March 29, 2007

Oculus Announces Initial Sites for Phase II Clinical Trial of Microcyn(R) Technology in Treatment of Mild Diabetic Foot Infections

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

Oculus Innovative Sciences, Inc. (NASDAQ:OCLS) announced today that it has received Institutional Review Board (IRB) approval from six sites within the United States targeted to participate in its Phase II clinical trial which will evaluate the preliminary safety and efficacy of topical Dermacyn(R) Wound Care versus systemic oral antibiotics for the treatment of mild diabetic foot infections. Dermacyn is a non-irritating solution containing oxychlorine compounds manufactured using Oculus' proprietary Microcyn(R) Technology.

The sites approved to date are the North American Center for Limb Preservation; Wasatch Clinical Research; Clinical Research of Tampa Bay, Inc.; Northern California Foot and Ankle Center; Beth Israel Deaconess Medical Center/Harvard Medical School; and Wound Treatment & Research Center, UCSD. The company anticipates adding up to seven additional sites subject to IRB approval in the near future.

The primary efficacy endpoint of the trial will be clinical cure or improvement of infection. Oculus expects results from the study in the third quarter of 2007 followed by the initiation of two larger, pivotal Phase III trials.

Hoji Alimi, president and CEO of Oculus, commented, "We are excited to have opened these Phase II trial sites and look forward to rapidly enrolling patients. This will enable us to build upon the favorable results from 12 international studies that provided the proof of concept for this trial in the U.S."

About the Study

The randomized, open-label three-arm study will enroll 60 total patients at up to 13 U.S. sites. Patients will be randomized 3:1 to receive Dermacyn, Dermacyn in combination with the oral antibiotic levofloxacin, or saline plus levofloxacin. The twenty patients in each arm will be treated over ten days, each time their wound dressing is reapplied. After ten days, patients will stop treatment and return two weeks later for a follow-up assessment.

About Diabetic Foot Ulcers

The Centers for Disease Control and Prevention (CDC) estimates that the there are over 1.5 million new cases of diabetes diagnosed annually, and that the overall disease affects approximately 7% of the U.S. population, or 20.8 million people. Foot ulcers are a common complication of diabetes, accounting for high morbidity and mortality, with an estimated 15% of diabetic patients expected to develop a lower extremity ulcer during the course of their

disease. Infection in the presence of this peripheral vascular disease is the most important prognostic factor for the risk of amputation in the diabetic foot.

About Oculus

Oculus Innovative Sciences is an emerging specialty pharmaceutical 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, super-oxidized, water-based solution that is designed to treat a wide range of pathogens, including antibiotic-resistant strains of bacteria, as well as 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. Our 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. These forward-looking statements are identified by the use of words such as "evaluating," "will be," "will compare," "intends," "expects," and "designed," among others. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially, including risks inherent in the development and commercialization of potential products, the risk that clinical studies or trials will not proceed as anticipated or may not be successful or 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.

Source: Oculus Innovative Sciences, Inc.