

OXIS International Announces Letter to Stockholders Posted on Website

BEVERLY HILLS, Calif., Nov. 2, 2010 -- OXIS International, Inc., (OTC Bulletin Board: OXIS; Paris: OXI) today announced that the following letter to stockholders will be posted today to the investor relations section of the Company's website at www.oxis.com

To Our Stockholders:

We look forward with optimism to the many important near-term events OXIS International faces, and appreciate the opportunity to provide our stockholders with an update on the Company's recent progress, current initiatives, and longer term plans and outlook.

Over the past several months the new management team has conducted a thorough analysis of the Company's assets, core competencies and market opportunities with the goal of creating lasting shareholder value. We are pleased to report that we have established a foundation that allows OXIS to enter a commercial phase and prepare for strong revenue growth. The key developments cover a number of fronts, including:

- Developing an initial strategic plan with a timeline for business and product development: Early on we focused our resources on the development of the super-antioxidant L-Ergothioneine (ERGO) for the treatment of oxidative stress, and already have products ready to launch with a marketing plan that has proven to be highly successful with similar products.
- Building a strong management team, including executive leadership, revitalized Board of Directors and a world-class Scientific Advisory Board: We now have an experienced CFO in Michael Handelman, a Board that includes Andy Dube of Theorem Capital, an investment firm, and Thomas Hoog the former CEO of Hill & Knowlton, a global public relations agency, and a team of scientific advisors that include leading authorities on the causes and effects of oxidative stress, the properties and benefits of L-Ergothioneine, and gerontology.
- Strengthening the financial and investment profile: We raised \$2 million from global fund Theorem Capital, became current on SEC filings, and moved our common stock listing from the Pink Sheets to the OTC Bulletin Board.
- Affirming critical intellectual property rights: We hold 12 U.S. patents with seven more patents pending, addressing various aspects of L-Ergothioneine, and we recently announced the settlement of a patent dispute with The Estee Lauder Companies that provided OXIS with full title to two important patents. This settlement demonstrates that OXIS has patents that are sufficiently strong for a New York Stock Exchange company to enter into a license agreement with us, and that OXIS has the strength to defend its patents and win. The OXIS patent portfolio extends to three major markets, namely therapeutics, nutraceuticals and cosmetics.

As we will describe in some detail below, OXIS is now positioned to be an important new entrant in the nutraceutical and cosmeceutical industry by leveraging its powerful ERGO asset.

It is critical to understand the importance and potential value that comes with being the sole source for ERGO. Many, if not most, of the highly successful dietary supplements and alternative medicines on the market today have been off-patent (or never were under patent) for many years, and therefore are available for multiple companies to use in a variety of products. However, OXIS controls the key uses of ERGO, and we have developed a proprietary process to synthesize commercial quantities of L-Ergothioneine in a highly soluble form that is suitable for use in combination with other therapeutics and botanicals, and in a wide variety of food, beverages, lotions and creams. In short, we can choose to develop our own products for certain markets, and engage joint venture partners or licensees for other products and markets.

Why is ERGO such a valuable asset? Simply put, it is one of the most potent and versatile anti-oxidants yet discovered. While it is naturally occurring – and can be found in small quantities in various species of mushrooms and grapes, and in certain meats and dairy products – it is not commercially practical to extract ERGO from these sources; nor is it possible to ingest a diet that contains sufficient quantities of ERGO to provide its health advantages.

However, in our supplement form the potential benefits of ERGO are many, and include its ability to:

- Conserve and maintain the levels of other antioxidants, such as Vitamin E, Vitamin C and glutathione
- Increase respiration and the oxidation of fat
- Protect mitochondria from damage
- Reduce the damaging effects of environmental ultraviolet radiation
- Neutralize increased oxidative stress by providing a free radical scavenging capacity, a property that protects key molecules in the body
- Protect against the effects of neurotoxins that are believed to have a role in the development and progression of cognitive decline

Because of this ability to prevent and treat oxidative stress, ERGO addresses multiple substantial potential market. Oxidative stress manifests in a variety of ailments such as arthritis and other joint pain, premature aging, DNA damage, atherosclerosis, emphysema and cataracts, to name a few. While our business plan initially calls for targeting a few select markets, it is worth noting that in total the U.S. dietary supplements market was \$27 billion in 2009, and is growing at a rate of approximately 6% annually. This growth is driven by several factors, including a large population of adults age 50 and above, greater acceptance of alternative medicine and clinical studies documenting the positive benefits of certain supplements.

In mid-November 2010 OXIS will launch its first product, **ErgoFlex®**, a potent formula for joint pain relief. This launch will be supported by the start of a pilot study on joint pain, inflammation and range of motion. In addition, we have active development programs underway with several products. Later this year and into early 2011, OXIS will launch additional products including formulas directed at boosting energy/anti-aging, cardiovascular health and improved vision.

We will employ direct mail to build awareness and acceptance of these products, followed by Internet sales and TV and radio infomercials, all of which are proven to be very effective with nutrition and personal care products. Compared with traditional retail outlets, these direct-to-consumer channels offer significantly higher margins and a potentially more rapid market entry.

Over time we plan to go beyond supplements to introduce ERGO-based functional foods and beverages such as nutrition bars and energy drinks, and a line of personal care products such as anti-aging creams, advanced cosmetics and hair and scalp treatments.

Although we are very pleased with the progress in recent months, there are several important milestones we plan to achieve over the coming months. These include publishing additional safety and toxicology data on ERGO with the objective of gaining an FDA designation of generally recognized as safe (GRAS), raising new funds and completing a capital restructuring, building a strong multilevel marketing network to complement our other direct-to-consumer channels, introducing additional nutraceutical and cosmeceutical products, expanding our Board of Directors and holding the First World Congress on Ergothioneine in Los Angeles in July 2011.

On behalf of OXIS International's management and Board, we thank you for your support and look forward to reporting on our future accomplishments and success.

Sincerely,

Anthony Cataldo
Chief Executive Officer

Bernie Landes
President

Forward-Looking Statements

Any statements in this press release that are not historical facts are forward-looking statements made under the provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. You are urged to consider statements that include the words "project," "believe," "anticipate," "plan," "expect," "estimate," "intend," "should," "would," "could," "will," "may," "potential" or the negative of those words or other similar expressions words to be uncertain and forward-looking. Factors that may cause actual results to differ materially from any future results expressed or implied by any forward-looking statements include the risks and uncertainties inherent in our business, including, without limitation the risks of obtaining possibly required regulatory approvals, the timing of product introductions, the level of market acceptance of and continuing demand for the Company's products, the impact of competitive products and pricing and the Company's ability to obtain additional financing to support its operations. We refer you to the risks and factors detailed from time to time in the Company's Annual Reports on Form 10-K and its Quarterly Reports on Form 10-Q. Any forward-looking statements in this press release represent the Company's views only as of the date of this release and should not be relied upon as representing its views as of any subsequent date. The Company anticipates that subsequent events and developments may cause its views to change, and the Company specifically disclaims any obligation to update this information, as a result of future events or otherwise, except as required by applicable law.

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CONTACT: Don Markley of Lippert/Heilshorn & Associates, +1-310-691-7100,
dmarkley@lhai.com