

February 9, 2009



Oculus Innovative Sciences' Security Holders Exercise Rights or Invest in Company as Result of Recently Announced Strategic Investment by VetCure, Inc.

\$1.75 Million in Funding Supports Oculus Initiative to Achieve Breakeven

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences (Nasdaq:OCLS) today announced that as a result of the strategic investment by VetCure, Inc., finalized on January 26, 2009, Oculus was obligated to provide the right of participation to certain previous investors at terms comparable to those in the transaction with VetCure.

The company has entered into definitive agreements with institutional investors in a private financing of 1,499,404 shares of its common stock at a purchase price of \$1.17 per share, which is equal to the share price in the funding with VetCure, for gross proceeds of \$1,752,803 before payment of placement agent commissions and offering expenses.

Similar to the VetCure terms, investors will also receive the right to an additional 869,655 warrants to purchase common stock at \$1.87 per share and 1,169,536 warrants to purchase common stock at \$1.13 per share. Also, upon exercise and payment for 1,169,536 warrants at \$1.13, investors can earn the right to purchase an additional 584,769 shares of common stock at \$1.94 per share.

Oculus' management currently intends to use the majority of the proceeds from the agreement to fund general working capital and accelerate the company's commercial activities in the United States, China, Europe, Mexico, India and select Middle East countries.

The securities offered in this placement have not been registered under the Securities Act of 1933, as amended, or state securities laws, and cannot be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements. As part of the transaction, the company has agreed to file a registration statement with the SEC covering the resale of the shares of common stock to be issued in the offering, including the shares of common stock issuable upon exercise of the warrants. This news release is neither an offer to sell nor a solicitation of an offer to buy any of the securities discussed herein and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

Merriman Curhan Ford (NASDAQ:MERR) acted as exclusive placement agent for the offering.

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 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. 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

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 "intends" and "accelerate," 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 financial forecasts will not be achieved, 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.

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Source: Oculus Innovative Sciences