

July 2, 2007



Oxis Dietary Supplement L-Ergothioneine Provides New Therapeutic Strategy for the Prevention and Treatment of Chronic Inflammatory Diseases

University of Cologne Study Reveals Association between L-Ergothioneine, Unique Human Ergothioneine Transport System, and Chronic Inflammation

FOSTER CITY, Calif.--

Oxis International Inc (OTCBB: OXIS), a biopharmaceutical company focused on commercializing predictive biomarkers, clinical assays and nutraceutical and therapeutic products, announced today that Dr. Dirk Grundemann of the University of Cologne, Cologne, Germany, found evidence supporting the use of L-Ergothioneine (ERGO) as a nutritional/dietary supplement to treat Chronic Inflammatory Diseases (CIDs), Supplementation of ERGO to correct a dietary deficit could represent a new therapeutic strategy to control inflammation, a hallmark characteristic, as well as an underlying contributor, to virtually every chronic disease, a list that includes rheumatoid arthritis, Crohn's disease, diabetes, along with major killers such as heart disease and stroke. Oxis recently launched a human and veterinary sales and marketing campaign for ERGO and this scientific validation from the University of Cologne is expected to enhance the Company's efforts in this area.

ERGO is a unique, naturally occurring anti-oxidant/anti-inflammatory agent that is abundant in most plants and animals. ERGO cannot be synthesized by humans and therefore is available only from dietary sources. Oxis was the first company to develop a patented synthetic process for the manufacture of pure ERGO. The proprietary manufacturing process has been approved in North America, Japan, and Western Europe.

Dr. Dirk Grundemann of the University of Cologne was the first scientist to discover a unique human transport system for ERGO.

The initial paper showing the unique presence in humans of an ERGO transporter was published in the Proceedings of the National Academy of Sciences, USA, 2005 April 5: 102 (14): 5256-5261. Title: "Discovery of the Ergothioneine Transporter." Dr. Grundemann's current study is entitled: "Probing the Substrate Specificity of the Ergothioneine Transporter with Methimazole, Hercynine, and organic Cations." Biochemical Pharmacology, 74 (2007), 309-316.

"This breakthrough finding shows the association between disease and specific nutritional dietary deficiencies and the potential for early diagnosis, specific nutritional intervention and avoidance of therapeutics with possible toxic side effects," said Marvin S. Hausman MD, OXIS President and CEO. "The belief that a chronic inflammatory process underlies most diseases including cancer is now becoming well accepted. Moreover, scientists and physicians worldwide are uncovering and validating the therapeutic nutritional value of ERGO, a key OXIS proprietary dietary supplement product. These independent scientific validations will greatly enhance our marketing of ERGO for a broad number of uses."

CID is an inflammatory response of prolonged duration - weeks, months, or even indefinitely - whose extended time course is provoked by persistence of the causative stimulus to inflammation in the tissue. The inflammatory process inevitably causes tissue damage and is accompanied by simultaneous attempts at healing and repair. The exact nature, extent and time course of chronic inflammation is variable, and depends on a balance between the causative agent and the attempts of the body to remove it.

The July 2007 Scientific American article by Gary Stix emphasizes that "Understanding chronic inflammation, which contributes to heart disease, Alzheimer's and a variety of other ailments, may be a key to unlocking the mysteries of cancer." Hence curbing inflammation could prevent a trigger to more serious disease. Dr. Grundemann emphasizes the value of ERGO as a preventive dietary supplement by stating: "supplementation of Ergothioneine (ET) to correct a dietary deficit could provide a new therapeutic strategy for chronic inflammatory diseases."

About OXIS and BioCheck:

OXIS International, Inc. develops technologies and products to research, diagnose, treat and prevent diseases of oxidative stress associated with damage from free radical and reactive oxygen species and the related increased inflammation that accompanies oxidative stress. OXIS presently holds the rights to three therapeutic classes of compounds in the treatment of oxidative stress, and has focused commercialization programs in clinical cardiovascular markers, including MPO (myeloperoxidase) and GPx (glutathione peroxidase), as well as the super potent antioxidant, Ergothioneine, that is planned to be introduced as an over-the-counter nutraceutical supplement. OXIS's customers include leading pharmaceutical companies such as Pfizer, Glaxo Smith Kline and Genzyme and universities such as Baylor College of Medicine, University of Minnesota, Virginia School of Technology, distributors and government laboratories. OXIS has acquired a 51% interest in BioCheck, with the option to purchase the remaining 49%.

BioCheck is a provider of high quality enzyme immunoassay research services and products, and a leading provider of immunoassay kits for cardiac and tumor biomarkers, infectious diseases, thyroid function, steroids, and fertility hormones. BioCheck operates a 15,000 square-foot, U.S. Food and Drug Administration (FDA) certified cGMP, and ISO device-manufacturing facility in Foster City, California.

More information about OXIS, BioCheck and their products, services as well as current SEC filings may be obtained by visiting <http://www.oxisresearch.com> and <http://www.biocheckinc.com>.

The statements in this press release that are not purely historical are forward-looking

statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements regarding our expectations, objectives, anticipations, plans, hopes, beliefs, intentions or strategies regarding the future. Factors that could cause actual results to differ materially from the forward-looking statements include risks and uncertainties indicated in the company's filings with the Securities and Exchange Commission. It is important to note that actual outcomes could differ materially from those in such forward-looking statements.

Source: Oxis International, Inc.