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Oculus Innovative Sciences Enters Into Commercial Partnership With Onset Therapeutics

Initial Joint Dermatology Offering to be Launched Q1 2011

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences, Inc. (Nasdaq:OCLS), a commercial medical technology company that designs, produces and markets safe and effective tissue care products based upon the Microcyn(R) Technology platform, announced today it has entered into a definitive agreement with Onset Therapeutics. Under this agreement, Oculus and Onset Therapeutics will work together to bring unique products to the U.S. dermatology market, initially targeting atopic dermatitis and related conditions, while leveraging Oculus' unique Microcyn Technology platform and Onset's strong national-commercial presence with a 35-person dermatology sales team. Oculus has received FDA clearance and commercialized two Microcyn-based dermatology products in the United States, a spray solution and a hydrogel.

"We are excited to be working with Oculus," said Doug Abel, general manager of Onset Therapeutics. "We believe that through this partnership we will be able to significantly improve physician and patient treatment options."

In a 2009 GlobalData study, it was estimated the global atopic dermatitis therapeutics market delivered revenues of \$643 million in 2009. It is expected to grow to \$810 million at a Compound Annual Growth Rate (CAGR) of 3.4% by 2016. This growth is primarily attributed to an increase in competition among existing products and the presence of a strong pipeline with more emerging therapies. Globally, the United States remains the largest market for atopic dermatitis therapeutics, and generated revenue of \$402 million in 2009. It is forecast to grow at a CAGR of 3.8% over the next seven years to reach \$582 million by 2016.

"Because of their excellent reputation and presence in the U.S. dermatology market, Onset is an ideal partner for us," said Hoji Alimi, founder and CEO of Oculus. "With our first joint product launch in Q1 2011, we expect to realize revenues from this collaboration in the first quarter of this coming year."

About Onset Therapeutics

Onset Therapeutics is a specialty pharmaceutical company focused on the development and commercialization of dermatology products formulated with the company's innovative proprietary topical formulation technologies and unique delivery systems. The company utilizes its novel DELEVO(R) Foam Technology that is designed to deliver enhanced penetration of proven active ingredients in cosmetically elegant, hydrating formulations with the goal of enhancing patient compliance. Onset Therapeutics commercializes these products through its dermatology dedicated national sales force. For more information,

please visit www.onsettx.com.

About Oculus Innovative Sciences

Oculus Innovative Sciences is a commercial medical technology company that designs, produces and markets safe and effective tissue care products based upon the Microcyn(R) Technology platform, which significantly reduces the need for antibiotics while reducing infections and accelerating healing. The Microcyn Technology addresses the need for improved solutions in multiple markets including dermatology, oral care, cosmeceutical, wound care and others. It features a biocompatible, shelf-stable solution that is currently commercialized in the United States, Europe, India, China and Mexico and select Middle East countries under various country specific regulatory clearances and approvals. Several solutions derived from this 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; increase blood flow to the wound site, and reduce both inflammation and pain while assisting in faster wound closure. The company's headquarters are in Petaluma, California, with operations in Latin America. More information can be found at www.oculusis.com.

Forward-Looking Statements

Except for historical information herein, 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 Company's commercial and technology progress and future financial performance. These forward-looking statements are identified by the use of words such as "targeting," "improve," and "expect," 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 such risks that regulatory clinical and guideline developments may change, scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, clinical results may not be replicated in actual patient settings, protection offered by the Company's patents and patent applications may be challenged, invalidated or circumvented by its competitors, the available market for the Company's products will not be as large as expected, the Company's products will not be able to penetrate one or more targeted markets, revenues will not be sufficient to fund further development and clinical studies, the Company may not meet its future capital needs, and its ability to obtain additional funding, as well as uncertainties relative to varying product formulations and a multitude of diverse regulatory and marketing requirements in different countries and municipalities, and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission including the annual report on Form 10-K for the year ended March 31, 2010. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements except as required by law.

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