

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported) December 1, 1995  
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OXIS INTERNATIONAL, INC.

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(Exact Name of Registrant as Specified in Charter)

<TABLE>

<S>	<C>	<C>	
DELAWARE	0-8092	94-1620407	

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(STATE OR OTHER JURISDICTION OF INCORPORATION) (COMMISSION FILE NUMBER) (IRS EMPLOYER IDENTIFICATION NUMBER)

</TABLE>

6040 N. Cutter Circle, Suite 317, Portland, OR 97217

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(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

Registrant's telephone number, including area code. (508) 283-3911  
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(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Total number of sequentially  
numbered pages: 20  
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Exhibit Index at page: 4  
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ITEM 5. OTHER EVENTS  
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Effective December 1, 1995, OXIS International, Inc. ("OXIS") sold convertible debentures initially convertible into an aggregate of 960,000 shares of its Common Stock, and warrants to purchase an aggregate of 192,000 shares of its Common Stock in a private placement to offshore investors for an aggregate consideration of \$1,200,000. An additional \$55,000 was raised by an additional sale of such debentures and warrants effective December 20, 1995. The securities sold (including the underlying Common Stock) are not registered under the Securities Act of 1933, as amended, and may not be re-offered or re-sold absent registration under the Securities Act or available exemptions from such registration requirements.

A copy of the Press Release with respect to the December 1, 1995 transaction is attached as an exhibit to this report. A copy of the form of debenture and the form of warrant issued in the above offering are attached as exhibits to this report.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS  
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(c) Exhibits

99.1 Press Release, dated December 4, 1995.

99.2 Form of 8% Convertible Subordinated Debenture Due December 31, 1997.

99.3 Form of Warrant to Purchase Common Stock.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OXIS INTERNATIONAL, INC.  
(Registrant)

Dated: January 2, 1996 By: /s/ Anna D. Barker

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Anna D. Barker  
President and Chief Executive Officer

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EXHIBIT INDEX

<TABLE>  
<CAPTION>

Exhibit No.	Description	Page No. in sequentially numbered current report
<S> 99.1	<C> Press Release dated December 4, 1995.	<C> 5
99.2	Form of 8% Convertible Subordinated Debenture Due December 31, 1997.	6
99.3	Form of Warrant to Purchase Common Stock.	12

</TABLE>

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EXHIBIT 99.1

For more information:

Claudia Groth  
OXIS International, Inc.  
(503) 283-3911

OXIS INTERNATIONAL REPORTS PRIVATE PLACEMENT

PORTLAND, OR. -- DECEMBER 4, 1995 -- OXIS International, Inc. (NASDAQ: OXIS) announced today it has raised \$1.2 million through a private placement of convertible subordinated debentures and warrants. The debentures are due December 31, 1997 and are initially convertible into shares of common stock at a conversion rate of US\$1.25 per share; the rate may be adjusted under certain circumstances. The warrants issued were for 192,000 shares of common stock, exercisable at \$2.00 per share. The number of shares may be adjusted under certain circumstances.

The offering of the debentures and warrants was made through a private placement agent. The debentures and warrants and the underlying shares of common stock are not registered under the Securities Act of 1933, as amended. The foregoing securities may not be offered and sold in the United States, nor may the warrants be exercised in the United States, absent registration under the Securities Act or an applicable exemption from registration requirements.

OXIS International, Inc. (NASDAQ: OXIS) is a drug development and diagnostic company dedicated to the research and development of technologies and products to combat diseases associated with free radicals and reactive oxygen species (ROS). The Company, headquartered in Portland, Oregon, has research facilities in Malvern, Pennsylvania, and outside Paris, France.

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EXHIBIT 99.2

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THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, TO OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. THE RESALE SAFE HARBOR OF REGULATIONS DOES NOT PERMIT THE RESALE OF THE SECURITIES IN THE UNITED STATES OR TO A U.S. PERSON. OFFERS AND SALES MAY BE MADE IN THE UNITED STATES OR TO U.S. PERSONS ONLY PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENT.

No. \_\_\_\_\_ U.S. \$ \_\_\_\_\_

OXIS INTERNATIONAL, INC.

8% CONVERTIBLE SUBORDINATED DEBENTURE DUE DECEMBER 31, 1997

THIS DEBENTURE is one of a duly authorized issue of Debentures of OXIS International, Inc., a corporation duly organized and existing under the laws of the State of Delaware (the "Company") designated as its 8% Convertible Subordinated Debentures Due December 31, 1997, in an aggregate principal amount not exceeding Three Million United States Dollars (U.S. \$3,000,000), issued pursuant to that certain Subscription and Purchase Agreement dated \_\_\_\_\_, between the Company and the purchaser hereof or the purchaser's assignee (the "Purchase Agreement"). Reference is hereby made to the Purchase Agreement for a complete description of the rights and obligations of, and limitations and restrictions on, the Company and the Holder of this Debenture. The terms and conditions of the Debenture noted hereinafter are subject in every respect to the terms and conditions of the Purchase Agreement. In the event of a conflict between the provisions of this Debenture and the Purchase Agreement, the Purchase Agreement shall control. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

FOR VALUE RECEIVED, the Company promises to pay to \_\_\_\_\_, the registered holder hereof (the "Holder") the principal sum of \_\_\_\_\_ United States Dollars (U.S. \$ \_\_\_\_\_), on December 31, 1997, and to pay interest on the principal sum outstanding from time to time semi-annually in arrears on the last business day of each semi-annual period of each year commencing with 1996, i.e., December 31 and June 30

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("Interest Payment Dates"), after as well as before maturity and default and after judgment, at the rate of eight percent (8%) per annum accruing from the date of initial issuance. Payment of interest shall commence on the first such business day to occur after the date hereof (and shall be prorated for such period from the date of initial issuance) and shall continue on the first business day of each succeeding semi-annual period until payment in full of the principal sum has been made or duly provided for or the Debenture shall have been fully converted into Common Stock of the Company as provided in Section 6. All accrued and unpaid interest shall bear interest at the same rate at the due date of the interest payment until paid but shall not be subject to conversion. December 1 and June 1 of each year shall serve as the record date (the "Record Date") for determining ownership of this Debenture with respect to payments of interest to be made on the following Interest Payment Date, unless the Debenture has previously been converted, in which case, and as to the converted Debenture only, the Record Date shall be the date of conversion. The interest so payable on any Interest Payment Date will, as provided in the Purchase Agreement, be paid to the person in whose name this Debenture (or one or more predecessor Debentures) is registered on the records of the Company regarding registration and transfers of the Debentures (the "Debenture Register") at the Record Date for such Interest Payment Date; provided, however, that the Company's obligation

to a transferee of this Debenture arises only if such transfer, sale or other disposition is made in accordance with the terms and conditions of the Purchase Agreement. The principal of, and interest on, this Debenture are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public or private debts, at the address last appearing on the Debenture Register of the Company as designated in writing by the Holder from time to time. The Company will pay interest on this Debenture by sending a check for such interest due, less any amounts required by law to be deducted, to the registered holder of this Debenture and addressed to such Holder at the last address appearing on the Debenture Register. The forwarding of such check shall constitute a payment of interest hereunder and shall satisfy and discharge the liability for interest on this Debenture to the extent of the sum represented by such check plus any amounts so deducted unless such check is not paid at par.

This Debenture is subject to the following additional provisions:

1. The Debentures are issuable in denominations of One Thousand United States Dollars (U.S. \$1,000) and integral multiples thereof. As provided in the Purchase Agreement, the Debentures are exchangeable for an equal aggregate principal amount of Debentures of different authorized denominations, as requested by the Holders surrendering the same. No service charge will be made for such registration of transfer or exchange; however, the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Debenture.

2. The Company shall be entitled to withhold from all payments of principal of, and interest on, this Debenture any amounts required to be withheld under the applicable provisions of the United States income tax laws or other applicable laws at the time of such payments.

3. This Debenture has been issued subject to investment representations of the original purchaser hereof and may be transferred or exchanged only as provided in the Purchase Agreement. Prior to due presentment for transfer of this Debenture, the Company and any agent

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of the Company may treat the person in whose name this Debenture is duly registered on the Company's Debenture Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Debenture be overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

4. If an Event of Default occurs and is continuing, the Holders of not less than twenty-five percent (25%) in principal amount of the Debentures outstanding may declare the principal of all the Debentures to be immediately due and payable in the manner and to the extent provided in the Purchase Agreement, and such declarations may be in certain events rescinded, in the manner and with the effect provided in the Purchase Agreement.

5. The indebtedness evidenced by this Debenture is, to the extent provided in the Purchase Agreement, subordinate and subject in right of payment to the prior payment or satisfaction of Bank Indebtedness, and this Debenture is issued subject to the provisions of the Purchase Agreement with respect thereto. Each Holder of this Debenture, by accepting the same, agrees to and shall be bound by such provisions.

6. Subject to the provisions of the Purchase Agreement, the Holder of this Debenture is entitled, at its option, at any time until maturity hereof to convert the principal amount of this Debenture or any portion of the principal amount hereof (and any accrued and unpaid interest) which is at least Twenty-Five Thousand United States Dollars (U.S. \$25,000) or, if at the time of such election to convert the aggregate principal amount of all Debentures registered to the Holder is less than Twenty-Five Thousand United States Dollars (U.S. \$25,000), then the whole amount thereof, into shares of Common Stock of the Company at a conversion price of One United States Dollar and Twenty-Five Cents (U.S. \$1.25) (the "Initial Conversion Price"). However, if at any time the closing bid price of the Company's Common Stock as reported on the Nasdaq National Market for fifteen (15) consecutive trading days is less than U.S. \$0.65, then the conversion price shall be U.S. \$0.65. This Debenture may be converted upon surrender of this Debenture to the Company at its office in Portland, Oregon, with the form of conversion notice attached hereto as Exhibit

A executed by the Holder of this Debenture evidencing such Holder's intention to convert this Debenture or a specified portion (as above provided) hereof, and accompanied, if required by the Company, by proper assignment hereof in blank. As provided in the Purchase Agreement, the conversion price is subject to adjustment in certain events. No fractions of shares or scrip representing fractions of shares will be issued on conversion, but an adjustment in cash will be made for any fractional interest as provided in the Purchase Agreement.

The foregoing notwithstanding, the Company shall have the right, in its sole discretion to require conversion of the outstanding Debentures at any time after six months following the Final Closing, until such Debentures have been fully repaid.

7. Neither the Debentures nor the Common Stock issuable upon conversion thereof have been registered under the Securities Act nor qualified for issuance under any state securities laws. The offering of the securities has been made pursuant to Regulation S promulgated under the Securities Act and has been made in reliance upon the specific representations and warranties

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of the initial investors of the Debentures regarding compliance with the provisions and conditions of Regulation S.

8. The Purchase Agreement permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Debentures under the Purchase Agreement at any time by the Company with the consent of the Holders of sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Debentures at the time outstanding. The Purchase Agreement also contains provision permitting the Holders of a majority of the aggregate principal amount of the Debentures at the time outstanding, on behalf of the Holders of all the Debentures, to waive compliance by the Company with certain provisions of the Purchase Agreement and certain past defaults under the Purchase Agreement and their consequences. Any such consent or waiver shall be conclusive and binding upon all Holders and upon all future Holders of this Debenture and of any Debenture issued upon registration of transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Debenture.

9. Except with respect to the rights of the holders of Bank Indebtedness set forth in this Debenture and in the Purchase Agreement, no reference herein to the Purchase Agreement and no provision of this Debenture or of the Purchase Agreement shall alter or impair the obligation of the Company which is absolute and unconditional, to pay the principal of, and interest on, this Debenture at the time, place and rate, and in the coin or currency, herein prescribed. This Debenture and all other Debentures now or hereafter issued under the Purchase Agreement are direct obligations of the Company.

10. No recourse shall be had for the payment of the principal of, or the interest on, this Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Purchase Agreement or any Purchase Agreement supplemental thereto, against any stockholder, officer or director, as such, past, present or future, of the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration of the issue hereof, expressly waived and released.

11. The Holder of this Debenture, by acceptance hereof, agrees that this Debenture is being acquired for investment and that such Holder will not offer, sell or otherwise dispose of this Debenture except under circumstances which will not result in a violation of the Securities Act or any applicable United States state securities law ("Blue Sky law"). Any Common Stock issuable upon conversion thereof shall bear a legend in substantially the form as set forth on the first page of this Debenture.

12. With respect to any offer, sale or other disposition of this Debenture or the shares of Common Stock issuable upon conversion thereof, the Holder hereof and each subsequent Holder of this Debenture (or the shares of Common Stock issuable upon conversion thereof) agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of such Holder's counsel, if requested by the Company, to the

effect that such offer, sale or other disposition may be effected without registration or

qualification of this Debenture (or the shares of Common Stock issuable upon conversion thereof) under the Securities Act or any applicable state Blue Sky law then in effect, and indicating whether or not under any of said laws, certificates for this Debenture (or the shares of Common Stock issuable upon conversion thereof) to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to insure compliance therewith. Upon receiving such written notice and a reasonably satisfactory opinion, if so requested, the Company shall notify such Holder that such Holder may sell or otherwise dispose of this Debenture (or the shares of Common Stock issuable upon conversion thereof), all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this paragraph 12 that the opinion of counsel for the Holder is not reasonably satisfactory to the Company, the Company shall so notify the Holder promptly after such determination has been made.

This Debenture shall be governed by and construed in accordance with the laws of the State of Oregon.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed by an officer thereunto duly authorized.

OXIS INTERNATIONAL, INC.

BY: \_\_\_\_\_  
Name:  
Title:

Dated: \_\_\_\_\_, 1995.

EXHIBIT A

NOTICE OF CONVERSION

TO: OXIS INTERNATIONAL, INC.

The undersigned Holder of this Debenture hereby irrevocably elects to convert this Debenture, or portion hereof (which is at least U.S. \$25,000, unless the undersigned holds Debentures aggregating less than U.S. \$25,000, in which event, the amount converted shall be the entire amount of principal of such Debentures) below designated, into shares of Common Stock of OXIS International, Inc. in accordance with the terms of the Subscription and Purchase Agreement dated December 20, 1995, and directs that the shares issuable and deliverable upon such conversion, together with any check (or such other form of payment acceptable to OXIS International, Inc.) in payment for fractional shares and any Debentures representing any unconverted principal amount hereof, be issued and delivered to the undersigned unless a different name has been indicated below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes, if any, payable with respect thereto.

Date: \_\_\_\_\_, 199\_\_

Principal Amount to be Converted

Signature of Holder

THE DEBENTURES ARE TRANSFERABLE ONLY AS PROVIDED IN THE PURCHASE AGREEMENT.

Provide the following information if shares of Common Stock and/or Debentures are to be issued otherwise than to the Holder. Please print name and

address (including zip code) of such other person:

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Social Security or Other Taxpayer  
Identifying Number



EXHIBIT 99.3

THIS WARRANT MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS SPECIFIED IN SECTION 11 HEREOF. NEITHER THE RIGHTS REPRESENTED BY THIS WARRANT NOR THE SHARES ISSUABLE UPON THE EXERCISE HEREOF (COLLECTIVELY, THE "SECURITIES") HAVE BEEN REGISTERED FOR OFFER OR SALE UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR APPLICABLE STATE LAW, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE CLOSING DATE, NOR MAY THE WARRANT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. THE RESALE SAFE HARBOR OF REGULATIONS DOES NOT PERMIT THE RESALE OF THE SECURITIES IN THE UNITED STATES OR TO A U.S. PERSON. OFFERS AND SALES MAY BE MADE IN THE UNITED STATES OR TO U.S. PERSONS ONLY PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER SUCH ACT. THE SECURITIES MAY NOT BE SOLD OR OFFERED FOR SALE IN WHOLE OR IN PART NOR THE WARRANT EXERCISED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2 AND SECTION 11 HEREOF.

OXIS INTERNATIONAL, INC.

WARRANT TO PURCHASE COMMON STOCK

OXIS International, Inc., a Delaware corporation (the "Company"), hereby certifies that, for value received, \_\_\_\_\_ ("Investor"), the registered holder hereof, or its registered assigns, is entitled, subject to the terms set forth below, to purchase from the Company upon surrender of this Warrant, at any time or times on or after the date hereof but not after 5:00 P.M., Portland time, on the Expiration Date (as defined herein), \_\_\_\_\_ (\_\_\_\_\_) fully paid nonassessable shares (the "Warrant Shares") of Common Stock (as defined herein) of the Company (as adjusted from time to time as provided in this Warrant) at an initial purchase price of U.S. \$2.00 per share in lawful money of the United States. The number of Warrant Shares purchasable by Investor as set forth in the immediately preceding sentence was determined by calculating 20% of the shares of Common Stock into which the Debenture dated the date hereof purchased by Investor was convertible on the date hereof. If the number of shares into which the principal of such Debenture is convertible is increased (the "Debenture Conversion Shares") then the number of Warrant Shares purchasable hereunder shall be increased so that such Warrant Shares equal 20% of the Debenture Conversion Shares. This Warrant is issued pursuant to that certain Subscription and Purchase Agreement ("Purchase Agreement") dated \_\_\_\_\_ between the Company and the Investor (and other investors).

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Section 1. (a) Definitions. The following words and terms as used in \_\_\_\_\_ this Warrant shall have the following meanings:

"Common Stock" means (a) the Company's common stock and (b) any \_\_\_\_\_ capital stock into which such "Common Stock" shall have been changed or any capital stock resulting from a reclassification of such "Common Stock."

"Convertible Securities" mean any securities issued by the Company \_\_\_\_\_ which are convertible into or exchangeable for, directly or indirectly, shares of Common Stock.

"Expiration Date" means November 1, 1996.  
\_\_\_\_\_

"Warrant Exercise Price" shall initially be U.S. \$2.00 per share and \_\_\_\_\_ shall be adjusted and readjusted from time to time as provided in this Warrant.

(b) Other Definitional Provisions. (i) Except as otherwise

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specified herein, all references herein (A) to any person other than the Company, shall be deemed to include such person's successors and assigns, (B) to the Company shall be deemed to include the Company's successors and (C) to any applicable law defined or referred to herein, shall be deemed references to such applicable law as the same may have been or may be amended or supplemented from time to time.

(ii) When used in this Warrant, the words "herein," "hereof," and "hereunder," and words of similar import, shall refer to this Warrant as a whole and not to any provision of this Warrant, and the words "Section," "Schedule," and "Exhibit" shall refer to Sections of, and Schedules and Exhibits to, this Warrant unless otherwise specified.

(iii) Whenever the context so requires the neuter gender includes the masculine or feminine, and the singular number includes the plural, and vice versa.

Section 2. Exercise of Warrant. (a) Subject to the terms and conditions

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hereof, this Warrant may be exercised, in whole or in part, at any time during normal business hours on or after the opening of business on the date hereof and prior to the close of business on the Expiration Date. The rights represented by this Warrant may be exercised by the holder hereof then registered on the books of the Company, in whole or from time to time in part (except that this Warrant shall not be exercisable as to a fractional share) by (i) delivery of a written notice, in the form of the Subscription Notice attached as Exhibit A hereto, of such holder's election to exercise this Warrant, which notice shall specify the number of Warrant Shares to be purchased, (ii) payment to the Company of an amount equal to the Warrant Exercise Price multiplied by the number of Warrant Shares as to which the Warrant is being exercised (plus any applicable issue or transfer taxes) in cash or by certified or official bank check, for the number of Warrant Shares as to which this Warrant shall have been exercised, and (iii) the surrender of this Warrant, properly endorsed, at the principal office of the Company in Portland, Oregon (or at such other agency or office of the Company as the Company may designate by notice to the holder hereof); provided, that if such Warrant Shares are to be issued in any name other than that of the

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registered holder of this Warrant, such issuance shall be deemed a transfer and the provisions of Section 11 shall be applicable. In addition, exercise of the Warrant is expressly conditioned upon the delivery to the Company by the holder thereof of either: (x) written certification that it is not a "U.S. person" (as defined in Regulation S promulgated under the Securities Act of 1933, as amended (the "Securities Act")) and that the Warrant is not being exercised on behalf of a U.S. person; or (y) a written opinion of counsel to the effect that the Warrant and the Warrant Shares have been registered under the Securities Act or are exempt from registration thereunder. **THE WARRANT MAY NOT BE EXERCISED WITHIN THE UNITED STATES AND THE WARRANT SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UPON EXERCISE OF THE WARRANT, OTHER THAN IN OFFERINGS DEEMED TO MEET THE DEFINITION OF AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 902 OF REGULATION S, UNLESS REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. EXERCISE OF THE WARRANT IS FULLY SUBJECT TO ALL PROCEDURES ESTABLISHED BY THE COMPANY IN CONNECTION WITH THE FOREGOING SENTENCE AND THE COMPANY WILL NOT HONOR ANY EXERCISE IF THE REQUIREMENTS OF THE FOREGOING SENTENCE AND RELATED PROCEDURES ESTABLISHED BY THE COMPANY ARE NOT FULFILLED.** In the event of any exercise of the rights represented by this Warrant in compliance with this Section 2(a), a certificate or certificates for the Warrant Shares so purchased, registered in the name of, or as directed by, the holder, shall be delivered to, or as directed by such holder within a reasonable time, not exceeding 15 days, after such rights shall have been so exercised.

(b) Unless the rights represented by this Warrant shall have expired or have been fully exercised, the Company shall issue a new Warrant identical in all respects to the Warrant exercised except (x) it shall represent rights to purchase the number of Warrant Shares purchasable immediately prior to such exercise under the Warrant exercised, less the number of Warrant Shares with respect to which such Warrant was exercised, and (y) the holder thereof shall be deemed to have become the holder of record of such Warrant Shares immediately prior to the close of business on the date on which the Warrant was surrendered

and payment of the amount due in respect of such exercise and any applicable taxes was made, irrespective of the date of delivery of such share certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are properly closed, such person shall be deemed to have become the holder of such Warrant Shares at the opening of business on the next succeeding date on which the stock transfer books are open.

Section 3. Covenants as to Common Stock. The Company covenants and agrees

that all Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable. The Company further covenants and agrees that during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of Common Stock to provide for the exercise of the rights then represented by this Warrant and that the par value of said shares will at all times be less than or equal to the applicable Warrant Exercise Price.

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Section 4. Adjustment of Warrant Exercise Price Upon Stock Splits,

Dividends, Distributions and Combinations; and Adjustment of Number of Shares.

(a) In case the Company shall at any time subdivide its outstanding shares of Common Stock into a greater number of shares or issue a stock dividend or make a distribution with respect to outstanding shares of Common Stock or Convertible Securities payable in Common Stock or in Convertible Securities, the Warrant Exercise Price in effect immediately prior to such subdivision or stock dividend or distribution shall be proportionately reduced (treating for such purpose any such shares of Convertible Securities outstanding or payable as being the number of shares of Common Stock issuable upon their conversion) and conversely, in case the outstanding shares of Common Stock of the Company shall be combined into a smaller number of shares, the Warrant Exercise Price in effect immediately prior to such combination shall be proportionately increased in each case by multiplying the then effective Warrant Exercise Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such action and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such action, and the product so obtained shall thereafter be the Warrant Exercise Price.

(b) Upon each adjustment of the Warrant Exercise Price as provided above in this Section 4, the registered holder of this Warrant shall thereafter be entitled to purchase, at the Warrant Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Warrant Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Warrant Exercise Price after such adjustment.

Section 5. Notice of Adjustment of Warrant Exercise Price. Upon any

adjustment of the Warrant Exercise Price, then the Company shall give notice thereof to the registered holder of this Warrant, which notice shall state the Warrant Exercise Price in effect after such adjustment and the increase, or decrease, if any, in the number of shares purchasable at the Warrant Exercise Price upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

Section 6. Computation of Adjustments. Upon each computation of an

adjustment in the Warrant Exercise Price and the number of shares which may be subscribed for and purchased upon exercise of this Warrant, the Warrant Exercise Price shall be computed to the nearest cent (i.e., fractions of .5 of a cent, or greater, shall be rounded to the next highest cent) and the number of shares which may be subscribed for and purchased upon exercise of this Warrant shall be calculated to the nearest whole share (i.e., fractions of less than one half of a share shall be disregarded and fractions of one half of a share, or greater, shall be treated as being a whole share).

Section 7. No Change in Warrant Terms on Adjustment. Irrespective of any

adjustment in the Warrant Exercise Price or the number of shares of Common Stock issuable upon exercise hereof, this Warrant, whether theretofore or

thereafter issued or reissued, may continue to express the same price and number of shares as are stated herein and the Warrant Exercise Price and such number of shares specified herein shall be deemed to have been so adjusted.

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Section 8. Taxes. The Company shall not be required to pay any tax or

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taxes attributable to the initial issuance of the Warrant Shares or any transfer involved in the issue or delivery of any certificates for Warrant Shares of Common Stock in a name other than that of the registered holder hereof or upon any transfer of this Warrant.

Section 9. Warrant Holder Not Deemed a Shareholder. No holder, as such,

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of this Warrant shall be entitled to vote or receive dividends or be deemed the holder of shares of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the holder of this Warrant of the Warrant Shares which he is then entitled to receive upon the due exercise of this Warrant.

Section 10. No Limitation on Corporate Action. No provisions of this

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Warrant and no right or option granted or conferred hereunder shall in any way limit, affect or abridge the exercise by the Company of any of its corporate rights or powers to recapitalize, amend its Certificate of Incorporation, reorganize, consolidate or merge with or into another corporation, or to transfer all or any part of its property or assets, or the exercise of any other of its corporate rights and powers.

Section 11. Transfer; Opinions of Counsel; Restrictive Legends.

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(a) Prior to any sale, transfer or other disposition of this Warrant or the Warrant Shares, the holder thereof will give ten (10) days' notice to the Company of such holder's intention to effect such transfer. Each such notice shall describe the manner and circumstances of the proposed transfer and, if such transfer is not registered under the Securities Act (below defined), shall be accompanied by an opinion, addressed to the Company and reasonably satisfactory in form and substance to it, of counsel (reasonably satisfactory to the Company) for such holder, stating whether, in the opinion of such counsel, such transfer will be a transaction exempt from registration under the Securities Act.

(b) If such sale, transfer or other disposition may in the opinion of such counsel be effected without registration under the Securities Act, such holder shall thereupon be entitled to the terms of the notice delivered by such holder to the Company. If in the opinion of such counsel such transfer may not be effected without registration under the Securities Act, such holder shall not be entitled to so transfer this Warrant, or the Warrant Shares unless the Company shall have filed a registration statement relating to such proposed transfer and such registration statement has become effective under the Securities Act.

(c) Subject to the provisions of this Section 11, the holder may at any time transfer this Warrant or the Warrant Shares to an affiliate of the holder.

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(d) The terms of any registration rights agreement entered into by and between the Company and the holder hereof, to the extent applicable, shall be binding upon and inure to the benefit of any transferee of this Warrant (or unexercised portion hereof) or Warrant Shares issued upon the exercise of this Warrant, and shall cease to be binding upon or benefit the transferor.

(e) Any Warrant Shares issued pursuant to the exercise of this Warrant may bear one or more of the legends in similar form to the legend set

forth on this Warrant.

Section 12. Exchange of Warrant. This Warrant is exchangeable upon the

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surrender hereof by the holder hereof at such office or agency of the Company, for new Warrants of like tenor representing in the aggregate the right to subscribe for and purchase the number of shares which may be subscribed for and purchased hereunder from time to time after giving effect to all the provisions hereof, each of such new Warrants to represent the right to subscribe for and purchase such number of shares as shall be designated by said holder hereof at the time of such surrender.

Section 13. Lost, Stolen, Mutilated or Destroyed Warrant. If this

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Warrant is lost, stolen, mutilated or destroyed, the Company shall, on such terms as to indemnity or otherwise as it may in its discretion impose (which shall, in the case of a mutilated Warrant, include the surrender thereof), issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed. Any such new Warrant shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant shall be at any time enforceable by anyone.

Section 14. Representation of Holder. The holder of this Warrant, by the

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acceptance hereof, represents that it is acquiring this Warrant for its own account for investment and not with a view to, or sale in connection with, any distribution hereof or of any of the shares of Common Stock or other securities issuable upon the exercise thereof, nor with any present intention of distributing any of the same.

Section 15. Notice. All notices and other communications under this

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Warrant shall (a) be in writing (which shall include communications by telecopy), (b) be (i) sent by registered or certified mail, postage prepaid, return receipt requested, by telecopier, or (ii) delivered by hand, (c) be given at the following respective addresses and telecopier numbers and to the attention of the following persons:

(i) if to the Company, to it at:

OXIS International, Inc.  
Corporate Headquarters  
6040 N. Cutter Circle, Suite 317  
Portland, Oregon 97217-3935  
Attention: Ray R. Rogers, Chairman  
Telephone: (503) 283-3911  
Telecopier: (503) 283-4058

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with a copy to:

Jackson, Tufts, Cole & Black  
60 South Market Street  
San Jose, CA 95113  
Attention: Richard Scudellari, Esq.  
Telephone: (408) 998-1952  
Telecopier: (408) 998-4889

(ii) if to Investor, to it at the address set forth below Investor's signature on the signature page hereof.

or at such other address or telecopier number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address", and (d) be effective or deemed delivered or furnished (i) if given by mail, on the fifth Business Day after such communication is deposited in the mail, addressed as above provided, (ii) if given by telecopier, when such communication is transmitted to the appropriate number determined as above provided in this Section and the appropriate answer back is received or receipt is otherwise acknowledged, and (iii) if given by hand delivery, when left at the address of the addressee addressed as above provided, except that notices of a

change of address, telecopier or telephone number, shall not be deemed furnished, until received.

Section 16. Miscellaneous. This Warrant and any term hereof may be

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changed, waived, discharged, or terminated only by an instrument in writing signed by the party or holder hereof against which enforcement of such change, waiver, discharge or termination is sought. The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Warrant shall be governed by and interpreted under the laws of the State of Oregon.

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Section 17. Date. The date of this Warrant is \_\_\_\_\_.

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This Warrant, in all events, shall be wholly void and of no effect after the close of business on the Expiration Date, except that notwithstanding any other provisions hereof, the provisions of Section 11 shall continue in full force and effect after such date as to any Warrant Shares or other securities issued upon the exercise of this Warrant.

OXIS INTERNATIONAL, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED.

INVESTOR:

BY: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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EXHIBIT A TO WARRANT

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SUBSCRIPTION FORM

TO BE EXECUTED BY THE REGISTERED HOLDER IF SUCH REGISTERED HOLDER DESIRES TO EXERCISE THIS WARRANT

OXIS INTERNATIONAL, INC.

The undersigned hereby exercises the right to purchase Warrant Shares covered by this Warrant according to the conditions thereof and herewith makes payment of U.S. \$ \_\_\_\_\_, the aggregate Warrant Exercise Price of such Warrant Shares in full.

The undersigned further certifies that either: (i) it is not a "U.S. person" (as defined in Regulation S promulgated under the Securities Act of

1933, as amended (the "Securities Act")) and that the Warrant is not being exercised on behalf of a U.S. person; or (ii) the undersigned is providing to the Company herewith a written opinion of counsel to the effect that the Warrant and the Warrant Shares have been registered under the Securities Act or are exempt from registration thereunder.

INVESTOR:

By: \_\_\_\_\_

Name:

Title:

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Number of Warrant Shares Being Purchased:

\_\_\_\_\_

Dated: \_\_\_\_\_, 199\_\_.