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Oculus Innovative Sciences Announces Preliminary Results From 40-Patient Feasibility Study for Treatment of Acne With Enhanced Microcyn(R) Hydrogel Formulation

Company to Explore Partnerships for Newly Enhanced Microcyn Hydrogel, Targeting \$3.3 Billion Over-the-Counter Medicated Skin Care Market Preliminary Data Indicates "Promising Results," Suggesting Further Examination Warranted

PETALUMA, Calif.--(BUSINESS WIRE)-- Oculus Innovative Sciences, Inc. (Nasdaq: OCLS), a healthcare company that develops, manufactures and markets a family of products based upon the Microcyn^(R) Technology platform, today announced that preliminary results from its U.S. 40-patient feasibility study, in which an enhanced formulation of the company's Microcyn Technology-based hydrogel was used in the treatment of acne, are highly encouraging and warrant further examination.

"In the treatment of acne, we have observed preliminary results which suggest that this hydrogel formulation may reduce the need for laser treatment and chemical peels to address skin damage caused by acne or acne treatments," said Cheryl Bongiovanni, director of the Lakes Aesthetics Center in Lakeview, Oregon. "The promising preliminary results, including elimination of secondary infection and inflammation and reduction of new scarring, warrant further research of the possible long-term impact of this formulation to determine whether the effects are sustainable."

The company plans to utilize this information to evaluate the potential of near-term market opportunities while exploring longer-term partnerships with a number of prospective companies.

During its Q4 2009 earnings call this past week, Oculus provided specific guidance regarding the company's potential revenue in fiscal year 2013 as well as its targeted cash breakeven in March 2010. In light of the new acne data and the potential upsides, Oculus management intends to discuss the revenue impact of this new market opportunity during its Q1 2010 earnings call in August.

About Oculus

Oculus Innovative Sciences develops, manufactures and markets a family of products based upon the Microcyn(R) Technology platform, which includes new formulations designed to

significantly reduce the need for antibiotics as it reduces infections. The Microcyn Technology platform features a biocompatible, shelf-stable solution that is currently commercialized in the United States, Europe, India, China and Mexico and select Middle East countries. Several 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, increase blood flow to the wound site, reduce both inflammation and pain while assisting in faster wound closure. The company's headquarters are in Petaluma, California, with operations in Europe and Latin America. More information can be found at www.oculusis.com.

The company has announced that its consolidated financial statements for the fiscal year ended March 31, 2009, included in the company's annual report on Form 10-K filed with the Securities and Exchange Commission on June 11, 2009, contained a going concern qualification from its independent registered public accounting firm. This announcement does not represent any change or amendment to the financial guidance provided in the most recent earnings call regarding cash breakeven or profitability, nor to the company's 2009 financial statements, nor to its annual report on Form 10-K. In addition and pursuant to the previously announced strategic agreement with Vetericyn, Inc. entered into in February of this year, Oculus received an additional \$2 million of the Vetericyn investment on June 1, 2009. This announcement is being made in compliance with Nasdaq Marketplace Rule 5250(b)(2), which requires separate disclosure of a recent audit opinion that contains a going concern qualification.

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, including statements about the company's commercial and technology progress. These forward-looking statements are identified by the use of words such as "suggest," "determine," and "plans," 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, as well as uncertainties relative to varying product formulations and a multitude of diverse regulatory and marketing requirements in different countries and municipalities, 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 March 31, 2009. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements.

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Source: Oculus Innovative Sciences, Inc.