

June 25, 2012



AmDerma and Oculus Innovative Sciences Enter Into Multi-Country Agreement to Develop and Commercialize Novel Microcyn(R)-Based Drugs for Major Dermatological Conditions

- **Agreement Includes Upfront and Clinically Based Milestone Payments; Double-Digit Escalating Royalties on Future Sales**
- **Oculus to Host Conference Call at 11:00 a.m. EDT, June 26, 2012**

BRIDGEWATER, N.J. and PETALUMA, Calif., June 25, 2012 (GLOBE NEWSWIRE) -- AmDerma Pharmaceuticals, LLC, a privately owned company (and parent company of Quinnova Pharmaceuticals, Inc.) and Oculus Innovative Sciences (Nasdaq:OCLS), today announced the execution of an agreement to develop and commercialize Oculus' novel proprietary Microcyn® Technology drug compounds for major dermatological conditions, including acne. The exclusive agreement includes licensing of the dermatology compounds in the United States and India, with a first right of refusal for all member states of the European Union, Canada, Brazil and Japan. Oculus retains all rights for the rest of the world.

Under the terms of the agreement, Oculus received an undisclosed upfront payment, and will receive multiple clinically based payments upon achievement of several development and regulatory milestones for both acne and secondary indications, as well as future escalating double-digit royalties on net sales of products. The agreement also memorializes the intent for future joint development of additional dermatological products and indications.

"This agreement reflects the AmDerma/Quinnova commitment to the future of dermatology. Microcyn® compounds have the potential to bring about significant advancement in the treatment of skin diseases which affect millions of patients, without adding to the growing problem of antibiotic resistance or steroid overuse," said Jeffrey Day, Quinnova president. "Our dermatology customers have been pleased with improved patient outcomes as a result of adopting the Microcyn®-based compounds for treatment of atopic dermatitis and related skin diseases. We look to build upon this success by growing the family of Microcyn®-based dermatology compounds for myriad skin afflictions."

AmDerma will be responsible for the development costs for the acne formulation as well as other dermatological compounds.

"Oculus is thrilled to expand the scope of our existing partnership with Quinnova and its

parent company, AmDerma. Quinnova is doing an exceptional job with the commercial launch of the Atrapro product, and we are confident they are the right partner to commercialize this technology in acne and other dermatological indications," said Hoji Alimi, founder and president of Oculus.

Conference Call:

Oculus will hold a conference call on Tuesday, June 26, 2012, at 11:00 a.m. EDT, to discuss the collaboration:

Web access: <http://ir.oculusis.com/events.cfm>

Dial-in (U.S.): (877) 303-7607

Dial-in (International): (973) 638-3203

To access audio replay: (855) 859-2056 or (404) 537-3406 and use conference ID number: 93563599

About AmDerma Pharmaceuticals/Quinnova Pharmaceuticals

AmDerma Pharmaceuticals is a privately held company engaged in the development of pharmaceutical products with dermatological indications. Quinnova Pharmaceuticals, Inc., a wholly-owned subsidiary of AmDerma Pharmaceuticals, is a specialty pharmaceutical company founded on innovative, patent-protected dermal delivery technologies. Our delivery platforms are utilized to transport safe and effective pharmaceutical ingredients through the epidermis in unique, convenient, and cosmetically elegant formulations. Addressing a wide variety of skin conditions, it is our mission to provide superior treatment solutions and product value to clinicians and patients alike. For more information, please visit www.quinnova.com.

About Oculus Innovative Sciences

Oculus Innovative Sciences is a *commercial healthcare* company that designs, produces and markets innovative, safe and effective healthcare products. Oculus is pioneering innovative solutions in multiple markets, including dermatology, oral care, surgical, wound care, animal healthcare and others, and has commercialized products in the United States, Europe, India, China, Mexico, and select Middle East countries. The company's headquarters are in Petaluma, California, with manufacturing operations in the United States and Latin America. More information can be found at www.oculusis.com.

Forward-Looking Statements

Except for historical information herein, 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 and future financial performance. These forward-looking statements are identified by the use of words such as "licensing," "will receive," and "intent," 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 such risks that regulatory clinical and guideline developments may

change, scientific data may not be sufficient to meet regulatory standards or receipt of required regulatory clearances or approvals, clinical results may not be replicated in actual patient settings, protection offered by the Company's patents and patent applications may be challenged, invalidated or circumvented by its competitors, the available market for the Company's products will not be as large as expected, the Company's products will not be able to penetrate one or more targeted markets, revenues will not be sufficient to fund further development and clinical studies, the Company may not meet its 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 annual report on Form 10-K for the year ended March 31, 2012. Oculus Innovative Sciences disclaims any obligation to update these forward-looking statements except as required by law.

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.

CONTACT: Oculus Innovative Sciences, Inc.
Dan McFadden
Director of Marketing/Communications
(425) 753-2105
dmcfadden@oculusis.com

Source: Oculus Innovative Sciences, Inc.