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 September 30, 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 September 30, 2000, the issuer had outstanding the indicated number of shares of common stock: 9,370,677

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)
<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Revenues	$ 1,039,000	$ 898,000	$ 2,761,000	$ 5,055,000
Costs and expenses:				
Cost of product sales	690,000	818,000	2,375,000	3,231,000

Cost of technology sold	--	--	--	1,279,000
Research and development	436,000	323,000	1,221,000	2,045,000
Selling, general and administrative	1,072,000	810,000	2,436,000	2,498,000
Total costs and expenses	2,198,000	1,951,000	6,032,000	9,053,000
Operating loss	(1,159,000)	(1,053,000)	(3,271,000)	(3,998,000)
Interest income	57,000	14,000	144,000	39,000
Interest expense	(17,000)	(20,000)	(61,000)	(73,000)
Net loss	(1,119,000)	(1,059,000)	(3,188,000)	(4,032,000)
Other comprehensive loss - foreign currency translation adjustments	(20,000)	(2,000)	(40,000)	(33,000)
Comprehensive loss	$(1,139,000)	$(1,061,000)	$(3,228,000)	$(4,065,000)
Net loss per share - basic and diluted	$ (.12)	$ (.13)	$ (.35)	$ (.51)
Weighted average number of shares used in computation - basic and diluted	9,370,667	7,906,250	8,987,552	7,874,678

</TABLE>

CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

<S>	September 30, 2000 <C>	December 31, 1999 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$3,203,000	$ 789,000
Accounts receivable	736,000	1,072,000
Inventories	1,297,000	1,327,000
Prepaid and other	123,000	37,000
Total current assets	5,359,000	3,225,000
Furniture and equipment, net	691,000	808,000
Technology for developed products	727,000	864,000
Other assets	330,000	287,000
Total assets	$7,107,000	$5,184,000

</TABLE>

CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

<S>	September 30, 2000 <C>	December 31, 1999 <C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		

Notes payable	$ 446,000	$ 681,000
Accounts payable	561,000	1,131,000
Accrued payroll, payroll taxes and other	316,000	395,000
Current portion of long-term debt	95,000	94,000
	------------	------------
Total current liabilities	1,418,000	2,301,000
Long-term debt due after one year	160,000	194,000
Shareholders' equity:		
Preferred stock - $.01 par value; 15,000,000 shares authorized:		
Series B - 428,389 shares issued and outstanding at September 30, 2000 and December 31, 1999 (liquidation preference of $1,000,000)	4,000	4,000
Series C - 608,536 shares issued and outstanding at September 30, 2000 and December 31, 1999	6,000	6,000
Common stock - $.001 par value; 95,000,000 shares authorized; 9,370,677 shares issued and outstanding at September 30, 2000 (7,928,784 at December 31, 1999)	9,000	8,000
Additional paid in capital	58,823,000	52,756,000
Accumulated deficit	(52,938,000)	(49,750,000)
Accumulated other comprehensive loss - foreign currency translation adjustment	(375,000)	(335,000)
	------------	------------
Total shareholders' equity	5,529,000	2,689,000
	------------	------------
Total liabilities and shareholders' equity	$ 7,107,000	$ 5,184,000
	============	============

</TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended September 30,	
	2000	1999
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$(3,188,000)	$(4,032,000)
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization	386,000	708,000
Gain on sale of land and building	--	(16,000)
Loss on sale of technology	--	368,000
Cash proceeds from sale of technology	--	342,000
Changes in assets and liabilities:		
Accounts receivable	333,000	121,000
Inventories	40,000	168,000
Other current assets	(87,000)	166,000
Accounts payable	(566,000)	49,000
Customer deposits	--	(120,000)
Accrued payroll, payroll taxes and other	(43,000)	(263,000)
	-----------	-----------
Net cash used for operating activities	(3,125,000)	(2,509,000)
Cash flows from investing activities:		
Proceeds from sale of land and building	--	1,959,000
Purchases of equipment	(123,000)	(195,000)
Additions to other assets	(93,000)	(65,000)
Other, net	11,000	16,000
	-----------	-----------

Net cash provided by (used for) investing activities	(205,000)	1,715,000
Cash flows from financing activities:		
Proceeds from issuance of stock, net of related costs	5,868,000	--
Repayment of short-term borrowings	(75,000)	(40,000)
Repayment of long-term debt	(34,000)	(1,519,000)
	-----------	-----------
Net cash provided by (used for) financing activities	5,759,000	(1,559,000)
Effect of exchange rate changes on cash	(15,000)	23,000
	-----------	-----------
Net increase (decrease) in cash and cash equivalents	2,414,000	(2,330,000)
Cash and cash equivalents - beginning of period	789,000	2,575,000
	-----------	-----------
Cash and cash equivalents - end of period	$ 3,203,000	$ 245,000
	===========	===========
Non-cash transactions:		
Issuance of common stock in exchange for cancellation of notes and accrued interest	$ 202,000	$ --
Note received as part of proceeds from sale of technology	--	569,000
Conversion of 199,342 shares of Series C Preferred Stock into 57,588 shares of common stock	--	233,000

</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 September 30, 2000 and December 31, 1999, consisted of the following:

<TABLE>
<CAPTION>

	September 30, 2000	December 31, 1999
<S>	<C>	<C>
Raw materials	$ 694,000	$ 492,000
Work in process	403,000	438,000
Finished goods	200,000	397,000
	----------	----------
Total	$1,297,000	$1,327,000
	==========	==========

</TABLE>

3. SHAREHOLDERS' EQUITY

In April 2000 the Company completed 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 ranged from $3.94 to $4.75. A total of 1,376,950 common shares and warrants to purchase 2,753,000 common shares were issued in exchange for gross proceeds of $6,050,000 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 issued 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 filed a preliminary registration statement with the Commission registering the common shares, and the common shares issuable upon exercise of the warrants, issued in the private placement.

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 nine months ended September 30, 2000, options to purchase 170,389 shares at exercise prices ranging from $1.375 to $2.125 have been issued under the Plan. Options to purchase an additional 441,111 common shares at exercise prices ranging from $1.3125 to $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 additional option grants outside the Plan to purchase 400,000 common shares at an exercise price of $1.5625 and 25,000 common shares at an exercise price of $1.375.

5. OPERATING SEGMENTS

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

<TABLE>
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<S>	Health Products <C>	Therapeutic Development <C>	Total <C>
Quarter ended September 30, 2000:			
Revenues from external customers	$1,039,000	$ --	$ 1,039,000
Intersegment revenues	--	--	--
Net loss	(443,000)	(676,000)	(1,119,000)
As of September 30, 2000 - Total assets	3,074,000	4,033,000	7,107,000

</TABLE>

<TABLE>
<CAPTION>

<S>	Health Products <C>	Therapeutic Development <C>	Total <C>

Quarter ended September 30, 1999:			
Revenues from external customers	$ 898,000	$ --	$ 898,000
Intersegment revenues	--	--	--
Net loss	(735,000)	(324,000)	(1,059,000)
As of September 30, 1999 - Total assets	4,212,000	1,027,000	5,239,000
Nine months ended September 30, 2000:			
Revenues from external customers	$ 2,761,000	$ --	$ 2,761,000
Intersegment revenues	--	--	--
Net loss	(1,808,000)	(1,380,000)	(3,188,000)
Nine months ended September 30, 1999:			
Revenues from external customers	$ 4,981,000	$ 74,000	$ 5,055,000
Intersegment revenues	--	301,000	301,000
Net loss	(1,978,000)	(2,054,000)	(4,032,000)

</TABLE>

6. HEALTH PRODUCTS SEGMENT

At a meeting held August 1, 2000, the Company's board of directors decided to develop additional information as to the value of the Company's Health Products segment. At that time the special committee of the board was charged with the responsibility of completing an investigation of an offer to purchase the Health Products assets, as well as other avenues of sale and reporting back to the full board with its recommendations. That offer was subsequently withdrawn. The Company believes that it is reasonable for the special committee to complete its work and to issue its recommendation during the balance of calendar 2000, at which time it is expected to be clearer as to whether a sale of this business segment is appropriate.

7. LEGAL MATTERS

The Company is involved in litigation with a former employee and majority owner of Innovative Medical Systems Corp., acquired by the Company in 1997. The Company is unable to predict the outcome of this litigation.

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 nine months of 2000 by $3,017,000, from $924,000 at December 31, 1999 to $3,941,000 at September 30, 2000. The increase in working capital resulted primarily from the net proceeds from issuance of common stock of $5,868,000, offset in part by the effect of the net loss for the period ($3,188,000 less non-cash charges of $386,000).

Cash and cash equivalents increased from $789,000 at December 31, 1999 to

$3,203,000 at September 30, 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 SEPTEMBER 30, 2000
COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 1999

Possible Divestiture of Assets

At a meeting held August 1, 2000, the Company's board of directors decided to develop additional information as to the value of the Company's Health Products segment. At that time the special committee of the board was charged with the responsibility of completing an investigation of an offer to purchase the Health Products assets, as well as other avenues of sale and reporting back to the full board with its recommendations. That offer was subsequently withdrawn. The Company believes that it is reasonable for the special committee to complete its work and to issue its recommendation during the balance of calendar 2000, at which time it is expected to be clearer as to whether a sale of this business segment is appropriate. Although a decision regarding this possible divestiture has not been made, it is possible that all of the assets that are currently generating revenues for the Company may either be sold to a third party or spun off to the Company's shareholders. Upon completion of such a restructuring, the Company would no longer have a source of current revenues and the Company's continued operations would be wholly 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 September 30, 2000 and 1999 were as follows:

<TABLE>
<CAPTION>

	2000	1999
<S>	<C>	<C>
Research assays and fine chemicals	$ 437,000	$295,000
Therapeutic drug monitoring assays	262,000	228,000
Instruments	333,000	272,000
Other	7,000	103,000
	$1,039,000	$898,000

</TABLE>

Sales of research assays and fine chemicals increased by $142,000 from $295,000 in the third quarter of 1999 to $437,000 in the third quarter of 2000. Most of the increase in sales is due to $116,000 in sales of l-ergothioneine in the third quarter of 2000 compared to less than $1,000 in the third quarter of 1999.

Therapeutic drug monitoring assay revenues represent contract sales of assays and services to the purchaser of the rights to this technology. The contract to manufacture therapeutic drug

monitoring assays for the purchaser of the technology expired at the end of the third quarter of 2000. The Company is negotiating terms to continue manufacturing these products through the fourth quarter of 2000, at which time it expects to sell its remaining inventories to the purchaser of the technology and discontinue manufacturing therapeutic drug monitoring assays.

Revenue from instrument sales and development increased by $61,000, from $272,000 in the third quarter of 1999 to $333,000 in the third quarter of 2000.

Other revenues for the third quarter of 1999 included $55,000 in sales of Palosein. The Company is negotiating the sale of the Palosein product, and sales of Palosein in 2000 have been insignificant.

Costs and Expenses

Cost of sales was 91% of revenues for the third quarter of 1999 and decreased to 66% of revenues for the third quarter of 2000. The decline in cost of sales as a percentage of revenues is attributable primarily to a change in the mix of sales of research assays and fine chemicals. Sales of products with better margins in 2000 combined with increased sales volumes resulted in a $187,000 increase in gross margin from sales of research assays and fine chemicals.

Research and development expenses increased from $323,000 in the third quarter of 1999 to $436,000 in the third quarter of 2000. The increase in research and development expenses resulted primarily from a settlement with two former French research employees resulting in an expense of $59,000 in the third quarter of 2000 and a $52,000 increase in research and development expenses by the Company's Health Products segment relating to development of new research assays and new uses for the Company's fine chemicals.

Selling, general and administrative expenses increased from $810,000 in the third quarter of 1999 to $1,072,000 in the third quarter of 2000. Third quarter advertising costs increased by $138,000 in 2000. Most of the advertising costs in 2000 relate to the Company's new wellness services products. Selling, general and administrative expenses for the third quarter of 2000 include approximately $106,000 relating to the start-up of the Company's new subsidiary in the United Kingdom.

Interest Income

Interest income for the third quarter of 2000 was more than for the third quarter of 1999 because the Company had more cash available for investment during 2000.

Net Loss

The Company continued to experience losses in the third quarter of 2000. The third quarter 2000 net loss of $1,119,000 ($.12 per share-basic and diluted) was $60,000 more than the $1,059,000 ($.13 per share-basic and diluted) net loss for the third quarter of 1999. The increase in the net loss is primarily due to the increases in research and development and selling, general and administrative costs, offset by increased profit margins.

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.

RESULTS OF OPERATIONS - NINE MONTHS ENDED SEPTEMBER 30, 2000
COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 1999

Revenues

The Company's revenues for the nine-month periods ended September 30, 2000 and 1999 were as follows:

<TABLE>
<CAPTION>

<S>	2000 <C>	1999 <C>
Sales		
Research assays and fine chemicals	$1,015,000	$1,087,000
Therapeutic drug monitoring assays	726,000	1,311,000
Instruments	958,000	1,067,000
Bovine superoxide dismutase (bSOD) for research and human use	--	452,000
Sale of rights to therapeutic drug monitoring assays	--	911,000
Other	62,000	227,000
	$2,761,000	$5,055,000

</TABLE>

Sales of research assays and fine chemicals declined by $72,000, from $1,087,000 in the first nine months of 1999 to $1,015,000 in the first nine months of 2000. This decrease was due primarily to the sale of certain products that became surplus when the Company's French laboratory was closed in early 1999.

Effective June 28, 1999, the Company sold the intellectual property, contract rights and finished goods inventory relating to its therapeutic drug monitoring assays. The Company recognized $911,000 as compensation for the intellectual property and contract rights. Sales of the Company's therapeutic drug monitoring assays decreased by $585,000, from $1,311,000 in the first nine months of 1999 to $726,000 in the first nine months of 2000. Sales of therapeutic drug monitoring assays for the nine months ended June 30, 1999 include $158,000 for the sale of the therapeutic drug monitoring finished goods inventory. Therapeutic drug monitoring assay revenues in the first nine months of 2000 represent contract sales of assays and services to the purchaser of the rights to this technology. The contract to manufacture therapeutic drug monitoring assays for the purchaser of the technology expired at the end of the third quarter of 2000. The Company is negotiating terms to continue manufacturing these products through part or all of the fourth quarter of 2000, at which time it expects to sell its remaining inventories to the purchaser of the technology and discontinue manufacturing therapeutic drug monitoring assays.

Revenue from instrument sales declined by $109,000, from $1,067,000 in the first nine months of 1999 to $958,000 in the first nine months 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.

Sales of bSOD in the first nine months of 1999 were primarily the result of one shipment of bulk bSOD to the Company's Spanish licensee. No significant sales of bulk bSOD are expected during 2000. The Company has received an order for delivery of bulk bSOD in the second or third quarter of 2001. The order is for a similar quantity as the sale in the first half of 1999. However, due to the decline in the value of the euro compared to the U.S. dollar, the current value of the bulk bSOD order is approximately $325,000.

Other revenues for the first nine months of 1999 included $157,000 in sales of Palosein. The Company is negotiating the sale of the Palosein product, and sales of Palosein in 2000 have been insignificant. Other revenues for the first nine months of 1999 also included a $50,000 royalty payment that did not recur in 2000.

Costs and Expenses

Cost of sales was 89% of revenues for the first nine months of 1999 and decreased to 86% of revenues for the first nine months of 2000. Revenues for 1999 include $911,000 for the sale of rights to the Company's therapeutic drug monitoring assays, and expenses include $1,279,000 for the cost of that technology. Excluding the sale of the therapeutic drug monitoring technology and related cost, cost of sales for the first nine months of 1999 was approximately 78% of revenues. The increase in the cost of sales as a percentage of sales

from 78% in 1999 to 86% in 2000 is due to an increase in the negative gross margin from the Company's start-up wellness services program ($75,000 for the first nine months of 1999 and $233,000 for the first nine months of 2000) as well as the effect of the fixed manufacturing costs for the Company's products being spread over a lower manufacturing and sales volume.

Research and development expenses decreased from $2,045,000 in the first nine months of 1999 to $1,221,000 in the first nine months of 2000. The decrease in research and development expenses resulted primarily from costs in the first nine months of 1999 relating to the closure of the Company's French research facility and termination of its employees.

Selling, general and administrative expenses decreased by $62,000, approximately 2%, from $2,498,000 in the first nine months of 1999 to $2,436,000 in the first nine months of 2000.

Interest Income

Interest income for the first nine months of 2000 was more than for the first nine months of 1999 because the Company had more cash available for investment during 2000.

Net Loss

The Company continued to experience losses in the first nine months of 2000. The net loss for the first nine months of 2000 of $3,188,000 ($.35 per share-basic and diluted) was $844,000 less than the $4,032,000 ($.51 per share-basic and diluted) net loss for the first nine months of 1999. The decrease in the net loss is primarily due to reductions in research and development expenses, partially offset by reduced margins on product sales.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

In March 2000 the Company filed a complaint in the United States District Court for the Eastern District of Pennsylvania against Joseph B. Catarious, Jr., a former employee and former majority owner of Innovative Medical Systems Corp. ("IMS"). In the complaint the Company seeks to recover damages from Mr. Catarious for breaches of representations and warranties made by him in the agreement pursuant to which the Company acquired IMS in December 1997 (the "IMS Agreement"). Because it believes that Mr. Catarious has committed breaches of his representations and warranties and the damages claimed exceed the value of the payments in stock that would otherwise have been payable to Mr. Catarious in 1999 and 2000, the Company has withheld such payments. The Company seeks compensatory damages in excess of $150,000 and seeks a judgment that it has properly exercised its right of offset, and that it is under no obligation to transfer any additional stock or other consideration to Mr. Catarious pursuant to the IMS Agreement.

Mr. Catarious filed a counterclaim in May 2000 and an amended counterclaim against the Company and its subsidiary, OXIS Health Products, Inc., in

August 2000. Mr. Catarious denies having made any misrepresentations, and he is claiming damages in excess of $3.5 million for alleged breaches of the IMS Agreement and Mr. Catarious' employment agreement.

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

(a) Exhibits - See Exhibit Index on page 16.

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.

November 13, 2000 By /s/ Joseph F. Bozman, Jr.

Joseph F. Bozman, Jr.
Chairman

November 13, 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	

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