5,200,174
Operating expenses*	**2,798,155**	2,244,139	**10,936,924**	8,248,823
Net loss from continuing operations *	**(1,718,318)**	(1,010,157)	**(6,491,586)**	(3,048,649)
Diluted net loss per share	**(0.05)**	(0.03)	**(0.19)**	(0.09)
Weighted average number of common shares outstanding	**34,450,147**	34,303,231	**34,401,548**	34,232,702
**Includes non-cash expense adjustment for stock-based compensation*	***499,109***	*326,535*	***1,332,399***	*1,262,034*

Consolidated Balance Sheets

	As at October 31	
	2006	2005 (Restated)
Cash, cash equivalents, temporary and long-term investments	**18,319,194**	22,603,790
Total assets	**21,347,421**	26,895,639
Shareholders' equity	**19,704,640**	25,313,138

About DiagnoCure

DiagnoCure specializes in the development, production and commercialization of diagnostic tests for the detection and management of cancers. DiagnoCure's first product, ImmunoCyt™ /uCyt+™, is an important tool for the diagnosis and monitoring of bladder cancer. In 2003, the Company completed development of uPM3™, a non-invasive test for the detection of PCA3 RNA, and granted an exclusive worldwide license for the use of the PCA3 technology in prostate cancer diagnosis to Gen-Probe (NASDAQ: GPRO). Additional information can be found at www.diagnocure.com.

Forward-looking statements

This release contains forward-looking statements that involve known and unknown risks, uncertainties and assumptions that may cause actual results to differ materially from those expected. By their very nature, forward-looking statements are based on expectations and hypotheses and also involve risks and uncertainties, known and unknown, many of which are beyond DiagnoCure's control. As a result, investors are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements regarding the outcome of research and development projects, and future revenues, and future savings from restructuring are based on management expectations. In addition, the reader is referred to the applicable general risks and uncertainties described in DiagnoCure's most recent Annual Information Form under the heading "Risk Factors". DiagnoCure undertakes no obligation to publicly update or revise any forward-looking statements contained herein.

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