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Oculus Innovative Sciences Announces Market Assessment of Near-Term Commercialization Opportunities in the United States for Dermacyn(TM) Wound Care

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

Oculus Innovative Sciences, Inc. (Nasdaq:OCLS), announced today that the company is initiating a market analysis to study near-term commercialization opportunities for Dermacyn(TM) Wound Care in the United States. Dermacyn Wound Care received three FDA 510k clearances in May of 2005 for use in moistening, lubricating, cleaning and debriding wounds. While exploring these near-term opportunities, the company continues to advance its U.S. clinical program for drug approval of the Microcyn(R) Technology, having recently requested an End-of-Phase II meeting with the FDA.

Dermacyn Wound Care has had limited exposure in the United States as a result of small trial offerings and product being provided to healthcare professionals on a sampling basis. This market experience has generated valuable insights into the types of patients and wounds on which these professionals use Dermacyn Wound Care. This clinician feedback has encouraged the company to explore a broader U.S. commercialization strategy.

The market assessment will examine a number of variables including current market awareness and adoption levels of Dermacyn Wound Care, messaging strategies consistent with FDA-cleared label claims, distribution and sales channels as well as evaluating strategies for pricing and reimbursement.

Hoji Alimi, CEO and founder of Oculus, stated, "Today, unlike a year ago, we have an increased level of market awareness in the United States for Dermacyn Wound Care as well as clinical data demonstrating Dermacyn's pharmaeconomic benefits versus saline in the treatment of wounds. As a result, we feel we may have an opportunity to establish an effective commercialization strategy within the existing regulatory label claims. The first step in this process will be to confirm our assumptions and develop a better understanding of how best to discuss Dermacyn Wound Care with clinicians while remaining compliant with the regulatory limitations of our 510k device label claims."

Upon completion of the assessment, the company will identify the necessary next steps to move the Microcyn Technology into a larger U.S. commercialization launch. This plan will address differentiation of the 510K product and its branding while maintaining the integrity of the drug opportunity.

U.S. Wound Care Market

In 2005, chronic and acute wound care represented an aggregate of \$9.6 billion in global product sales, of which \$3.3 billion was spent for the treatment of skin ulcers, \$1.6 billion to treat burns and \$4.7 billion for the treatment of surgical and trauma wounds, according to Kalorama Information, a life sciences market research firm. According to Medtech Insight, a Division of Windhover Information, over 51 million wound incidents were reported in the United States during 2004, of which over six million were chronic wounds, and approximately 46 million were acute wounds.

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. The Microcyn Technology platform is a biocompatible, shelf-stable solution containing active oxychlorine compounds that is currently commercialized outside the United States (Europe, India and Mexico) for the treatment of a wide variety of wound types.

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. These forward-looking statements are identified by the use of words such as "initiating," "exploring," "continues," "will examine," "evaluating," "to confirm," and "could provide," among others. Forward-looking statements in this press release are subject to certain risks and uncertainties inherent in the Company's business that could cause actual results to vary, including risks inherent in the development and commercialization of potential products, the risk that regulatory clinical and guideline developments may change, the risk that scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, the risk that clinical results may not be replicated in actual patient settings, the risk that protection offered by our patents and patent applications may be challenged, invalidated or circumvented by our competitors, the risk that present trends will continue and that the available market for our products will not be as large as expected, the risk that our products will not be able to penetrate one or more targeted markets, the risk that revenues will not be sufficient to fund further development and clinical studies, 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, 2007. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

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Source: Oculus Innovative Sciences, Inc.