

DIAGNOCURE ANNOUNCES FOURTH QUARTER 2009 AND YEAR-END RESULTS

QUEBEC CITY, January 14, 2010 — DiagnoCure Inc. (TSX: CUR), a life sciences company commercializing high-value cancer diagnostic tests and delivering lab services, today reported financial and operation results for the fourth quarter 2009 and fiscal year ended October 31, 2009. The Company announced a net loss of \$2,680,018 or \$0.07 per share for the fourth quarter ending October 31, 2009, and a net loss of \$12,865,055 or \$0.30 per share for the fiscal year 2009. These results are substantially in line with Management expectations and reflect activities undertaken during the year, in line with the Company's plans and on-going commitment to develop high-value diagnostic tests for the detection and management of cancer. At the end of the quarter, cash, short-term investments and long-term investments stood at \$14,554,889.

The Company also announced that effective today, Mr. Alain Rhéaume resigned as director and chairman of the Board for personal reasons. Dr. Yves Fradet, one of the founders of DiagnoCure, was named Chairman of the Board.

Highlights of the Fourth Quarter 2009

The sales efforts for the Previstage™ GCC Colorectal Cancer Staging Test continued in the fourth quarter with presence at a number of medical conferences, and a payer advisory board meeting to discuss the economic value of the test. Moreover, on October 5, 2009, DiagnoCure signed an exclusive agreement with a new partner, Lab21, a global provider of diagnostic products and services, for the promotion, marketing and selling of its Previstage™ GCC test in the United Kingdom and Ireland. Lab21 is now offering the test as part of its oncology testing services.

With regard to PCA3 for prostate cancer, Gen-Probe announced in August 2009 that it had initiated a 500-patient clinical study aimed at securing Food and Drug Administration (FDA) approval. The study is expected to take one year. This is an important milestone for this test, which is currently being sold under full CE Mark in Europe through over 30 sites, and in the U.S. by laboratories that perform their own PCA3 test using Analyte Specific Reagents (ASRs) manufactured by Gen-Probe. With FDA approval, Gen-Probe will be allowed to promote and commercialize its PROGENSA® PCA3 test in the U.S.

Results for the fiscal year ended October 31, 2009

Total revenues for 2009 were \$1,615,667 compared with \$1,995,910 for 2008. In 2009, royalty revenues amounted to \$528,480 compared with \$262,387 for 2008. Royalties revenues from Gen-Probe increased by 70% or \$182,740, from \$262,387 to \$445,127 for 2009. This increase is mostly attributable to the sales of PROGENSA® PCA3 in Europe and PCA3 ASRs in the United States by Gen-Probe. Also in 2009, DiagnoCure recorded royalties of \$83,353 from Scimedex, related to ImmunoCyt™ / uCyt+™. Direct sales of DiagnoCure's bladder cancer test, ImmunoCyt™ / uCyt+™, were \$44,827 for 2009 compared with \$343,750 for 2008. These 2009 ImmunoCyt™ / uCyt+™ sales represent the last direct sales as Scimedex is now taking the lead and paying royalties to DiagnoCure. Also, DiagnoCure sold clinical samples to Gen-Probe in support of their prostate cancer testing R&D, for an amount of \$56,099 in 2009 compared with \$180,814 for 2008. In the second quarter, DiagnoCure stopped selling clinical samples to Gen-Probe. As part of the amended agreement signed with Gen-Probe on April 29, 2009, DiagnoCure recorded a portion of the contractual annual payment, that is, \$440,127 for 2009. Also in 2009, DiagnoCure received reimbursement on sales of its Previstage™ GCC Colorectal Cancer Staging Test for an amount of \$41,711.

Interest income decreased by \$705,821 to \$503,138 for 2009 compared with \$1,208,959 for 2008. The decrease is attributable to DiagnoCure's use of fund to finance its operating activities and to lower interest rates earned on its investments.

Cost of sales decreased by \$268,490, from \$322,775 for 2008 to \$54,285 for 2009. This decrease is related to the end of direct ImmunoCyt™ / uCyt+™ sales by DiagnoCure as stated above and to lower sample sales as Gen-Probe reduced its samples needs for its product development. The cost of sales related to the portion of the Previstage™ GCC tests reimbursed was \$27,164 for 2009.

Operating expenses decreased from \$15,597,476 for 2008 to \$14,426,437 for 2009. This decrease of \$1,171,039 reflects the impact of the workforce reduction in November 2008 and the reduction in R&D expenses related to the completion of the development of the Previstage™ GCC Colorectal Cancer Staging Test. The decrease is offset by a loss \$434,927 on foreign exchange, related to conversion in C\$ of the cash and investments the Company held in US\$ at the end of the fiscal year and the issue expenses of \$309,184 related to the June 2009 public offering. The Company maintains U.S. denominated liquidities in order to finance its U.S. activities expenses. Without these two items, the total expenses would have decreased by \$1,936,625.

Based on the above, for 2009, DiagnoCure recorded a net loss of \$12,865,055 or \$0.30 per share, compared with \$13,833,978 or \$0.33 per share for 2008. These results are substantially in line with Management's expectations and reflect activities undertaken during the year, in line with the Company's plans and on-going commitment to develop high-value diagnostic tests for the detection and management of cancer. At the end of the 2009 fiscal year, cash, short-term and long-term investments stood at \$14,554,889, down from \$20,130,705 as of October 31, 2008. This decrease of \$5,575,816 is due to the use of liquidity to finance the operating activities for fiscal 2009 and is net of \$5,857,866 generated from financing activities, mainly related to the issuance of 4.9 million convertible preferred shares to Gen-Probe as per the agreement signed on April 29, 2009.

Results for the fourth quarter of fiscal 2009

Total revenues for the fourth quarter of 2009 were \$351,924 compared with \$502,272 for the fourth quarter of 2008. In the fourth quarter of 2009, royalty revenues amounted to \$94,731 compared with \$110,770 for the corresponding period of 2008. Royalty revenues from Gen-Probe decreased by \$48,441, from \$110,770 to \$62,329 for the fourth quarter of 2009. This decrease is mostly attributable to the change in royalty revenue recording to better align the Company's revenue recognition period with Gen-Probe's. As such, to account for this change going forward, only two months of royalties have been recorded for the fourth quarter of 2009 compared with three months of royalties for the same period in 2008. Also in the fourth quarter of 2009, DiagnoCure recorded royalties of \$32,402 from Scimedx related to the ImmunoCyt™ / uCyt+™ test, compared with \$65,402 of direct sales of ImmunoCyt™ / uCyt+™ for the same period of 2008. DiagnoCure ceased selling directly its bladder cancer test, ImmunoCyt™ / uCyt+™, as Scimedx is now taking the lead and paying royalties to DiagnoCure. Also in the second quarter of 2009, DiagnoCure sold its last clinical samples to Gen-Probe in support of their prostate cancer testing R&D. For the fourth quarter of 2008 DiagnoCure had sold clinical samples to Gen-Probe for an amount of \$58,441. As part of the amended agreement signed with Gen-Probe on April 29, 2009, DiagnoCure recorded a portion of the contractual annual payment, that is, \$145,960 for the fourth quarter of 2009. Also during the quarter, DiagnoCure received reimbursement for the sales of Previstage™ GCC Colorectal Cancer Staging Test for an amount of \$14,769.

Interest income decreased by \$172,480, to \$95,179 for the fourth quarter of 2009 compared with \$267,659 for the fourth quarter of 2008. The decrease is attributable to DiagnoCure's use of fund to finance its operating activities and lower interest rates earned on its investments.

Cost of sales decreased by \$70,214 from \$78,694 for the fourth quarter of 2008 to \$8,480 for the same quarter of 2009. This decrease is related to the end of direct ImmunoCyt™ / uCyt+™ sales by DiagnoCure and to the end of prostate cancer related sample sales during the second quarter as stated above. The cost of sales for this quarter represents the cost related to the Previstage™ GCC tests reimbursed.

Operating expenses decreased by \$1,058,800, from \$4,082,262 for the fourth quarter of 2008 to \$3,023,462 for the fourth quarter of 2009. This decrease reflects the impact of the workforce reduction in November 2008 and the reduction in R&D expenses related to the completion of the Previstage™ GCC Colorectal Cancer Staging Test.

Based on the above, for the fourth quarter of 2009, DiagnoCure recorded a net loss of \$2,680,018 or \$0.07 per share, compared with \$3,568,321 or \$0.09 per share, for the same period of 2008. These results are substantially in line with Management's expectations and reflect activities undertaken during this quarter, in line with the Company's plans and on-going commitment to develop high-value diagnostic tests for the detection and management of cancer.

Financial data

<i>For the periods of</i>	Three months ended		Years ended	
	October 31		October 31	
	2009	2008	2009	2008
Sales	16,054	123,843	143,922	524,564
Revenue under research and license agreement	240,691	110,770	968,607	262,387
Interest	95,179	267,659	503,138	1,208,959
Total revenues	351,924	502,272	1,615,667	1,995,910
Cost of sales	8,480	78,694	54,285	322,775
Gross margin	343,444	423,578	1,561,382	1,673,135
Operating expenses (before stock-based compensation, restructuring charges and income taxes)	2,923,186	3,833,059	13,834,851	14,422,803
Net loss (before stock-based compensation, restructuring charges and income taxes)	(2,579,742)	(3,409,481)	(12,273,469)	(12,749,668)
Restructuring charges	–	55,034	–	55,034
Stock-based compensation	100,276	194,169	591,586	1,119,639
Future income taxes	–	(90,363)	–	(90,363)
Net loss	(2,680,018)	(3,568,321)	(12,865,055)	(13,833,978)
Basic and diluted net loss per share	(0.07)	(0.09)	(0.30)	(0.33)
Weighted average number of common shares outstanding	42,952,171	42,794,475	42,849,592	42,272,320

Balance sheets

As of October 31

	2009	2008
Cash, cash equivalents, temporary and long-term investments	14,554,889	20,130,705
Total assets	26,350,256	33,146,066
Shareholders' equity	23,224,245	29,639,848
Number of common shares outstanding	42,957,475	42,794,475

About DiagnoCure

DiagnoCure (TSX: CUR) is a life sciences company commercializing high-value cancer diagnostic tests and delivering laboratory services that increase clinician and patient confidence in making critical treatment decisions. DiagnoCure Oncology Laboratories, a subsidiary of DiagnoCure Inc., launched in 2008 the Previstage™ GCC Colorectal Cancer Staging Test, the first GCC-based molecular test for the management of colorectal cancer. A major study published in the February 18, 2009, edition of the *Journal of the American Medical Association* demonstrated that GCC, to which DiagnoCure owns exclusive worldwide diagnostic rights, is the strongest independent predictor of colorectal cancer recurrence. The Company has a strategic alliance with Gen-Probe (NASDAQ: GPRO) for the development and commercialization of a second-generation prostate cancer test using PCA3, DiagnoCure's proprietary molecular marker. This test is available through laboratories in the U.S. using PCA3 analyte specific reagents (ASR) from Gen-Probe, in Europe as the CE-marked PROGENSA® PCA3™ PCA3 *in vitro* assay, and in Canada. For more information, visit 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, clinical studies and future revenues 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 unless required by the applicable securities laws and regulations.

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