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Oxis Eliminates Debt In Restructuring Deal, Will Move Forward With Phase 1/Phase 2 Clinical Trial Of Cancer Drug

LOS ANGELES, Jan. 11, 2016 /PRNewswire/ -- Oxis International Inc. (OTC: OXISD) (Euronext Paris: OXI.PA) announced today that it has reached agreement to restructure unregistered debt and equity securities that will eliminate more than 12 million warrants, \$14.8 million of notes and all Series H and I Preferred Shares. Details of the restructure can be found in the company's filed 8K report.

Oxis Chief Executive Officer and Chairman Anthony Cataldo said the completion of the restructuring will leave the company in sound financial shape to continue its Phase 1/Phase 2 FDA clinical trial of OXS-1550, drug therapy for the treatment of Non-Hodgkins Lymphoma and leukemia. It also is a key step in getting the company's stock approved for listing on the NASDAQ exchange, he said.

"Now it's about science and delivery and going through the rigors of the FDA," Cataldo said. "This is all part of our strategy to move forward our robust product pipeline."

News of the debt restructuring follows the Nov. 23 announcement that the Food and Drug Administration had approved Oxis' combination Phase 1/Phase 2 clinical trial of OXS-1550, the company's promising therapy for Non-Hodgkins Lymphoma and leukemia. Oxis is collaborating with the University of Minnesota Masonic Cancer Center in the clinical trial.

Oxis holds worldwide exclusive rights to develop and commercialize OXS-1550.

"This helps pave the pathway toward funding the clinical trials," Cataldo said of the debt restructuring. "We're very excited about our drug for Non-Hodgkins Lymphoma and leukemia, and our partnership with the University of Minnesota."

Cataldo is the founder and former Chairman and Chief Executive Office of Genesis Biopharma Inc., now known as Lion Biotechnologies [LBIO]. He led the company from February 2011 until June 2013, using assets purchased from the National Cancer Institute for the treatment of stage four melanoma. Today, Lion has a market capitalization of more than \$314 million.

"Essentially, I'm using the same model that I used with Lion Biotechnologies to create Oxis," Cataldo said.

Details of the debt restructuring are as follows:

Certain investors exchanged warrants to purchase 12,060,812 shares of Oxis capital stock and received one share of Oxis Common Stock.

Certain creditors of Oxis holding approximately \$14,829,000 of outstanding debt (including accrued interest and penalties) have agreed to convert the debt into shares of Common Stock at a conversion price of \$1.25 per share, upon successful completion by Oxis of a \$6 million financing.

Certain investors together holding 25,000 shares of Series H Preferred Stock and 1,666,667 shares of Series I Preferred Stock have agreed to convert all such shares into an aggregate of approximately 4.075 million shares of Common Stock, upon successful completion by Oxis of a \$6 million financing.

Certain investors also agree to a 1 year lock out provision which would only allow them to sell shares based on 10% of the previous days volume during this period of time.

ABOUT OXIS INTERNATIONAL, INC. - Oxis International, Inc., through a wholly owned subsidiary, Oxis Biotech, Inc., develops innovative drugs focused on the treatment of cancer and other unmet medical needs. Oxis' lead drug candidate, OXS-1550 (DT2219ARL) is a novel bispecific scFv recombinant fusion protein-drug conjugate composed of the variable regions of the heavy and light chains of anti-CD19 and anti-CD22 antibodies and a modified form of diphtheria toxin as its cytotoxic drug payload. OXS-1550 simultaneously targets cancer cells expressing the CD19 receptor or CD22 receptor or both receptors. When OXS-1550 binds to cancer cells, the cancer cells internalize the drug and are killed due to the action of drug's cytotoxic payload. OXS-1550 has demonstrated success in early human clinical trials in patients with relapsed/refractory B-cell lymphoma or leukemia. OXS-4235 is a small molecule therapeutic candidate targeting the treatment of multiple myeloma and associated osteolytic lesions. In in vitro and in vivo models of multiple myeloma and osteoporosis, OXS-4235 demonstrated the ability to kill multiple myeloma cells, and decrease osteolytic lesions in bone. OXIS' lead drug candidate, OXS-2175, is a small molecule therapeutic candidate targeting the treatment of triple-negative breast cancer (TNBC). In in vitro and in vivo models of TNBC, OXS-2175 demonstrated the ability to inhibit metastasis. For more information about Oxis Biotech, please visit <http://www.oxis.com>.

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.

For Financial inquiries, contact Steve Weldon, Chief Financial Officer, Oxis International Inc., (800) 304-9888.

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/oxis-eliminates-debt-in-restructuring-deal-will-move-forward-with-phase-1phase-2-clinical-trial-of-cancer-drug-300201985.html>

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