

February 24, 2015



OXIS Biotech Issues Letter to Shareholders

TAMPA, Fla., Feb. 24, 2015 /PRNewswire/ -- The following is a letter to shareholders from Tony Cataldo, Chairman and Chief Executive Officer, Oxis International, Inc.:

Dear Fellow Shareholders,

Oxis had a dynamic and exciting 2014 making a significant change in direction. We brought in new management (Anthony Cataldo/Steven Weldon, PR Newswire – 11/11/14) and board directors, completed all of the companies SEC filings bringing them current, and up listed the company from the "Pink Sheets" to the OTCQB. We laid the groundwork for Oxis Biotech, Inc with the inclusion of strategically chosen indications for cancer drug development. The first of which was our announcement of our new worldwide exclusive Patent Licensing of "P62 Chemical Agents and Multiple Myeloma Therapeutics" (PR Newswire – 2/4/15) with Dr. Xiang-Qun (Sean) Xie. We are now building our Scientific Advisory Board with the addition of Dr. Sean Xie, Dr. James Mule (PR Newswire – 1/15/ 15), Dr. Lisa A. Haile (PR Newswire – 2/10/15). We will continue to add additional high profile scientists and business acumen to our Scientific Advisory Board over the next several weeks.

As the founder of Lion Biotechnologies, Inc. (LBIO \$240 Million market capitalization) I found the same dynamics when creating the nucleus for markets in cell therapies, which brought significant market cap appreciation in exploding biotech sectors. They are now present in the Cannabinoid/Medical Marijuana sector for Oxis Biotech, Inc. to take advantage of. With Lion Biotechnologies it was obvious that there would be increased interest in the cell therapy (TIL's tumor-infiltrating lymphocytes) markets, which no company had entered at the time I formed Lion Biotechnologies, Inc. The increase in biotech institutional interest in this sector has been evidenced by the continuing growing market cap companies such as Kite Pharma, Inc. (KITE) \$3 Billion market cap, Juno (JUNO) \$4 Billion market cap. History shows that companies similar to Lion make advancements in appreciation when they uplist to NASDAQ. This creates an arbitrage with these companies. The same holds true for Oxis Biotech, Inc. (OXIS) \$13 Million market cap. Which could continue to advance in value as GW Pharmaceuticals, Plc (GWPH) \$1.6 Billion market cap and INSYS Therapeutics, Inc. (INSY) \$1.9 Billion market cap. Possibly presenting another arbitrage opportunity for Oxis Biotech (OXIS) investors within this investment community as well for the Cannabinoid Biotech Sector.

Clinical Pipeline – Continued Momentum

Dr. Xie, MD, PhD, EMBA is one of the world's foremost cannabinoid research scientists. With the inclusion of our new P62 Multiple Myeloma Therapeutics platform, we are poised to be a significant player in the large and expanding market for Myeloma Therapeutic drug therapies. Multiple myeloma remains an incurable malignancy with systematic morbidity and a median survival of 3-5 years. It is the second largest hematological malignancy disease, characterized by aberrant proliferation of terminally differentiated plasma cells and impairment in apoptosis capacity. Due to the interactions between myeloma cells and cells of the bone marrow microenvironment, the osteolytic bone disease associated with myeloma is inextricably linked with tumor progression. High incidence of bone metastasis in multiple myeloma patients is frequently associated with severe bone pain and pathological fracture.

A diverse spectrum of novel agents have shown therapeutic potential in myeloma clinic, however high relapse rates and drug resistance continue to plague these therapies due to blurred multiple myeloma pathogenesis. Thus, novel targets and treatment in multiple myeloma pathogenesis are of critical importance to improve the patient outcomes. The 2010 launched anti-multiple myeloma drug Valcade became a top 10 best-selling anti-cancer drug. Approximately, 30% to 50% of patients with multiple myeloma do not respond to the first-line therapy. According to the Decision Resources Report, the multiple myeloma drug markets will grow more than double from \$2.1 billion to \$5.3 billion in 2018.

(<http://decisionresources.com/News-and-Events/Press-Releases/Multiple-Myeloma-032210>).

Oxis Biotech is well positioned to have a major impact in this market with our P62 Multiple Myeloma platform. Dr. Xie and his team have expertise and experience in drug design and discovery. In collaboration with MD clinicians they have discovered/patented new chemical agents targeting multiple myeloma. The studies were based on the knowledge that P62 plays critical roles in the survival, growth and metastasis of multiple myeloma cells. Dr. Xie has performed laboratory pre-clinical studies and confirmed anti-multiple myeloma therapeutic potential of the discovered p62ZZ chemical agents. Our P62 drug therapy data exhibits notable p62 antagonistic effects and significantly reduced survival of human MM cells, and also inhibited osteoclastogenesis thus causing bone density to increase as well. We look forward to advancing it towards FDA approval.

Program for Growth in 2015

Our focus for 2015 is to continue to make significant progress with Oxis Biotech, Inc by adding additional high value patent and assets to its portfolio over the very near future. Further adding value and strength to the market capitalization of Oxis. These opportunities for Oxis will add accelerated pathways for several of our current indications as we advance these assets towards FDA approval. We also plan to take advantage of the new regulatory pathways in Europe with our Oxis Biotech product offerings. The new laws in Europe (Adaptive Licensing) now allows for limited commercialization after a successful Phase 2 trial for indications that meet defined criteria. We hope to position Oxis Biotech to take advantage of this new opportunity, which should attract potential strategic partners for our unique platform.

We see great opportunities to continue to build our company in 2015. These opportunities are based on a foundation of great science and technologies, focusing on advancing the development of effective small molecule drugs that may enable better quality of life for

patients, and an organization wholly committed to working towards its goals and effectively responding to the deficiency issues of approved drugs in multi billion dollar therapy markets that our products are well suited for, giving Oxis great economic prospects for success.

I am excited about what the future holds for Oxis and its stockholders as we attain our goals for 2015. I have employed the same strategy that I used as founder of Lion Biotechnologies for Oxis Biotech, Inc. Our strategy is sound and our organization is aligned to execute our mission to enable us to develop products for patients in need, while continuing to build our business and become a leader in our industry. Oxis will continue to focus our efforts on solid science with real data. We also understand how important it is to articulate our efforts to our stockholders by providing meaningful information in a timely fashion. Thank you so much for your commitment to Oxis International, Inc. and Oxis Biotech, Inc.

Sincerely,

Tony Cataldo

Chairman and Chief Executive Officer

ABOUT OXIS BIOTECH, INC. - OXIS is a biotech company that develops and commercializes innovative drugs of therapeutic molecules including cannabinoids, which are focused on several cancer indications. Oxis address the clinical shortcomings of existing commercial products in related fields. OXIS has formed relationships with some of the world's leading cannabinoid researchers and institutions to advance its technologies.

Forward-Looking Statements Except for historical information contained herein, the statements in this release are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently unreliable and actual results may differ materially. Examples of forward-looking statements in this news release include statements regarding the payment of dividends, marketing and distribution plans, development activities and anticipated operating results. Factors which could cause actual results to differ materially from these forward-looking statements include such factors as the Company's ability to accomplish its business initiatives, significant fluctuations in marketing expenses and ability to achieve and expand significant levels of revenues, or recognize net income, from the sale of its products and services, as well as the introduction of competing products, or management's ability to attract and maintain qualified personnel necessary for the development and commercialization of its planned products, and other information that may be detailed from time to time in the Company's filings with the United States Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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