

November 26, 2008



Oculus Innovative Sciences Receives NASDAQ Notification

This Notice Regarding Stockholders' Equity Has No Immediate Impact on the Company's Listing

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences, Inc. (NASDAQ: OCLS), a biopharmaceutical company that develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which is intended to treat infections in chronic and acute wounds, announced today that it received notice from The NASDAQ Stock Market indicating that its stockholders' equity at September 30, 2008 was less than the \$10 million in stockholders' equity required for continued listing on The NASDAQ Global Market under Marketplace Rule 4450(a)(3). The notice, which was received in a letter dated November 19, 2008, is a standard communication when a company's stockholders' equity is less than the \$10 million minimum requirement. The notice has no immediate effect on the listing of the company's common stock.

In its letter, NASDAQ requested Oculus to provide its plan to achieve and sustain compliance with the continued listing requirements of The NASDAQ Global Market, including the minimum stockholders' equity requirement, before December 4, 2008. If NASDAQ determines that the company has not presented a definitive plan to achieve compliance in the short term and sustain compliance in the long term, it will provide the company with a written notification that its securities will be delisted from The NASDAQ Global Market. If it receives a notification, Oculus may apply to move to the NASDAQ Capital Market or appeal NASDAQ's delisting determination to a NASDAQ listing qualifications panel. The company intends to submit a plan with NASDAQ before December 4, 2008 to maintain its NASDAQ Global Market listing.

About Oculus

Oculus Innovative Sciences develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which is intended to help prevent and treat infections in chronic and acute wounds. The Microcyn Technology platform features a biocompatible, shelf-stable solution containing active oxychlorine compounds that is currently commercialized primarily in the United States, Europe, India, China and Mexico for the treatment of infected wounds. The 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. A recent Phase II clinical trial of Microcyn Technology conducted in the United States met its primary endpoints of safety and efficacy for the treatment of mildly infected diabetic foot ulcers. The company's headquarters are in Petaluma, California, with operations in Europe and Latin America. More information can be found at www.oculusis.com.

Forward-Looking Statements (Oculus)

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, including statements about Oculus' future expectations, including its ability to meet the NASDAQ's listing criteria as set forth in Marketplace Rule 4450. These forward-looking statements are identified by the use of words such as "provide," "achieve," "sustain," "may," and "intends," 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 September 30, 2008. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

Oculus and Microcyn are trademarks or registered trademarks of Oculus Innovative Sciences, Inc. All other trademarks and service marks are the property of their respective owners.

Source: Oculus Innovative Sciences, Inc.