

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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) May 7, 1998

OXIS INTERNATIONAL, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN CHARTER)

Delaware 0-8092 94-1620407

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

6040 N. Cutter Circle, Suite 317 Portland, OR 97217-3935

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

Registrant's telephone number, including area code. (503) 283-3911

(FORMER NAME OR FORMER ADDRESS, IF CHANGED SINCE LAST REPORT)

Total number of sequentially
numbered pages:

Exhibit Index at page: 5

ITEM 5. OTHER EVENTS

(a) Between April 28, 1998 and May 7, 1998, OXIS International, Inc. (the "Company" or "OXIS") entered into subscription agreements for a private placement of units consisting of one share of common stock (the "Common Shares"), plus one warrant to purchase a share of common stock. The Common Shares were priced at the closing price of OXIS common stock the day prior to the signing of the subscription agreements. The warrants issued in connection with the sale of the Common Shares have an exercise price equal to 120% of the price of the Common Shares. The investors are all institutional investors from the U.S. and Europe. The total gross proceeds from the private placement were \$8,958,000, including \$777,000 in conversion of notes and accrued interest, and the remainder in cash.

The private placement is expected to be completed in two closings. In the first closing 6,936,142 Common Shares and warrants to purchase an equal number of shares of common stock were issued in exchange for gross proceeds of \$5,716,000 in cash and conversion of \$543,000 of short-term notes and accrued interest payable. The second closing, for which commitments have been received and funds relating thereto have been placed in escrow is expected to yield gross proceeds of \$2,465,000 in cash and conversion of \$234,000 of short-term notes and accrued interest payable. The release to the Company of the proceeds from the second closing is subject to approval by the shareholders of an increase in

the number of authorized common shares. This proposal will be considered by the shareholders at the Company's annual meeting scheduled to be held in July 1998.

A copy of the press release with respect to the sale of common stock and warrants is attached as an exhibit to this report. The forms of Common Stock and Warrant Subscription Agreement, Warrant to Purchase Common Stock, Registration Rights Agreement and Escrow Agreement are substantially as attached as exhibits to this report.

All securities mentioned in this report will not be or have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

Certain of the matters discussed in this report and the attached press release are forward-looking statements that involve risks and uncertainties, including the Company's ability to complete the second tranche of private financing, timely development and market acceptance of new products, the impact of competitive products and pricing, economic conditions, and other risks detailed from time to time in the Company's SEC reports. These factors could cause actual results to differ materially from those described in any forward-looking statements.

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ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

Exhibit 99.1 Press Release, dated May 6, 1998.

Exhibit 99.2 Form of Common Stock and Warrant Subscription Agreement

Exhibit 99.3 Form of Warrant to Purchase Common Stock

Exhibit 99.4 Form of Registration Rights Agreement

Exhibit 99.5 Form of Escrow Agreement.

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SIGNATURE

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.

July 6, 1998

OXIS INTERNATIONAL, INC.
(Registrant)

s/ Jon S. Pitcher

Chief Financial Officer and
Vice President

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Exhibit 99.4 Form of Registration Rights Agreement

Exhibit 99.5 Form of Escrow Agreement

Exhibit 99.1

Press Release, dated May 6, 1998.

OXIS INTERNATIONAL ANNOUNCES CLOSING OF \$6.3 MILLION IN FIRST
TRANCHE OF PRIVATE INSTITUTIONAL FINANCING

Expectation Is To Raise Approximately \$8 Million

PORTLAND, Ore.-- May 6, 1998 -- OXIS International, Inc. (NASDAQ: OXIS, Nouveau Marche OXIS), a leading developer of new products and technologies to diagnose, treat and prevent diseases caused by oxidative stress, announced today the closing of the first tranche of a private equity financing. OXIS expects to raise approximately eight million U.S. dollars. In the financing, the Company is issuing units consisting of one share of common stock, plus one warrant to purchase a share of common stock. The units were priced at the closing price of OXIS common stock the day prior to the signing of the subscription agreements. The warrants have an exercise price equal to 120% of the unit prices. The investors are all institutional investors from the U.S. and Europe. Major investors include Credit Suisse Pharma Fund, Banc Pictet & Cie and Swiss Re Investors in Europe and SR One Limited, the U.S venture capital arm of SmithKline Beecham PLC. Credit Lyonnais is acting as the placement agent.

The closing of the first tranche resulted in gross proceeds to the Company of \$6.3 million. The second tranche, for which commitments from the investors have already been received and funds relating thereto have been placed in escrow, is expected to yield gross proceeds to the Company of approximately \$1.6 million. The funds from the second tranche are expected to be released to the Company following the Company's annual meeting scheduled to be held in July, and the satisfaction of certain other conditions.

"Completion of this financing is an extremely important step to the Company," stated Ray R. Rogers, chairman of OXIS. "The majority of these funds will be used to provide support for our therapeutic Company, OXIS Therapeutics, Inc., to continue the development of our lead molecule, BXT-51072, for ulcerative colitis and other indications. In addition, the funds will be used in connection with the development of our oxidative stress and wellness assessment business, through OXIS Health Products Inc., and will support the early stages of our planned entry into the nutraceutical and dietary supplement markets."

OXIS International, Inc. is a drug discovery and diagnostics company focused on the development of novel therapeutic molecules, diagnostic products and supportive technologies to diagnose, treat and prevent diseases associated with damage from free radicals and reactive oxygen species (ROS). The Company is currently testing its lead molecule from a series of mimics of the natural antioxidant enzyme, glutathione peroxidase, in a Phase II trial for ulcerative colitis. Through its catalog, the Company also offers assays, spin traps, antioxidants and fine chemicals to basic and clinical researchers working in the oxidative stress area.

All securities mentioned in this press release will not be or have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

Certain of the matters discussed in this press release are forward-looking statements that involve risks and uncertainties, including the Company's ability to complete the second tranche of private financing, timely development and market acceptance of new products, the impact of competitive products and pricing, economic conditions, and other risks detailed from time to time in the Company's SEC reports. These factors could cause actual results to differ materially from those described in any forward-looking statements.

OXIS has headquarters in Portland, Oregon, with research facilities outside Paris, France. Visit OXIS International on the World Wide Web at <http://www.oxis.com>.

EXHIBIT 99.2

COMMON STOCK AND WARRANT SUBSCRIPTION AGREEMENT

This COMMON STOCK AND WARRANT SUBSCRIPTION AGREEMENT, dated as of April ____, 1998 (this "Agreement"), is entered into by and between OXIS International Inc., a Delaware corporation (the "Company") and the investor set forth on the signature page hereto ("Investor").

RECITALS

WHEREAS, Investor wishes to invest \$_____ in the Company, and in doing so the Investor wishes to subscribe for and purchase, and the Company wishes to issue and sell, to Investor shares (the "Shares") of common stock, of the Company ("Common Stock") in an amount and on the terms set forth herein; and

WHEREAS, both Investor and the Company desire that the Company issue a warrant to Investor for the future purchase of shares of Common Stock (the "Warrant") in conjunction with the purchase of the Shares in the amounts and on the terms set forth herein; and

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

I. Subscription for Common Stock and Warrant.

A. The Common Stock and the Warrant. The Company has authorized the

issuance and sale pursuant to the terms of this Agreement of the Shares and the issuance of Warrants to Investor substantially in the form attached hereto as Exhibit A. Subject to the terms and conditions of this Agreement, Investor hereby irrevocably subscribes for and agrees to purchase the number of Shares provided for in Section I.B below for the price equal to _____ which equals the closing price of the Company's Common Stock on the Nasdaq National Market on the date prior to the date hereof (the "Per Share Price") and the Warrants as provided for herein. The exercise price of the Warrants shall be 120% of the Per Share Price. Investor shall not be obligated to purchase any of the Shares unless the conditions set forth in Article II hereof shall have been satisfied or waived by Investor on or prior to the Initial Closing Date (as defined below). The Company shall not be obligated to sell any of the Shares to Investor or issue the Warrants to Investor unless the conditions set forth in Article III hereof shall have been satisfied or waived by the Company or prior to the Initial Closing Date.

B. The consummation of the transactions contemplated by this Agreement shall take place at two closings ("Closings") as follows:

(1) subject to the terms and conditions of this Agreement and on the basis of the representations and warranties herein set forth, the Company will sell to Investor, and Investor will purchase from the Company, a number of Shares determined by dividing the

amount of the Investor's investment (the "Purchase Price") by the Per Share Price, provided that no fractional shares shall be issued by the Company. The Purchase Price shall be payable by wire transfer of immediately available funds to such account or accounts as to which the Company may notify Investor. The Investor will deliver to the Company US\$ _____ at the Initial Closing, as defined below, and US\$ _____ at the Second Closing, in payment for the Shares and Warrants as contemplated by this Section I.

(2) At the initial Closing ("Initial Closing") (or as soon as practicable thereafter), subject to the terms and conditions of this Agreement and on the basis of the representations and warranties herein set forth, the Company will deliver to, or at the direction of, Investor or a representative thereof, a certificate registered in the name of Investor representing _____ Shares to be purchased by Investor and a Warrant for the purchase of _____ Shares, against payment of the Purchase Price by Investor as contemplated by subsection (1) above. The Initial Closing will take place on April ____, 1998 at a location

to be designated by the Company.

(3) As soon as practicable after the Company's Certificate of Incorporation has been amended to provide for an increase in the Company's authorized Common Stock to 95,000,000 shares, there shall be a second closing ("Second Closing"). At the Second Closing (or as soon as practicable thereafter), subject to the terms and conditions of this Agreement and on the basis of the representations and warranties herein set forth, the Company will deliver to, or at the direction of, Investor or a representative thereof, a certificate registered in the name of Investor representing _____ Shares to be purchased by Investor and a Warrant for the purchase of _____ Shares against payment of the Purchase Price by Investor as contemplated by subsection (1) above. The Second Closing will take place at a location designated by the Company. The dates of the closings contemplated by subsections (2) and (3) hereof shall be referred to as the "Closing Dates".

II. Conditions to the Obligations of Investor. The obligation of Investor to

purchase Common Stock and the Warrants under this Agreement is subject to the satisfaction at or prior to the Closing Dates of each of the following conditions:

A. Accuracy of Representations and Warranties. All representations and

warranties of the Company contained herein shall be true and correct in all material respects on and as of each Closing Date as if made on and as of such Closing Date.

B. Performance of Agreements; Regulatory Approvals.

(1) The Company shall have performed all obligations and agreements, and complied with all covenants and conditions contained in this Agreement to be performed or complied with by it prior to or at the applicable Closing Date.

(2) The Company shall have executed and delivered the applicable Warrant.

(3) The Company shall have obtained all corporate authorizations and approvals and all consents and approvals of regulatory bodies and authorities necessary to issue

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the Shares and the applicable Warrant and to enter into and perform this Agreement and such Warrant and to consummate the transactions contemplated hereby and thereby; including, without limitation, with respect to the Second Closing, the Company's stockholders shall have approved amending the Company's Certificate of Incorporation to increase the Company's authorized Common Stock from 50,000,000 to 95,000,000 shares.

If at or prior to each Closing all of the conditions of this Article II have not been satisfied, Investor may elect to waive such conditions or to be relieved of all further obligations hereunder.

III. Conditions to the Company's Obligations. The obligation of the Company to

issue and sell the applicable Common Stock and the applicable Warrant under this Agreement is subject to satisfaction at the each Closing Date of each of the following conditions:

A. Accuracy of Representations and Warranties. All representations and

warranties of Investor contained herein shall be true and correct in all material respects on and as of the applicable Closing Date as if made on and as of such Closing Date.

B. Performance of Agreements. Investor shall have performed all

obligations and agreements, and complied with all covenants and conditions, contained in this Agreement to be performed or complied with by it prior to or at applicable Closing Date.

C. Payment of Purchase Price. Investor shall have delivered to the Company

and the Company shall have received full payment of the applicable portion of the Purchase Price.

D. Corporate Authorizations. The Company shall have obtained all corporate

authorizations and approvals and all consents and approvals of regulatory bodies and authorities necessary to issue the Shares and the Warrants and to enter into and perform this Agreement and the Warrants and to consummate the transactions contemplated hereby and thereby; including, without limitation, with respect to the Second Closing, the Company's stockholders shall have approved amending the Company's Certificate of Incorporation to increase the Company's authorized Common Stock from 50,000,000 to 95,000,000 shares.

If at or prior to each Closing all of the conditions of this Article III have not been satisfied, the Company may elect to waive such conditions or to be relieved of all further obligations hereunder.

IV. Representations, Warranties and Covenants of the Company. Except as

otherwise set forth herein, the Company represents, warrants and covenants to Investor as of the date of this Agreement and as of each Closing Date as follows:

A. Due Organization, Valid Existence and Authority of the Company. The

Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware. The Company has full right, power and authority to carry on its business as conducted and as proposed to be conducted. The Company has full right, power and authority to enter into this Agreement and each Warrant and perform its obligations hereunder and thereunder.

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B. Authorization and Validity of Agreements. This Agreement and each

Warrant have been duly authorized and constitute valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as affected by (i) bankruptcy or insolvency laws or (ii) equitable principles or public policy.

C. No Conflict with Other Instruments; No Approvals Required Except as Have

Been Obtained. The execution and delivery of this Agreement and each Warrant by

the Company, and compliance by the Company with the terms and conditions hereof and thereof, will not violate, with or without the giving of notice or the lapse of time, or both, and will not conflict with, or require any consent or approval under, the Certificate of Incorporation or By-laws of the Company (except for such stockholder approval of the amendment of the Certificate of Incorporation, contemplated herein).

D. Private Placement. Based, in part, on the representations and

warranties of Investor set forth herein, the offer and sale of the Shares and the Warrants by the Company are being accomplished in a transaction exempt from registration under Section 5 of the Securities Act of 1933, as amended (the "Securities Act") and from registration or qualification under all applicable state securities and "Blue-Sky" laws.

V. Representations of Investor. Investor hereby represents and warrants to the

Company as of the date of this Agreement and as of each Closing Date as follows:

A. Due Organization, Good Standing and Authority of the Investor.

Investor has full right, power and authority to enter into this Agreement and perform its obligations hereunder.

B. Authorization and Validity of Agreements. This Agreement has been duly

authorized, executed and delivered by Investor and, assuming the due authorization, execution and delivery by the Company, constitutes a valid and

binding obligation of Investor enforceable against Investor in accordance with its terms, except as affected by (i) bankruptcy or insolvency laws or (ii) equitable principles or public policy.

C. No Conflict with Other Instruments; No Approvals Required Except as Have

Been Obtained. The execution and delivery of this Agreement and the Warrants by

Investor and compliance by Investor with the terms and conditions hereof and thereof, will not violate, with or without the giving of notice or the lapse of time, or both, or require any registration, qualification, approval or filing under, any provision of law, statute, ordinance or regulation applicable to Investor and will not conflict with, or require any consent or approval under, or result in the breach or termination of any provision of, or constitute a default under, or result in the acceleration of the performance of the obligations of Investor under, or result in the creation of any claim, lien, charge or encumbrance upon any of the properties, assets or businesses of Investor pursuant to the charter document of Investor (if Investor is not a natural person) or any order, judgment, decree, law, ordinance or regulation applicable to the Investor, or any contract, instrument, agreement or restriction to which Investor is a party or by which Investor or any of its assets or properties is bound.

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D. Investor Awareness. Investor acknowledges, agrees and is aware that the

Shares, the Warrants and the shares of Common Stock to be issued upon the exercise thereof (the "Warrant Shares") have not been registered under the Securities Act of 1933, as amended ("Securities Act"), or under the securities laws of any other jurisdiction, including any state of the United States of America. An offer or sale of the Shares, the Warrants or the Warrant Shares by Investor in the absence of registration under such securities laws will require the availability of an exemption thereunder. A restrictive legend in substantially the form set forth in Section VI hereof shall be placed on the certificates representing the Shares, the Warrants and the Warrant Shares and a notation shall be made in the appropriate records of the Company indicating that the securities representing the Shares, the Warrants and the Warrant Shares are subject to restrictions on transfer.

E. Receipt of Information, Access to Information, Investment Intent.

Investor acknowledges that it:

(1) has been furnished with sufficient information regarding the Company and its prospects such that it has been able to understand and evaluate the risks of a purchase of the Company's securities;

(2) has been given the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of the offering of the Company's securities hereunder and other matters pertaining to an investment therein, has been given the opportunity to obtain such additional information necessary to evaluate the merits and risks of a purchase of the securities to the extent the Company possesses such information, and has received all documents and information that it has requested relating to an investment in the securities;

(3) has carefully considered and has, to the extent Investor believes such discussion necessary, discussed with its professional legal, financial and tax advisors, the suitability of an investment in the securities;

(4) understands that the Shares, Warrants and Warrant Shares to be received by Investor hereunder will be acquired for investment for Investor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Investor has no present intention of otherwise distributing the same. By executing this Agreement, Investor further represents that Investor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to such securities, or any portion thereof;

(5) is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk

of its investment and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares, Warrants and Warrant Shares; and

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(6) understands that the Shares, Warrants and Warrant Shares are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Shares, Warrants and Warrant Shares may be resold without registration under the Securities Act only in certain limited circumstances. In this connection Investor represents that it is familiar with Securities and Exchange Commission ("SEC") Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

F. Accredited Investor Status. Investor is an Accredited Investor as such

term is defined in Regulation D under the Securities Act.

VI. Restrictions on Transfer. The Shares, the Warrants and the Warrant Shares

shall not be transferable except upon the conditions specified in Article V.E and in this Article VI, which are intended to insure compliance with the provisions of the Securities Act in respect of the transfer of any of the Shares, the Warrants or Warrant Shares.

A. Restrictive Legends. Each certificate representing the Shares, the

Warrants or the Warrant Shares shall (unless otherwise permitted by the provisions of this Article VI) be stamped or otherwise imprinted with a legend in substantially the following form:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY JURISDICTION AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF UNLESS A REGISTRATION STATEMENT IS IN EFFECT UNDER THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS WITH RESPECT TO SUCH SECURITIES OR A WRITTEN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE COMPANY IS PROVIDED TO THE COMPANY TO THE EFFECT THAT NO REGISTRATIONS ARE REQUIRED UNDER SUCH SECURITIES LAWS."

B. Notice of Proposed Transfers.

(1) The holder of the Shares, the Warrants or Warrant Shares bearing a restrictive legend set forth in Section VI.A above ("Restricted Securities"), by acceptance thereof, agrees that, unless a registration statement is in effect under the Securities Act and under applicable securities laws with respect to such Restricted Securities, prior to any transfer or attempted transfer of such Restricted Securities, such holder will give the Company (i) written notice describing the proposed transfer of any Restricted Securities in reasonable detail, (ii) such other information about the proposed transfer of such Restricted Securities or the proposed transferee of such Restricted Securities as the Company may reasonably request and (iii) an opinion of counsel (both counsel and opinion reasonably satisfactory to the Company) to the effect that the proposed transfer of such Restricted Securities may be effected without

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registration of such Restricted Securities under the Securities Act and under other applicable securities laws.

(2) If the holder of the Restricted Securities delivers to the Company the information required in Section VI.B(1) above (including without limitation an opinion of counsel that subsequent transfers of such Restricted Securities will not require registration or qualification under the Securities Act or under other applicable securities law), the Company will or will cause the transfer agent for such Restricted Securities promptly after notice of such contemplated transfer to deliver new certificates for such Restricted Securities that do not bear that section of the restrictive legend set forth in Section VI.A above imposed by the Securities Act and under other applicable securities laws of any

other jurisdictions. If the foregoing conditions entitling the holder to effect a proposed transfer of such Restricted Securities without registration under the Securities Act and under other applicable securities laws have not been satisfied, Investor shall not transfer the Restricted Securities, and the Company will cause the transfer agent not to transfer such Restricted Securities on its books or issue any certificates representing such Restricted Securities. Any purported transfer of Restricted Securities not in accordance with applicable securities laws shall be void.

(3) The restrictions imposed by this Agreement with respect to the Securities Act and under other applicable securities laws of any other jurisdictions upon the transferability of any particular shares of Restricted Securities shall cease and terminate when such shares of Restricted Securities have been sold pursuant to an effective registration statement under the Securities Act or under other applicable securities laws or transferred pursuant to Rule 144 promulgated under the Securities Act.

(4) As used in this Agreement, the term "transfer" encompasses any sale, transfer, pledge or other disposition of any Common Stock referred to herein.

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VII. Miscellaneous.

A. Survival of Representations, Warranties and Covenants. The

representations, warranties and covenants of the parties contained in this Agreement and in any document delivered or to be delivered pursuant to this Agreement and in connection with the Closings hereunder shall survive such Closings. The parties have made no representations or warranties other than those that are expressly set forth in this Agreement.

B. Entire Agreement. This Agreement (including Exhibits hereto) and the

Warrants to which any of the parties hereto are parties, constitutes the entire agreement between the parties hereto and supersede all prior agreements and understandings, oral and written, between the parties hereto with respect to the subject matter hereof.

C. Severability. Any provision of this Agreement that is prohibited,

unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or lack of authorization without invalidating the remaining provisions hereof or affecting the validity, unenforceability or legality of such provision in any other jurisdiction.

D. Binding Effect; Benefit. This Agreement shall inure to the benefit of

and be binding upon the parties hereto, and their respective successors, legal representatives and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer on any person other than the parties hereto, and their respective successors, legal representatives and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

E. Amendment; Waiver. No provision of this Agreement may be amended,

waived or otherwise modified except by an instrument in writing executed by the parties hereto.

F. Expenses. Each party shall pay its own fees and expenses, including

attorney's fees, incurred in connection with this Agreement and the other agreements and transactions contemplated hereby.

G. Assignment. Neither party can assign this Agreement without the prior

written consent of the other.

H. Headings. The Articles and Section headings contained in this

Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

I. Counterparts. This Agreement may be executed in any number of

counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

J. Applicable Law. This Agreement shall be governed by, and construed in

accordance with, the laws of the State of Oregon without giving effect to the principles of conflicts of laws thereof.

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K. Remedies. The remedies provided in this Agreement are cumulative and

not exclusive of any remedies provided by law.

L. Notices and Payment.

(1) All notices, requests, demands and other communications hereunder shall be in writing and, except to the extent otherwise provided in this Agreement, shall be deemed to have been duly given if delivered by same day or next day courier or mailed, registered mail, return receipt requested, or transmitted by telegram, telex or facsimile:

if to Investor:

with a copy to:

if to the Company:

OXIS International, Inc.
6040 N. Cutter Circle; Suite 317
Portland, Oregon 97217
Fax: (503) 283-4058
Phone: (503) 283-3911

with a copy to:

Jackson Tufts Cole & Black, LLP
60 South Market Street, 10th Floor
San Jose, CA 95113
Fax No.: (408) 998-4889
Attention: Richard Scudellari, Esq.

A notice hereunder shall be deemed to have been given on the day such notice is sent or transmitted; provided, however, that if such notice is sent by next-day courier it shall be deemed to have been given the day following sending and, if by registered mail, five business days following sending and if sent by facsimile, when receipt is acknowledged by recipient's facsimile machine operator.

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(2) Unless otherwise provided in this Agreement, payments hereunder shall be made by wire transfer of immediately available funds.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

OXIS INTERNATIONAL, INC.,
a Delaware corporation

By _____
Name:
Title:

INVESTOR:

(Print Name)

By _____
Name:
Title:

EXHIBIT 99.3

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY JURISDICTION AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF UNLESS A REGISTRATION STATEMENT IS IN EFFECT UNDER THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS WITH RESPECT TO SUCH SECURITIES OR A WRITTEN OPINION OF COUNSEL REASONABLY ACCEPTABLE TO THE COMPANY IS PROVIDED TO THE COMPANY TO THE EFFECT THAT NO REGISTRATIONS ARE REQUIRED UNDER SUCH SECURITIES LAWS. THE SECURITIES MAY NOT BE SOLD OR OFFERED FOR SALE IN WHOLE OR IN PART NOR EXERCISED EXCEPT IN ACCORDANCE WITH THE PROVISIONS 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 after the first anniversary of the date hereof, but not after 5:00 P.M., Portland, Oregon, USA 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 US\$ _____ per share in lawful money of the United States of America.

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."

"Expiration Date" means _____, 2003.

"Warrant Exercise Price" shall initially be US\$ _____ per share and _____ shall be adjusted and readjusted from time to time to the extent as provided in this Warrant.

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(b) Other Definitional Provisions. (i) Except as otherwise _____ 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" and "Exhibit" shall refer to Sections of, 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

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 first anniversary of 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 Form 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 registered holder of this Warrant, such issuance shall be deemed a transfer and the provisions of Section 11 shall be applicable. 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

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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.

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 payable in Common Stock, the Warrant Exercise Price in effect immediately prior to such subdivision or stock dividend or distribution shall be proportionately reduced 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, 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. In the event of a merger, consolidation or reorganization of the Company with or into another corporation or corporations in which the Company is not the surviving entity (other than a mere reincorporation transaction), a sale of all or substantially all of the assets of the Company, or a transaction in which the Company issues shares representing more than fifty percent (50%) of the voting power in the Company immediately after giving effect to such transaction, the Company shall give notice thereof to the registered holder of this Warrant at least ten (10) business days prior to the consummation of such transaction.

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

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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.

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

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,

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

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.

(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 of 1933, as amended ("Securities Act"), 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.

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(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 under the Securities Act relating to such proposed transfer and such registration statement has become effective under the Securities Act; provided, however, notwithstanding the foregoing, the Company shall under no circumstances be obligated to file such a registration statement relating to the transfer of this Warrant or the Warrant Shares.

(c) 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

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

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. Representations of Holder. The holder of this Warrant, by

the 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. Investor represents that it is an "accredited investor" as such term is defined under Regulation D of the Securities Act. Upon exercise of this Warrant, the holder will confirm in writing, in form reasonably satisfactory to the Company, the holder's investment intent.

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

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:

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(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

with a copy to:

Jackson Tufts Cole & Black, LLP
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

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 _____, 1998. 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

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 US \$ _____, the aggregate Warrant Exercise Price of such Warrant Shares in full.

The undersigned represents that it is purchasing the Warrant Shares for its own account for investment and not with a view to, or sale in connection with, any distribution hereof, nor with any present intention of distributing the same. The undersigned represents that it is an "accredited investor" as such term is defined under Regulation D of the Securities Act of 1933, as amended ("Securities Act"). The Warrant Shares may not be sold, pledged, transferred, hypothecated, or otherwise disposed of except pursuant to an effective registration thereof under the Securities Act, or unless the Company shall have received an opinion of counsel satisfactory to the Company that such registration is not required.

INVESTOR:

By: _____

Name: _____

Title: _____

Address: _____

Number of Warrant Shares Being Purchased:

Dated: _____, 199__.

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EXHIBIT 99.4

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement ("Agreement") is made as of this ____ day of _____, 1998, by and among OXIS International, Inc., a Delaware corporation (the "Company"), and the investors in the common stock (the "Common Stock") and the warrants (the "Warrants") of the Company listed on the signature pages hereto (each a "Purchaser" and collectively, the "Purchasers"), which Common Stock and Warrants were purchased by each Purchaser pursuant to the terms of a virtually identical Common Stock and Warrant Subscription Agreement by and between each Purchaser and the Company (the "Subscription Agreements", each a Subscription Agreement).

In consideration of the mutual promises and covenants set forth herein, the parties hereto agree as follows:

1. Registration Rights. The Company and each Purchaser covenant and

agree as follows:

1.1 Definitions. For purposes of this Agreement:

(a) The term "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended;

(b) The term "Holder" means the Purchaser or any assignee thereof in accordance with Section 1.9 hereof;

(c) The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such registration statement or document;

(d) The term "Registrable Securities" means (i) the Common Stock purchased by the Purchasers, (ii) the Warrants; (iii) the Common Stock of the Company issuable upon exercise of the Warrants (the "Warrant Shares") and (iv) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such Common Stock excluding in all cases, however, any Registrable Securities sold by a person in a transaction in which his registration rights are not assigned;

(e) The term "Securities Act" means the Securities Act of 1933, as amended;

(f) The term "SEC" means the Securities and Exchange Commission;
and

(g) The term "Violation" shall have the meaning ascribed to that term in Section 1.7 of this Agreement.

1.2. Registration of Shares.

(a) Filing of Registration Statement. The Company shall use

commercially reasonable efforts to file with the SEC, on or before the date thirty (30) days following the date of the closing of the sale of securities pursuant to the latest dated Subscription Agreement (the "Final Closing"), a Form S-3, if available, or Form S-1 (if such Form S-3 is not available) registration statement under the Securities Act covering the resale of the Registrable Securities.

1.3. Obligations of the Company. Whenever required under this

Section 1 to effect the registration of any Registrable Securities, the Company

shall, as expeditiously as reasonably possible:

(a) Use its commercially reasonable best efforts to cause a registration statement filed with respect to the Registrable Securities to become effective, and, keep such registration statement effective for up to one hundred eighty (180) days;

(b) Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement;

(c) Furnish to each Holder such numbers of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them; and

(d) Use its commercially reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or blue sky laws of such jurisdictions as shall be reasonably requested by a majority of the Holders, provided, however, that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

1.4. Furnish Information. It shall be a condition precedent to the

obligations of the Company to take any action pursuant to this Section 1 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them, and the intended method of disposition of such securities as shall be required to effect the registration of the Registrable Securities.

1.5. Expenses of Company Registration. The Company shall bear and

pay all expenses incurred in connection with any registration, filing or qualification of Registrable Securities with respect to the registration pursuant to Section 1.2 for each Holder (which right may be assigned only as provided in Section 1.9), including (without limitation) all registration, filing and qualification fees, printers' and accounting fees relating or apportionable thereto and the reasonable fees and disbursements of one counsel for the selling Holders (which counsel's

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fees shall not exceed US \$10,000) selected by them, but excluding underwriting discounts and commissions relating to Registrable Securities.

1.6. Delay of Registration. No Holder shall have any right to

obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.7. Indemnification. In the event any Registrable Securities are

included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the officers, directors, partners and legal counsel of each Holder, and each person, if any, who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other United States federal or state law, rule or regulation insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a

material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any United States state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any United States state securities law; and the Company will reimburse each such Holder, officer, director, partner, legal counsel, underwriter or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 1.7(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company, nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, officer, partner, director, legal counsel or controlling person.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors and officers, its legal counsel, each person, if any, who controls the Company within the meaning of the Securities Act, and any other Holder selling securities in such registration statement or any of such other Holder's directors, legal counsel or officers or any person who controls such Holder, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, or controlling person, or other such Holder or director, officer, legal counsel or controlling person of such other Holder may become subject, under the Securities Act, the Exchange Act or other United States federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent

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(and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, legal counsel, controlling person, other Holder, or officer, director, legal counsel, or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability, or action; provided, however, that the indemnity agreement contained in this subsection 1.7(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder. The aggregate indemnification obligations of any selling Holder pursuant to the provisions of this Section 1.7(b) shall be limited to an amount equal to the proceeds received by such selling Holder pursuant to the terms of this Agreement.

(c) Promptly after receipt by an indemnified party under this Section 1.7 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.7, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel at its own expense if it so desires. Notwithstanding the foregoing, if the indemnified party and the indemnifying party have conflicting interests with respect to the action so that joint counsel for them would be inappropriate, (as determined by counsel to the indemnified party and counsel to the indemnifying party), then the indemnifying party shall pay reasonable fees and expenses of one counsel to the indemnified party. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of any liability to the indemnified party under this Section 1.7, but the omission to deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.7.

(d) If the indemnification provided for in this Section 1.7 is

held by a court of competent jurisdiction to be unavailable to an indemnified party, then each indemnifying party, in lieu of indemnifying such indemnified party thereunder, hereby agrees to contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other.

(e) The obligations of the Company and Holders under this Section 1.7 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1, and otherwise.

1.8. Reports Under Securities Exchange Act of 1934. With a view to

making available to the Holders the benefits of Rule 144 promulgated under the Securities Act and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the

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Company to the public without registration, the Company agrees to use its commercially reasonable best efforts to:

(a) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act; and

(b) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144, the Securities Act and the Exchange Act, and (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company.

1.9. Assignment of Registration Rights. The rights to cause the

Company to register Registrable Securities pursuant to this Section 1 may be assigned by a Holder to a transferee or assignee who is not a competitor of the Company and acquires at least five hundred thousand (500,000) shares (as adjusted for stock splits, combinations, etc.) of Common Stock; provided, however, in each case, the Company is, within thirty days after such transfer, furnished with written notice (i) stating the name and address of such assignee, (ii) identifying the securities with respect to which such registration rights are being assigned, and (iii) confirming that the assignee agrees to be bound by the terms and conditions of agreements governing such rights; and provided, further, that such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Securities Act.

1.10. Standstill Agreement. Each Holder hereby agrees that if such

Holder is notified by the Company that the registration statement covering the resale of the Registrable Securities is no longer deemed effective by the SEC, or if the registration statement or the prospectus forming a part of the registration statement no longer contains all information required under the United States federal or state securities laws, the Holder shall cease selling any Registrable Securities until notified by the Company that the registration statement is effective and/or contains all required information under the United States federal or state securities laws.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction).

2. Miscellaneous.

2.1. Amendment. Any provision of this Agreement may be amended

and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the holders of at least 66-2/3% of the Registrable Securities owned by the Purchasers. Any amendment or waiver effected in

accordance with this paragraph shall be binding upon each Holder of any securities purchased under this Agreement at the time outstanding (including securities into

which such securities are convertible), each future Holder of all such securities, and the Company.

2.2. Entire Agreement. This Agreement represents the entire and

only agreement and understanding between the Purchasers and the Company concerning the subject matter hereof and supersedes all prior oral and written and all contemporaneous oral agreements, arrangements, understandings, negotiations, commitments and understandings between the parties. No prior agreement, whether written or oral, shall be construed to change, amend, alter, repeal or invalidate this Agreement.

2.3. Notices. Unless otherwise specified herein, all notices or

other communications required or permitted under this Agreement shall be given in writing and shall be deemed effective and received: (a) immediately if delivered in hand; (b) one (1) business day after direct transmission by facsimile equipment; (c) one (1) business day after the date of sending by Federal Express or any similar overnight delivery service; or (d) five (5) business days after the date of mailing by United States registered or certified mail, return receipt requested and postage prepaid at the address or telecopy number indicated for such party on the signature page hereof, or at such other address as such party may designate by ten (10) days' advance notice to the other parties.

2.4. Assigns, Heirs, Representatives, Agents and Successors.

Each and all of the provisions contained in this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted assigns, heirs, representatives, agents and all other successors in interest. No assignment shall release the Holder from any obligation or liability under this Agreement.

2.5. Governing Law, Venue and Jurisdiction. This Agreement shall

be governed by, and construed in accordance with, the laws of the State of Oregon, without regard to any principles of conflict of laws, and shall in all respects be interpreted, enforced and governed within and under the laws of the State of Oregon. Each party hereto expressly submits to the jurisdiction and venue of the State and Federal Courts of Oregon.

2.6. Article and Section Headings. The section, subsection and

subdivision headings in this Agreement are for convenience and identification only and are in no way intended to describe, define, alter, modify, amend, limit, or restrict the scope, extent, or intent of this Agreement or any provision hereof.

2.7. Counterparts. This Agreement may be executed in one or more

counterparts, each of which shall be deemed to be an original, but all of which shall be one and the same document.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties on this ___ day of _____, 1998.

OXIS INTERNATIONAL, INC.

PURCHASER

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address:

EXHIBIT 99.5

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement") is made as of the ____ day of _____, 1998, by and among OXIS International, Inc., a Delaware corporation (the "Company"), the investor whose name is set forth on the signature page hereto (the "Investor"), and Jackson Tufts Cole & Black, LLP, a California limited liability partnership, as Escrow Agent ("Escrow Agent", collectively with the Company and the Investor, the "Parties").

1. The Investor has agreed to deposit with the Escrow Agent in escrow, the sum of US\$ _____ (the "Escrowed Funds") as the purchase price for _____ shares of the Company's common stock (the "Common Stock") and a Warrant to purchase an equal number of shares of the Company's common stock (the "Warrant"), each purchase to be made pursuant to the terms of that certain Common Stock and Warrant Purchase Agreement of even date herewith, substantially in the form attached hereto as Exhibit A (the "Subscription Agreement"). The Parties agree that capitalized terms used but not defined herein will have the meanings ascribed to them in the Subscription Agreement.

2. The Escrow Agent agrees to maintain the Escrowed Funds in an interest bearing account and agrees to disburse the Escrowed Funds pursuant to the terms of this Escrow Agreement. Any disbursement of the Escrowed Funds to the Company or back to the Investor under the terms hereof will include the interest accrued on such Escrowed Funds.

3. The Parties note that the Subscription Agreement provides for a first closing that will take place the date hereof (the "First Closing") and a second closing (the "Second Closing"). The Second Closing will not occur until after the Company has amended its Certificate of Incorporation to increase the number of authorized shares of Common Stock from 50 million to 95 million (the "Amendment").

4. The Parties agree that, upon notification by the Company's transfer agent (the "Transfer Agent") to the Escrow Agent that share certificates relating to the Common Stock to be issued to the Investor in connection with the First Closing (the "First Closing Common Stock") have been disbursed to the Investor by the Transfer Agent, the Escrow Agent will disburse to the Company that portion of the Escrowed Funds which constitutes the Investor's purchase price for the First Closing Common Stock. In the event that the First Closing does not occur by May 15, 1998 the Escrow Agent agrees to return the Escrowed Funds to the Investor.

5. The Parties agree that upon notification by the Transfer Agent that share certificates relating to the Common Stock to be issued to the Investor in connection with the Second Closing (the "Second Closing Common Stock") have been disbursed to the Investor by the Transfer Agent, the Escrow Agent will disburse to the Company the remaining amount of the Escrowed Funds (the "Remaining Escrow Balance"). In the event that the Company's annual meeting of Stockholders is not held by July 15, 1998 the Escrow Agent agrees to return Remaining Escrow Balance to the Investor. The Escrow Agent may also deliver the Remaining Escrow Balance pursuant to joint instructions received from the Company and the Investor.

6. Upon the disbursement of the Remaining Escrow Balance, the Escrow Agent will have no further obligations under this Escrow Agreement.

7. The Investor and the Company agree jointly and severally to hold the Escrow Agent harmless and to indemnify the Escrow Agent against any loss, liability, expenses (including attorney's fees and expenses), claim, or demand arising out of or in connection with the performance of its obligations as Escrow Agent. The foregoing indemnification shall survive the resignation of the Escrow Agent and the termination of this Escrow Agreement. The Investor and the Company acknowledge that the Escrow Agent also serves as legal counsel to the Company. The parties waive any conflict of interest that may be created due to the facts set forth in the immediately preceding sentence.

8. The Escrow Agent's duties are only such as are specifically provided herein, and the Escrow Agent shall incur no liability whatsoever to the Investor or the Company and shall have no responsibility hereunder other than to follow

faithfully the instructions herein contained. The Escrow Agent may consult with counsel and shall be fully protected in any action taken in good faith in accordance with such advice. The Escrow Agent shall be fully protected in acting in accordance with any written instructions given to it hereunder and believed by it to have been executed by the proper parties. The Escrow Agent shall not be liable for interest on the Escrowed Funds in any circumstances.

(a) It is understood and agreed that should any dispute arise with respect to the payment and/or ownership or right of possession of the Escrowed Funds, the Escrow Agent is authorized and directed to retain in its possession, without liability to anyone, all or any part of said Escrowed Funds until such dispute shall have been settled either by mutual agreement by the parties concerned or by the final order, decree or judgment of a court or other tribunal of competent jurisdiction in the United States of America and time for appeal has expired and no appeal has been perfected, but the Escrow Agent shall be under no duty whatsoever to institute or defend any such proceedings.

(b) The Escrow Agent may resign at any time by giving written notice thereof to the other parties hereto, but such resignation shall not become effective until a successor escrow agent shall have been appointed and shall have accepted such appointment in writing. If an instrument of acceptance by a successor escrow agent shall not have been delivered to the Escrow Agent within 30 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent.

9. This Escrow Agreement shall be construed in accordance with the laws of the State of California without regard to conflict of law provisions thereof. It may be executed in several counterparts, each one of which shall constitute an original, and all collectively shall constitute but one and the same instrument.

10. Any notice, consent or request to be given in connection with any of the terms or provisions of this Escrow Agreement shall be in writing and shall be delivered by hand or sent by registered mail, postage prepaid:

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(i) If to the Company:

Attn: Ray Rogers, Chief Executive Officer
OXIS International, Inc.
6040 N. Cutter Circle, Suite 317
Portland, Oregon 97217
Phone: (503) 283-3911
Facsimile: (503) 283-4058

(ii) if to Investor:

(iii) if to Escrow Agent:

Jackson Tufts Cole & Black, LLP
Attn: Richard Scudellari, Esq.
60 S. Market Street, 10th Floor
San Jose, CA 95113
Facsimile: (408) 998-4889

11. In addition to termination by its own terms, this Escrow Agreement may be otherwise terminated pursuant a written agreement by the parties.

12. Upon termination of this Escrow Agreement, the Escrow Agent may request from any and all of the parties hereto such additional assurances, certificates, satisfactions, releases and/or other documents as it may reasonably deem appropriate to evidence the termination of this Escrow Agreement.

13. This Escrow Agreement and all documents contemplated hereby contain the entire agreement of the parties with respect to the subject matter hereof; any

amendment hereto or modification or variation hereof shall be ineffective unless in writing signed by each of the parties hereto.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Escrow Agreement as of the date first above written.

INVESTOR

By: _____

Name: _____

(Print)

Title: _____

Address:

OXIS INTERNATIONAL, INC.

By _____

Name: _____

Title: _____

JACKSON TUFTS COLE & BLACK, LLP
as Escrow Agent

By: _____

Name: Richard Scudellari

Title: Partner

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