SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2000.

or

[_] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ___ to ___.

Commission File Number O-8092

OXIS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware	94-1620407
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

6040 N. Cutter Circle, Suite 317, Portland, Oregon	97217
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

At March 31, 2000, the issuer had outstanding the indicated number of shares of common stock: 8,981,330

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended March 31	
	2000	1999
<S>	<C>	<C>
Revenues	$ 943,000	$ 1,456,000
Costs and expenses:		
Cost of sales	852,000	1,007,000
Research and development	338,000	770,000

Selling, general and administrative	722,000	858,000
Total costs and expenses	1,912,000	2,635,000
Operating loss	(969,000)	(1,179,000)
Interest income	22,000	18,000
Interest expense	(21,000)	(30,000)
Net loss	(968,000)	(1,191,000)
Other comprehensive income (loss) -		
Foreign currency translation adjustments	(26,000)	12,000
Comprehensive loss	$ (994,000)	$(1,179,000)
Net loss per share - basic and diluted	$(.12)	$(.15)
Weighted average number of shares used in computation - basic and diluted	8,259,330	7,845,926

</TABLE>

CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

<S>	March 31, 2000 <C>	December 31, 1999 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$4,205,000	$ 789,000
Accounts receivable	760,000	1,072,000
Inventories	1,281,000	1,327,000
Prepaid and other	48,000	37,000
Total current assets	6,294,000	3,225,000
Property and equipment, net	738,000	808,000
Technology for developed products	819,000	864,000
Other assets	307,000	287,000
Total assets	$8,158,000	$5,184,000

</TABLE>

CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

<S>	March 31, 2000 <C>	December 31, 1999 <C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 446,000	$ 681,000

Accounts payable	462,000	1,131,000
Accrued payroll, payroll taxes and other	604,000	395,000
Current portion of long-term debt	96,000	94,000
Total current liabilities	1,608,000	2,301,000
Long-term debt due after one year	188,000	194,000
Shareholders' equity:		
Preferred stock - $.01 par value; 15,000,000 shares authorized:		
Series B - 428,389 shares issued and outstanding at March 31, 2000 (liquidation preference of $1,000,000)	4,000	4,000
Series C - 608,536 shares issued and outstanding at March 31, 2000	6,000	6,000
Common stock - $.001 par value; 95,000,000 shares authorized; 8,981,330 shares issued and outstanding at March 31, 2000 (7,928,784 at December 31, 1999)	9,000	8,000
Additional paid in capital	57,422,000	52,756,000
Accumulated deficit	(50,718,000)	(49,750,000)
Accumulated other comprehensive loss - foreign currency translation adjustment	(361,000)	(335,000)
Total shareholders' equity	6,362,000	2,689,000
Total liabilities and shareholders' equity	$ 8,158,000	$ 5,184,000

</TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2000	1999
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$ (968,000)	$(1,191,000)
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization	156,000	289,000
Gain on sale of land and building	--	(16,000)
Changes in assets and liabilities:		
Accounts receivable	309,000	(130,000)
Inventories	46,000	--
Prepaid and other current assets	(12,000)	(233,000)
Accounts payable	(668,000)	(145,000)
Accrued payroll, payroll taxes and other	255,000	(96,000)
Net cash used for operating activities	(882,000)	(1,522,000)
Cash flows from investing activities:		
Proceeds from sale of land and building	--	1,959,000
Purchases of equipment	(37,000)	(25,000)
Additions to other assets	(36,000)	(24,000)
Other, net	(1,000)	(1,000)
Net cash provided by (used for) investing activities	(74,000)	1,909,000
Cash flows from financing activities:		
Proceeds from issuance of common stock	4,466,000	--
Repayment of short-term borrowings	(75,000)	--

Repayment of long-term debt	(5,000)	(1,502,000)
	----------	-----------
Net cash provided by (used for) financing activities	4,386,000	(1,502,000)
Effect of exchange rate changes on cash	(14,000)	23,000
	----------	-----------
Net increase (decrease) in cash and cash equivalents	3,416,000	(1,092,000)
Cash and cash equivalents - beginning of period	789,000	2,575,000
	----------	-----------
Cash and cash equivalents - end of period	$4,205,000	$ 1,483,000
	==========	===========

</TABLE>

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. FINANCIAL STATEMENTS AND CONDENSED NOTES

The unaudited consolidated financial statements, which have been prepared in accordance with the instructions to Form 10-Q, do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements. All adjustments considered necessary by management for a fair presentation have been included. Operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

An annual report (Form 10-K) has been filed with the Securities and Exchange Commission ("Commission") for the year ended December 31, 1999. That report contains, among other information, a description of the Company's business, audited financial statements, notes to the financial statements, the report of the independent auditors and management's discussion and analysis of results of operations and financial condition. Readers of this report are presumed to be familiar with that annual report.

2. INVENTORIES

Inventories are stated at the lower of cost or market. Cost has been determined by using the first-in, first-out method. Inventories at March 31, 2000 and December 31, 1999, consisted of the following:

<TABLE>
<CAPTION>

<S>	March 31, 2000 <C>	December 31, 1999 <C>
Raw materials	$ 692,000	$ 492,000
Work in process	347,000	438,000
Finished goods	242,000	397,000
	----------	----------
Total	$1,281,000	$1,327,000
	==========	==========

</TABLE>

3. SHAREHOLDERS' EQUITY

During the first quarter of 2000, the Company completed the first closing of a private placement of units, consisting of one share of the Company's common stock plus warrants to purchase two shares of the Company's common stock (the "Units"), primarily to a series of institutional investors. The Units were priced at the Nasdaq closing price for the Company's common stock the day prior to the signing of the subscription agreements relating to the purchase of such Units. The price per Unit was $4.75. In the first closing, 1,010,868 common shares and warrants to purchase 2,021,736 common shares were issued in exchange for gross proceeds of $4,600,000 in cash and conversion of $202,000 of short-term notes and accrued interest payable. The exercise price of one-half of the warrants

issued in the private placement is equal to 125% of the price paid per Unit. The exercise price of the other half of the warrants is equal to 150% of the price paid per Unit.

The Company has agreed to issue additional warrants to its placement agents giving the agents the right to acquire 155,000 common shares at an exercise price of $5.94 per share.

The Company has agreed to file, within 90 days of the final closing of the private placement, a registration statement with the Commission registering the common shares, and the common shares issuable upon exercise of the warrants, issued in the private placement.

The private placement was completed in April 2000 with a second closing resulting in gross proceeds to the Company of $1,450,000 in cash.

4. STOCK OPTIONS

The Company has a stock incentive plan under which 1,365,000 shares of the Company's common stock are reserved for issuance (the "Plan"). The Plan permits the Company to grant stock options to acquire shares of the Company's common stock, award stock bonuses of the Company's common stock, and grant stock appreciation rights. During the three months ended March 31, 2000, options to purchase 225,000 shares at an exercise price of $1.9125 have been issued under the Plan. Options to purchase an additional 400,000 common shares at an exercise price of $1.9125 have also been issued, subject to shareholder approval of an amendment to the Plan.

The Company's board of directors has also approved an additional option grant to purchase 400,000 common shares at an exercise price of $1.5625. This option grant is not issued pursuant to the Plan.

5. OPERATING SEGMENTS

The following table presents information about the Company's two operating segments:

<TABLE>
<CAPTION>

<S>	Health Products <C>	Therapeutic Development <C>	Total <C>
Quarter ended March 31, 2000:			
Revenues from external customers	$ 943,000	$ --	$ 943,000
Intersegment revenues	--	--	--
Segment loss	(629,000)	(339,000)	(968,000)
As of March 31, 2000 - Segment assets	3,658,000	4,500,000	8,158,000

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>
Quarter ended March 31, 1999:			
Revenues from external customers	$1,428,000	$ 28,000	$ 1,456,000
Intersegment revenues	--	24,000	24,000
Segment loss	(409,000)	(782,000)	(1,191,000)
As of March 31, 1999 - Segment assets	5,885,000	2,334,000	8,219,000

</TABLE>

Item 2. Management's Discussion and Analysis of Financial Condition and Results

of Operations.

CERTAIN STATEMENTS SET FORTH BELOW CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. STATEMENTS THAT EXPRESSLY OR BY IMPLICATION PREDICT FUTURE RESULTS, PERFORMANCE OR EVENTS ARE FORWARD-LOOKING. THE WORDS "BELIEVES," "PLANS," "EXPECTS," "ANTICIPATES," "ESTIMATES," AND SIMILAR EXPRESSIONS ALSO IDENTIFY FORWARD-LOOKING STATEMENTS. THE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS OF THE COMPANY OR INDUSTRY RESULTS TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY THE FORWARD-LOOKING STATEMENTS. WITH RESPECT TO THE COMPANY, THESE FACTORS INCLUDE UNCERTAINTY OF ADDITIONAL FUNDING; LOSS OR IMPAIRMENT OF SOURCES OF CAPITAL; DEPENDENCE ON STRATEGIC PARTNERS; UNCERTAINTIES RELATING TO PATENTS AND PROPRIETARY INFORMATION; DEPENDENCE ON KEY PERSONNEL; TECHNOLOGICAL CHANGE AND COMPETITION AND CHANGES IN LAWS OR REGULATIONS. GIVEN THESE UNCERTAINTIES READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS. THE COMPANY DOES NOT INTEND TO UPDATE ANY FORWARD-LOOKING STATEMENTS.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital increased during the first quarter of 2000 by $3,762,000, from $924,000 at December 31, 1999 to $4,686,000 at March 31, 2000. The increase in working capital resulted primarily from the net proceeds from issuance of common stock of $4,668,000, offset in part by the effect of the net loss for the quarter ($968,000 less non-cash charges of $156,000).

Cash and cash equivalents increased from $789,000 at December 31, 1999 to $4,205,000 at March 31, 2000.

While the Company believes that its new therapeutic products and technologies show considerable promise, its ability to realize significant revenues therefrom is dependent upon the Company's success in developing business alliances with biotechnology and/or pharmaceutical companies that have the required resources to develop and market certain of these products. There is no assurance that the Company's effort to develop such business alliances will be successful.

The Company expects to continue to report losses in 2000 as the level of expenses is expected to continue to exceed revenues. The Company can give no assurances as to when and if its revenues will exceed its expenses.

RESULTS OF OPERATIONS - THREE MONTHS ENDED MARCH 31, 2000 COMPARED WITH THREE MONTHS ENDED MARCH 31, 1999

Planned Divestiture of Assets

At the direction of the Company's board of directors, the Company is currently undertaking a restructuring and reorganization under which the non-therapeutic assets of the Company, including substantially all of the assets of OXIS Health Products, Inc., are to be divested or spun off and the Company will be refocused in the area of ethical pharmaceutical development. Although a formal plan for this divestiture has not been put in place, it is anticipated that all of the assets that are currently generating revenues for the Company will either be sold to a third party or spun off to the Company's shareholders. Upon completion of this anticipated restructuring, the Company will no longer have a source of current revenues. The Company's continued operations will be dependent upon additional capital financing until such time as revenues can be generated from its therapeutic development programs.

Revenues

The Company's revenues for the quarters ended March 31, 2000 and 1999 were as follows:

<TABLE>

<CAPTION>

<S>	2000 <C>	1999 <C>
Research assays and fine chemicals	$ 294,000	$ 354,000
Therapeutic drug monitoring assays	290,000	484,000
Medical instruments	333,000	487,000
Other	26,000	131,000
	----------	--------
	$ 943,000	$1,456,000
	==========	==========

</TABLE>

Sales of research assays and fine chemicals declined by $60,000 from $354,000 in the first quarter of 1999 to $294,000 in the first quarter of 2000 due to a decline in sales volumes.

Revenues from sales of therapeutic drug monitoring assays declined in the first quarter of 2000 as compared to the first quarter of 1999 resulting in a decrease in sales of $194,000. Effective June 28, 1999, the Company sold the intellectual property, contract rights and finished goods inventory relating to its therapeutic drug monitoring assays. Therapeutic drug monitoring assay revenues in the first quarter of 2000 represent contract sales of assays and services to the purchaser of the rights to this technology. Such revenues are expected to continue to be less than the level prior to July 1999. Revenues from therapeutic drug monitoring assay sales and related services may terminate at the end of the third quarter of 2000, when the contract to manufacture product for the purchaser of the technology expires.

Revenue from instrument sales and development declined by $154,000, from $487,000 in the first quarter of 1999 to $333,000 in the first quarter of 2000. This decrease resulted from reduced orders from customers. Since early 1999, the Company has not invested in any significant marketing efforts to replace lost instrument customers.

Other revenues in the first quarter of 1999 included a $50,000 royalty payment that did not recur in the first quarter of 2000.

Costs and Expenses

Cost of sales was 69% of revenues for the first quarter 1999 and increased to 90% of product sales for the first quarter of 2000. This increase in the cost of sales as a percentage of sales is due primarily to the effect of the fixed manufacturing costs for the Company's products being spread over a lower manufacturing and sales volume. Sales volume for the first quarter of 2000 was approximately 35% less than that of the first quarter of 1999. Cost of sales declined from $1,007,000 in the first quarter of 1999 to $852,000 in the first quarter of 2000, but this decrease was not in proportion to the decrease in sales volumes.

Research and development expenses decreased from $770,000 in the first quarter of 1999 to $338,000 in the first quarter of 2000. The decrease in research and development expenses resulted primarily from the closure of the Company's French research laboratory in the second quarter of 1999.

Selling, general and administrative expenses decreased from $858,000 in the first quarter of 1999 to $722,000 in the first quarter of 2000. The decrease is primarily the result of reductions in personnel of approximately $66,000 and a reduction in professional fees of approximately $30,000.

Net Loss

The Company continued to experience losses in the first quarter of 2000. The first quarter 2000 loss of $968,000 ($.12 per share-basic and diluted) was $223,000 less than the $1,191,000 ($.15 per share-basic and diluted) loss for the first quarter of 1999. The decrease in the net loss is primarily due to the decreases in research and development and selling, general and administrative costs.

The Company expects to incur a substantial net loss for 2000. If the Company develops substantial new revenue sources or if substantial additional capital is raised through further sales of securities, the Company plans to continue to invest in research and development activities and incur sales, general and administrative expenses in amounts greater than its anticipated near-term product margins. If the Company is unable to raise sufficient additional capital or to develop new revenue sources, it will have to cease, or severely curtail, its operations. In this event, while expenses will be reduced, expense levels, and the potential write down of various assets, would still be in amounts greater than anticipated revenues. The Company expects that additional capital will be required in 2001.

PART II. OTHER INFORMATION

Item 2. Changes in Securities and Use of Proceeds.

On March 3, 2000, the Company issued 1,010,868 shares of its common stock and warrants to purchase 2,021,736 shares of its common stock to eight accredited investors. Gross proceeds from the sale of these securities were $4,802,000, including $4,600,000 in cash and $202,000 in exchange for a note and accrued interest. The securities were sold in a private placement pursuant to Regulation D of the rules of the Securities and Exchange Commission.

In April 2000 the Company completed the second and final closing of its private placement pursuant to Regulation D by issuing an additional 366,081 shares of its common stock and warrants to purchase 732,162 shares of its common stock to three accredited investors, two of which also acquired shares and warrants in the March closing. Gross proceeds from the April closing were $1,450,000.

In total, warrants to purchase 2,753,898 shares of common stock were issued to investors in the private placement. The number of shares subject to the warrants by exercise price is as follows:

<TABLE>
<CAPTION>

Exercise Price	Shares subject to warrants
<S>	<C>
$7.13	1,021,394
$5.94	1,021,394
$5.91	355,555
$4.92	355,555

</TABLE>

The $5.94 and $4.92 warrants expire one year from issuance. The $7.13 and $5.91 warrants expire two years from issuance.

In connection with this sale of securities the Company has paid or will pay to its placement agents $219,000 in cash commissions together with warrants to purchase 155,000 shares of the Company's common stock at an exercise price of $5.94 per share.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits - See Exhibit Index on page 13.

(b) Reports on Form 8-K

A report on Form 8-K was filed by the Company on March 23, 2000, reporting the sale of shares of common stock and warrants with gross proceeds to the Company of $4,802,000.

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 thereunto duly authorized.

OXIS International, Inc.

May 12, 2000 By /s/Paul C. Sharpe

Paul C. Sharpe
Chief Executive Officer

May 12, 2000 By /s/Jon S. Pitcher

Jon S. Pitcher
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description of Document	Page Number
27(a)	Financial data schedule	14

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