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Biopharma, Inc.

OXIS International Launches L-Ergothioneine as Dietary Antioxidant Supplement Representing Significant Revenue Opportunity for Company

Initial Product Launch to Be Used as Immune Potentiator to Shield against Equine Viral Infections

FOSTER CITY, Calif.--

OXIS International Inc (OTCBB: OXIS), a biopharmaceutical company focused on commercializing predictive biomarkers, clinical assays and nutraceutical and therapeutic products, announced today that it has signed a supply agreement for L-Ergothioneine (ERGO) with Golden Gourmet Mushrooms (GGM) of San Marcos, CA, a leading marketer to the equine industry of natural organic dietary supplements. The parties plan to market ERGO as a potential solution for the equine herpes virus, which has affected horses in at least 11 states, including leading horse racing and breeding states such as Florida, Connecticut, New York, Pennsylvania, Ohio and California. Recently, a mutation of the equine herpes virus (EHV-1) has appeared and gives the virus increased ability to multiply (more virus circulates in the horse's body), infects cells of the nervous system and results in death of the horse.

OXIS has issued worldwide patents on the manufacturing of ERGO and will allow GGM to market the product under the OXIS owned trademark, ERGOLD(TM).

"With the outbreak of equine herpes continuing to rapidly spread, and no effective treatment or vaccination available, we believe that ERGO has the potential to boost a horse's immune system against a viral challenge," said Marvin S. Hausman MD, OXIS International's President and CEO. "There are currently more than 9.2 million horses in the United States, and with the racing, breeding and show jumping industries all looking for solutions to this potentially pandemic problem, ERGO could generate significant sales."

GGM currently markets Mushroom Matrix (M2) to the United States equine market and small animal pet market as a natural organic dietary supplement. GGM's marketing plan is to add ERGO (ERGOLD(TM)) to the M2 product to confer viral shield capacity and sell the product through veterinary practices. The research data underscoring this nutritional approach was

shown in a paper entitled, "Activity of the dietary antioxidant ergothioneine in a virus gene-based assay for inhibitors of HIV transcription." Potential future markets include making this product available to domestic animals such as dogs and cats.

The authors, including Dr. Okezie I. Aruoma, whom OXIS recently retained as a consultant, specifically state in the abstract: "Thus antioxidant strategy involving ergothioneine derived from food plants might be of benefit in chronic immunodeficiency diseases." OXIS and GGM believe that this unique antioxidant nutritional immuno-protective ability of ERGO would also apply to other devastating viral diseases horses suffer from, such as Strangles and Equine Herpes.

"Mushroom Matrix represents a significant new avenue for natural health support. In these special mushrooms are found many of nature's most powerful health promoting ingredients in the pure form that nature intended for optimum absorption and utilization," said Craig Anderson, President and CEO of GGM. "Special unique transporters and powerful antioxidants make M2 the best way to restore and maintain the horse's health and naturally promote peak performance. M2 complements all nutritional and medical programs safely and cost effectively."

American Horse Council Industry Statistics show the equine market to be an economically significant industry. There are currently more than 4.6 million Americans who own or work with horses. Sources estimate that the equine industry has a \$102 billion impact annually on the U.S. economy.

About Golden Gourmet Mushrooms, Inc.

Golden Gourmet Mushrooms, Inc (GGM) has been cultivating fresh mushrooms since 1988, and is currently one of the largest marketers in the United States of organically grown specialty mushrooms. GGM has diversified and expanded its operations to the production of medicinal and nutraceutical mushroom products incorporating its proprietary SSF (Solid State Fermentation) technologies. GGM represents Hokuto Sangyo, Ltd, of Nagano, Japan, the largest mushroom company in the world, as the sole agent of their proprietary technology, equipment and products in North America.

About OXIS and BioCheck:

OXIS International, Inc. develops technologies and products to research, diagnose, treat and prevent diseases of oxidative stress associated with damage from free radical and reactive oxygen species and the related increased inflammation that accompanies oxidative stress. OXIS presently holds the rights to three therapeutic classes of compounds in the treatment of oxidative stress, and has focused commercialization programs in clinical cardiovascular markers, including MPO (myeloperoxidase) and GPx (glutathione peroxidase), as well as the super potent antioxidant, Ergothioneine, that is planned to be introduced as an over-the-counter nutraceutical supplement. OXIS's customers include leading pharmaceutical companies such as Pfizer, Glaxo SmithKline and Genzyme and universities such as Baylor College of Medicine, University of Minnesota, Virginia School of Technology, distributors and government laboratories. OXIS has acquired a 51% interest in BioCheck, with the option to purchase the remaining 49%.

BioCheck is a provider of high quality enzyme immunoassay research services and

products, and a leading provider of immunoassay kits for cardiac and tumor biomarkers, infectious diseases, thyroid function, steroids, and fertility hormones. BioCheck operates a 15,000 square-foot, U.S. Food and Drug Administration (FDA) certified cGMP, and ISO device-manufacturing facility in Foster City, California.

More information about OXIS, BioCheck and their products, services as well as current SEC filings may be obtained by visiting <http://www.oxisresearch.com> and <http://www.biocheckinc.com>.

The statements in this press release that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, statements regarding our expectations, objectives, anticipations, plans, hopes, beliefs, intentions or strategies regarding the future. Factors that could cause actual results to differ materially from the forward-looking statements include risks and uncertainties indicated in the company's filings with the Securities and Exchange Commission. It is important to note that actual outcomes could differ materially from those in such forward-looking statements.

Source: OXIS International Inc