



ALR Technologies Inc.
3350 Riverwood Pkwy
Suite 1900, Atlanta GA 30339
Tel: 678-881-0002
Fax: 678-881-1418
Email: info@alrt.com

September 15, 2010

Dear Shareholders:

As ALR Technologies (ALRT) is entering a new phase of business development, I am writing to report on our progress. The Company is preparing to launch the ALRT Health-e-Connect (HeC) System, a system that tracks adherence to care plans of patients with chronic conditions. The Company has extensive experience in developing medication reminders and ALRT has added the ability to remotely collect data from medical devices in the new HeC System.

A 510(k) was filed for the HeC System with the FDA on July 23, 2010. We expect clearance before the end of 2010. The HeC may be offered for sale in the U.S. when it receives 510(k) clearance.

Initially, our efforts will be focused on treatment of diabetes. This is because the disease has reached pandemic proportions globally. There are many complications related to the disease and it is the most expensive chronic condition to treat.

The effectiveness of diabetes treatment can be measured by improvements in A1C (a long-term measure of control over blood glucose). According to the Centers for Disease Control and Prevention, "in general, every percentage point drop in A1C blood test results (e.g., from 8.0% to 7.0%) can reduce the risk of microvascular complications (eye, kidney, and nerve diseases) by 40%."¹ The ALRT HeC System has shown in a clinical trial to reduce A1C by 1.2%².

Using the HeC with current medical protocols could mean billions of dollars in savings for just the treatment of diabetes.

Two landmark diabetes studies³ concluded that intensive glucose control could delay or possibly even prevent diabetes-related complications. The HeC System has shown to be a platform that can be successfully used for intensive glucose control.

Importantly, the HeC can be deployed for intensive glucose control for diabetes treatment without involving frequent time consuming and expensive visits with the patients. Therefore, the HeC would offer healthcare providers with an efficient way of treating patients and would also be affordable to payers. The HeC can easily be implemented for

¹ Centers for Disease Control and Prevention. National diabetes fact sheet: general information and national estimates on diabetes in the United States, 2007. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, 2008. (Page 11-12)

² Tildesley HD, Mazanderani AB, Ross SA; Effect of Internet therapeutic intervention on A1C levels in patients with type 2 diabetes treated with insulin; Diabetes Care. 2010 Aug;33(8):1738-40

³ DCCT and EDIC: The Diabetes Control and Complications Trial and Follow-up Study; National Diabetes Information Clearinghouse (NDIC) A service of the National Institute of Diabetes and Digestive and Kidney Disease (NIDDK), NIH; <http://diabetes.niddk.nih.gov/dm/pubs/control/>

all who care for diabetes patients⁴.

Intensive glucose control puts a diabetes patient in charge of his condition. According to an estimate by Health Partners, a diabetes patient who is in control of his condition might incur \$5,000 in costs per year, but a patient who is not could incur costs up to \$45,000 annually⁵ due to emergency room visits and hospital stays—not to mention lost productivity.

The Company is currently pursuing reimbursement opportunities, which will allow healthcare providers to receive appropriate compensation for providing affordable intensive glucose control to their patients. This in turn will also benefit public and private healthcare insurers by helping them to realize substantial cost savings. The prospective reimbursement for intensive glucose control using the HeC could stimulate and accelerate early adoption of the HeC System by providing healthcare providers who treat diabetes patients with a new source of revenue.

ALRT is continuing to support clinical trials and research. In addition to the clinical trial mentioned above, a different pilot sponsored by the Company⁶ showed that average A1C scores dropped from 7.6 to 6.7 over a 3 month period. At the same time, average frequency of self-testing for blood sugar increased from 1.4 times per day to 3.1 per day. HeC is also designed to accurately measure the frequency of self-testing, and ALRT is supporting a new clinical trial to measure frequency of self-testing and its impact on A1C.

At ALRT, we are excited and encouraged by the prospects for the Company and look forward to being an important partner in containing treatment costs of chronic diseases, especially diabetes in the U.S. and other countries. Thank you all for your continued support. As we move ever closer to bringing our vision to reality, we anticipate realizing the rewards from the great potential of the ALRT Health-e-Connect (HeC) System. A visit to our website, www.alrt.com, will give you a good representation of the capabilities and impact of our exciting product.

Yours truly,
ALR TECHNOLOGIES INC.

Sidney S Chan

Sidney S Chan
Chairman & CEO

⁴ ALR Technologies Inc. Press Release; <http://www.marketwire.com/press-release/Features-of-the-ALRT-Health-e-Connect-HeC-System-for-Intensive-Diabetes-Treatment-1306468.htm>

⁵ Health Partners. Beyond Benefits. January 2006. http://www.healthpartners.com:747/media/beyondbenefits/BB0106_br.htm Last accessed 8/13/10

⁶ ALR Technologies Inc. Press Release; <http://www.marketwire.com/press-release/Average-A1c-Reduced-From-76-67-After-Three-Months-Initial-Report-ECHO-Employers-Coalition-927781.htm>