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OCULUS INNOVATIVE SCIENCES LAUNCHES FIRST U.S. PRODUCT FORMULATED WITH REVOLUTIONARY MICROCYN™ TECHNOLOGY

Vetericyn™ Wound Spray for Animals Unveiled at the American Veterinary Medical Association Annual Convention in Philadelphia

PHILADELPHIA-- (July 24, 2004)— Oculus Innovative Sciences today launched the company's first U.S. product, Vetericyn™ Wound Spray for animals, formulated with the revolutionary Microcyn™ technology. The Microcyn™ technology has received a great deal of attention within the worldwide medical industry due to its effectiveness and non-toxic nature. In vivo tests performed to date confirm that Microcyn™ does not cause skin and eye irritation; is non-flammable, biodegradable and environmentally friendly.

The company has received CE approval for its Microcyn™ technology under the European Medical Device Directive 93/42/EEC. The product has also been commercialized in Mexico since July 2003.

"With the initial focus to commercialize Microcyn™ in Europe and Latin America," said Hoji Alimi, who founded the company in 1999. "We are obviously excited about our first product launch in the U.S." The company expects to obtain additional U.S. regulatory approvals by the end of this year allowing the company to launch its technology in additional U.S. wound markets.

Vetericyn™ Wound Spray, with the patented Microcyn™ technology, is a non-toxic, antibiotic-free and ion-based solution that helps debride, rinse, and eliminate odors in wounds. Additionally, Vetericyn™ provides a moist environment to help promote healing of wounds in horses, dogs, and other companion animals. Non-flammable and pH neutral, Vetericyn™ does not cause skin or eye irritation.

Show or race horse owners can use Vetericyn™ Wound Spray with the assurance that it "tests free", is safe if ingested or licked and helps eliminate odors in infected wounds.

Vetericyn™ Wound Spray is available in an eight-ounce spray bottle and has a suggested retail price of \$14.95. Resellers and veterinarians can order Vetericyn™ by calling 1-800-759-9305 beginning July 26th.

About Oculus

Oculus Innovative Sciences, headquartered in Petaluma, California, is pioneering innovative life sciences and disruptive technologies that globally re-define the disinfectant and antiseptic markets. The company has employees and operations in Mexico, Europe and the U.S. and includes two wholly owned subsidiaries, Oculus Technologies of Mexico, S.A. de C.V., and Oculus Innovative Sciences Netherlands B.V. Please visit us at www.oculusis.com.

Forward-Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, plans and timing for the introduction of our products, statements about future market conditions, supply and demand conditions, revenues, gross margins, operating expenses, profits and other expectations, intentions and plans contained in this press release that are not historical fact. Our expectations as expressed in this press release depend upon our ability to develop, manufacture and supply products that meet defined specifications. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and changes in the health sciences market. In light of the many risks and uncertainties surrounding this market, you should understand that we cannot assure you that the forward-looking statements contained in this press release will be realized.