January 3, 2008

Oculus Innovative Sciences Completes Patient Treatment and Follow-up in Its Phase II Clinical Trial in Mildly Infected Diabetic Foot Ulcers

-- Top line data on schedule for first calendar quarter 2008 release

-- Trial endpoints of microbiologic response, safety and resolution of infection to be evaluated

-- Desired outcome of trial is to obtain positive clinical response and safety sufficient to initiate Phase III trials

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

Oculus Innovative Sciences, Inc. (NASDAQ:OCLS) today announced that it has completed patient treatment and follow-up in its randomized and controlled Phase II clinical trial evaluating its Microcyn(R) Technology in the treatment of mildly infected diabetic foot ulcers. The final patient evaluation occurred on December 24, 2007.

Hoji Alimi, chairman and CEO of Oculus Innovative Sciences said, "We are pleased to have successfully completed the Phase II trial in December 2007 and look forward to reporting top line data in Q1 2008.

"The primary objective of the Phase II trial is to provide the clinical basis and rationale for larger Phase III trials. It is not a superiority or wound healing study. The patients enrolled in this trial have been screened to ensure that they have appropriate blood perfusion, thus enabling the antibiotic levofloxacin the opportunity to access and impact the infected ulcer. Our intent is to use the various data points in the Phase II trial as the foundation for moving the company's clinical program forward."

About the Study

The Phase II randomized, controlled open-label study enrolled a total of 67 patients with mildly infected diabetic foot ulcers at 15 U.S. sites. Three treatment arms were evaluated: 1) topical Microcyn alone 2) topical Microcyn in combination with oral levofloxacin; and 3) topical saline in combination with oral levofloxacin. Patient enrollment criteria in all three arms of the study included appropriate blood perfusion as well as mildly infected ulcers based on the IDSA classification of "mild" and University of Texas wound classification of "1B." Patients were randomized and treated for a total of 10 days in all three arms. Designed into the trial were three assessment time points: day 3, day 10, and day 24. This design

allows the most flexibility for an optimal design of a Phase III trial based on a number of potential positive signals at various time points.

Levofloxacin was chosen for the control group because it is one of the more potent, broad-spectrum oral antibiotics indicated for the treatment of complicated skin and skin structure infections (including diabetic foot infections) and is recommended by the Infectious Diseases Society of America in its guidelines for treatment of diabetic foot infections.

The company expects to provide preliminary top line Phase II clinical trial results in Q1 of 2008. More detailed results will be submitted for publication and/or presentation in various medical journals and conferences. Further information on this Phase II trial can be found at www.clinicaltrials.gov.

About Oculus

Oculus Innovative Sciences is a biopharmaceutical company that develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which is intended to help prevent and treat infections in chronic and acute wounds. The Microcyn Technology platform is a biocompatible solution containing active oxychlorine compounds. The solutions derived from the Microcyn Technology platform have demonstrated, in a variety of research and investigational studies, the ability to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria (including MRSA and VRE), viruses, fungi and spores. The technology has also demonstrated wound healing in chronic and acute wounds in clinical investigational studies. It has been commercialized outside of the U.S. for the treatment of infected wounds.

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

Forward-Looking Statements

Except for historical information herein, some 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 our ability to replicate the results of the test in clinical trials, if at all, or for such trials or other tests to establish the conclusions suggested by the results of the test. These forward-looking statements are identified by the use of words such as "intent," "enabling," "initiate," "designed," "to provide," "will pursue," and "expects," 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, risks that revenues will not reach expected levels, 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 September 30, 2007 and Form 10-K for the fiscal year ended March 31, 2007. Oculus Innovative Sciences disclaims any obligation to update

these forward-looking statements.

Source: Oculus Innovative Sciences, Inc.