



UPDATED

TSO₃ Welcomes The Medical University of South Carolina to its Strategic Partner Facility Program

QUÉBEC CITY, January 26, 2017 - TSO₃ Inc. (TSX: TOS) ("TSO₃" or the "Company"), an innovator in sterilization technology for medical devices in healthcare settings, announced yesterday that MUSC Health, which is the clinical enterprise of the Medical University of South Carolina, has joined its Strategic Partner Facility Program.

Under the Program, MUSC Health and TSO₃ have agreed to deploy a TSO₃ STERIZONE[®] VP4 Sterilizer in one of its hospitals, and MUSC Health has agreed to evaluate the Sterilizer and provide TSO₃ data and feedback regarding its use.

"We are pleased to see the deployment of a STERIZONE[®] VP4 Sterilizer into the MUSC Health system," noted Ric Rumble, TSO₃'s President and CEO. "We will continue work toward adding key healthcare leaders to this important program to help improve existing sterilization practices and explore processes to enable the routine terminal sterilization of multi-channel flexible endoscopes to reduce infections and improve patient safety."

A previous version of this release mistakenly indicated multiple units were included in the research.

About the STERIZONE[®] VP4 Sterilizer

The STERIZONE[®] VP4 Sterilizer is a low-temperature sterilization system that utilizes the dual-sterilants of vaporized hydrogen peroxide (H₂O₂) and ozone (O₃) to achieve terminal sterilization of heat and moisture sensitive medical devices. Its single pre-programmed cycle can sterilize a large number and wide range of compatible devices, creating a cost-effective sterilization process with error free cycle selection. The device's unique Dynamic Sterilant Delivery System™ automatically adjusts the quantity of injected sterilant based on the load composition, weight and temperature. This capability removes the guesswork and potential for human error, as there is no need to sort instruments and choose the appropriate cycles as with other machines.

The STERIZONE[®] VP4 Sterilizer is the only terminal sterilization method that is FDA cleared to sterilize multi-channeled flexible endoscopes (with a maximum of four channels) of up to 3.5 meters in length, such as video colonoscopes and gastroscopes - an industry first for any medical device sterilization process.

The STERIZONE[®] VP4 Sterilizer is also the only cleared low temperature sterilizer that can process a mixed load consisting of general instruments, single channel flexible endoscopes, and single or double channel rigid endoscopes in the same cycle with load weights of up to 75 lb. The ability to run mixed loads significantly reduces labor costs by minimizing the amount of instrument sorting required, while maximizing the device turns (more productivity from increased throughput capacity).

More information about the STERIZONE[®] VP4 Sterilizer is available through TSO₃'s website, under the Products section at <http://www.tso3.com/en/products/sterizone-vp4/>.

About TSO₃

Founded in 1998, TSO₃'s activities encompass the sale, production, maintenance, research, development and licensing of sterilization processes, related consumable supplies and accessories for heat-sensitive medical devices. The Company designs products for sterile processing areas in the hospital environment that offer an advantageous replacement solution to other low temperature sterilization processes currently used in hospitals. TSO₃ also offers services related to the maintenance of sterilization equipment and compatibility testing of medical devices with such processes.

For more information about TSO₃, visit the Company's web site at www.tso3.com.

The statements in this release and oral statements made by representatives of TSO₃ relating to matters that are not historical facts (including, without limitation, those regarding the timing or outcome of TSO₃'s sales, business or operations) are forward-looking statements that involve certain risks, uncertainties and hypotheses, including, but not limited to, the ability of the Company to obtain the required regulatory clearance to market its products on a worldwide basis; general business and economic conditions, the condition of the financial markets, the ability of TSO₃ to obtain financing on favourable terms and other risks and uncertainties.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About MUSC Health

MUSC Health is the clinical enterprise of the Medical University of South Carolina (MUSC) comprised of a 700-bed Medical Center, the MUSC College of Medicine and the physician's practice plan. It serves patients across South Carolina and beyond through four hospital facilities in Charleston and more than 100 outreach sites. Among these are the Hollings Cancer Center, one of only 66 National Cancer Institute-designated centers in the country, and a nationally recognized Children's Hospital. The Medical University was founded in 1824 and has risen to become a premiere academic medical center at the forefront of the latest advances in medicine, with world-class physicians and other scientists and groundbreaking research and technology that is often the first of its kind in the world.

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Source: TSO₃ Inc.

Contacts:

TSO₃ Inc., R.M. (Ric) Rumble, President and CEO, Tel: 418 651-0003, Email: info@tso3.com

TSO₃ Inc., Glen Kayll, CFO, Tel: 418 651-0003, Email: info@tso3.com

MUSC Health, Heather Woolwine, Director, Public Affairs & Media Relations, Tel: 843-792-7669, Email: woolwinh@musc.edu

Renmark Financial Communications Inc.
Barry Mire: bmire@renmarkfinancial.com
Tel.: (416) 644-2020 or (514) 939-3989
www.renmarkfinancial.com