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Drug Enhancement Company of America Licenses Oculus' Microcyn(R) Technology for Use in First Responder "Pen-Like" Applicator

PETALUMA, Calif.--(BUSINESS WIRE)--

Oculus Innovative Sciences, Inc. (NASDAQ:OCLS) today announced that it has entered into an exclusive licensing agreement with the Drug Enhancement Company of America, LLC ("DECA"), under which Oculus licensed rights to its Microcyn(R) Technology for use in an over-the-counter first responder "pen-like" applicator intended for use by police, fire, military, emergency medical personnel, healthcare providers, homeland security personnel and consumers. Microcyn Technology, a non-irritating, non-toxic, and alcohol-free oxychlorine compound, combined with a novel personal dispenser developed by DECA, will be used as an immediate response to minor cuts, minor burns, superficial abrasions and minor irritations of the skin. The new personal protection system will be marketed by DECA as MyCyde(TM).

The 10-year agreement could provide Oculus with minimum payments of up to \$47.5 million and grants DECA an exclusive worldwide license to the Microcyn Technology for this application.

Hoji Alimi, Oculus founder, president and chief executive officer, said, "This licensing agreement is an important step in bringing the Microcyn Technology to emergency services professionals and the military. These are individuals that oftentimes must clean wounds in less than optimal surroundings -- from accident scene to war zone. This innovative pen-like delivery in tandem with the Microcyn Technology provides for an effective, safe-as-saline, and easy-to-use wound cleansing process."

Roger Griggs, founder and CEO of DECA, added, "Over the years, I have had the good fortune to be involved in several exciting pharmaceutical product launches for important new advances in healthcare. These products have always been directed toward the patient. To be able to provide a product designed to protect the healthcare giver is truly gratifying. Our device, MyCyde(TM), coupled with the Microcyn technology, is a remarkable advancement in personal field protection. This unique fusion of the Microcyn Technology plus a convenient and easy-to-use delivery system represents a significant business opportunity for both companies. It has the potential to become the standard of care for first line response after exposure to various substances."

Recent Oculus Partnerships

In addition to the DECA agreement, Oculus has finalized three international partnerships. In April of this year, the Company signed an exclusive distribution agreement with China Bao

Tai Investment Company, Ltd., a leading distributor in China, providing rights to market the Microcyn-based oxychlorine wound care solution, which has arranged for distribution to hospitals and pharmacies by Sinopharm, the largest pharmaceutical company in China, and to supermarkets by Lianhua Supermarkets, a large retail distribution chain. The five-year agreement provides for minimum purchases of Oculus' Microcyn Technology of \$12 million, heavily weighted to the end of the term and commencing after regulatory approval in China is obtained.

In February of this year, Oculus also announced that it had entered into an exclusive agreement with Dancohr Corporation B.V., a manufacturer and wholesaler of cosmetics, for Dancohr to distribute Courtin(TM) oxychlorine solution (formulated with Oculus' Microcyn Technology) in the U.K., The Netherlands, and other EU member states. This five-year agreement provides for minimum purchases of \$10 million US of the Microcyn Technology.

Finally, Alkem Laboratories Ltd., the sixth-largest pharmaceutical company in India, launched Oxum, an oxychlorine solution for wound treatment based on Oculus' Microcyn Technology in December 2006. The product is now available for sale in all 22 states in India and Alkem's direct sales force, consisting of 850 people, is in the process of introducing Oxum to its network of customers, consisting of over 25,000 practicing physicians and surgeons.

About Drug Enhancement Company of America

The Drug Enhancement Company of America (DECA) is a privately held pharmaceutical development organization dedicated to the creation of innovative healthcare technologies and products that offer therapeutic benefits for varying disease states. The company, founded by CEO Roger Griggs, is located near Cincinnati, Ohio. DECA has acquired, developed, and licensed numerous products and platform technologies, several of which have led to the foundation of highly successful companies including Richwood Pharmaceuticals (merged with Shire Pharmaceuticals in 1997) and Xanodyne Pharmaceuticals. The company's website is www.decausa.com.

About Oculus

Oculus Innovative Sciences is a biopharmaceutical company that develops, manufactures and markets a family of Microcyn Technology-based products intended to help prevent and treat infections in chronic and acute wounds. Oculus' platform technology, called Microcyn, is a non-irritating, oxychlorine compound that is designed to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria, viruses, fungi and spores.

Oculus' principal operations are in Petaluma, California, and it conducts operations in Europe and Latin America through its wholly owned subsidiaries, Oculus Innovative Sciences Netherlands B.V. and Oculus Technologies of Mexico, S.A. de C.V. Oculus' website is www.oculusis.com.

Forward-Looking Statements

Except for historical information herein, the matters set forth in this press release are forward-looking within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including statements about the ability of our products to

become a standard of care or to gain general market acceptance or acceptance by any industry segment; the ability of our partners to penetrate their markets; our ability to attain specified revenue goals within a specified time frame, if at all; the ability of our products to treat wounds or to have antimicrobial action; our ability to obtain regulatory approvals in any specific time frame, if at all. These forward-looking statements are identified by the use of words such as "will," "should," "could," "may," "intend," "anticipate," "predict," "hope," and "believe," among others. These forward-looking statements are based on Oculus Innovative Sciences, Inc.'s current expectations. Investors are cautioned that such forward-looking statements in this press release are subject to certain risks and uncertainties inherent in the Company's business including risks inherent in the development and commercialization of potential products, the risk that scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, the Company's future capital needs, and its ability to obtain additional funding and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission including the quarterly report on Form 10-Q for the quarter ended December 31, 2006. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

Oculus and Microcyn are trademarks or registered trademarks of Oculus Innovative Sciences, Inc. All other trademarks and services marks are the property of their respective owners.

Source: Oculus Innovative Sciences, Inc.