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, 2001.

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, 2001, the issuer had outstanding the indicated number of shares of common stock: 9,660,458

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
Revenues	$ 640,000	$ 1,039,000	$ 2,455,000	$ 2,761,000
Costs and expenses:				
Cost of product sales	519,000	690,000	3,031,000	2,375,000
Research and development	93,000	436,000	602,000	1,221,000
Selling, general and administrative	394,000	1,072,000	2,108,000	2,436,000

Total costs and expenses	1,006,000	2,198,000	5,741,000	6,032,000
Operating loss	(366,000)	(1,159,000)	(3,286,000)	(3,271,000)
Interest income	6,000	57,000	28,000	144,000
Interest expense	(7,000)	(17,000)	(11,000)	(61,000)
Net loss	(367,000)	(1,119,000)	(3,269,000)	(3,188,000)
Other comprehensive income (loss) - foreign currency translation adjustments	8,000	(20,000)	(21,000)	(40,000)
Comprehensive loss	$ (359,000)	$(1,139,000)	$(3,290,000)	$(3,228,000)
Net loss per share - basic and diluted	$ (.04)	$ (.12)	$ (.34)	$ (.35)
Weighted average number of shares used in computation - basic and diluted	9,660,458	9,370,667	9,629,038	8,987,552

</TABLE>

See condensed notes to consolidated financial statements

CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2001	December 31, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 258,000	$2,059,000
Accounts receivable	158,000	502,000
Inventories	402,000	1,271,000
Prepaid and other	90,000	81,000
Total current assets	908,000	3,913,000
Furniture and equipment, net	114,000	651,000
Technology for developed products	509,000	681,000
Other assets	357,000	380,000
Total assets	$1,888,000	$5,625,000

See condensed notes to consolidated financial statements

CONSOLIDATED BALANCE SHEETS
(Unaudited)

<TABLE>
<CAPTION>

<S>	September 30, 2001 <C>	December 31, 2000 <C>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 160,000	$ 160,000

Accounts payable	622,000	628,000
Customer deposits	37,000	174,000
Accrued payroll, payroll taxes and other	160,000	341,000
Current portion of long-term debt	124,000	99,000
	------------	------------
Total current liabilities	1,103,000	1,402,000
Long-term debt due after one year	--	150,000
Shareholders' equity:		
Preferred stock - $.01 par value; 15,000,000 shares authorized:		
Series B - 428,389 shares issued and outstanding at September 30, 2001 and December 31, 2000 (liquidation preference of $1,000,000)	4,000	4,000
Series C - 296,230 shares issued and outstanding at September 30, 2001 and December 31, 2000	3,000	3,000
Common stock - $.001 par value; 95,000,000 shares authorized; 9,660,458 shares issued and outstanding at September 30, 2001 (9,560,458 at December 31, 2000)	9,000	9,000
Warrants	1,670,000	2,870,000
Additional paid in capital	57,156,000	55,956,000
Accumulated deficit	(57,655,000)	(54,386,000)
Accumulated other comprehensive loss - foreign currency translation adjustment	(402,000)	(383,000)
	------------	------------
Total shareholders' equity	785,000	4,073,000
	------------	------------
Total liabilities and shareholders' equity	$ 1,888,000	$ 5,625,000
	============	============

</TABLE>

See condensed notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended September 30,	
	2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$ (3,269,000)	$ (3,188,000)
Adjustments to reconcile net loss to cash used for operating activities:		
Depreciation and amortization	290,000	386,000
Litigation settlement	57,000	--
Write-down of inventory and equipment	1,004,000	--
Changes in assets and liabilities:		
Accounts receivable	344,000	333,000
Inventories	353,000	40,000
Other current assets	(9,000)	(87,000)
Accounts payable	(6,000)	(566,000)
Customer deposits	(137,000)	--
Accrued payroll, payroll taxes and other	(181,000)	(43,000)
	------------	------------
Net cash used for operating activities	(1,554,000)	(3,125,000)
Cash flows from investing activities:		
Purchases of equipment	(10,000)	(123,000)
Additions to other assets	(36,000)	(93,000)
Other, net	(19,000)	11,000
	------------	------------
Net cash used for investing activities	(65,000)	(205,000)

Cash flows from financing activities:		
Proceeds from issuance of stock, net of related costs	--	5,868,000
Repayment of short-term borrowings	(182,000)	(75,000)
Repayment of long-term debt	--	(34,000)
Net cash provided by (used for) financing activities	(182,000)	5,759,000
Effect of exchange rate changes on cash	--	(15,000)
Net increase (decrease) in cash and cash equivalents	(1,801,000)	2,414,000
Cash and cash equivalents - beginning of period	2,059,000	789,000
Cash and cash equivalents - end of period	$ 258,000	$ 3,203,000
Non-cash transactions:		
Issuance of common stock in exchange for cancellation of notes and accrued interest	$ --	$ 202,000
Cancellation of note payable as a result of litigation settlement	63,000	--

</TABLE>

See condensed notes to consolidated financial statements

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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, 2000. That report contains, among other information, a description of the Company's business, audited 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. NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets", which is effective January 1, 2002. SFAS 142 requires, among other things, the discontinuance of goodwill amortization. In addition, the standard includes provisions for the reclassification of certain existing recognized intangibles, reclassification of certain intangibles out of previously reported goodwill and the identification of reporting units for purposes of assessing potential future impairments of goodwill. SFAS 142 also requires the Company to complete a transitional goodwill impairment test within six months from the date of adoption. The Company is currently assessing but has not yet determined the impact of SFAS 142 on its financial position and results of operations.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective January 1, 2003. SFAS 143 requires, among other things, the accounting and reporting of legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development or normal operation of a long-lived asset. The Company is currently assessing but has not yet determined the impact of SFAS 143 on its financial position, results of operations and cash flows.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which is effective January 1, 2002. SFAS 144 addresses accounting and reporting of all long-lived assets, except goodwill, that are either held and used or disposed of through sale or other means. The Company is currently assessing but has not yet determined the impact of SFAS 144 on its financial position, results of operations and cash flows.

3. NASDAQ DELISTING

On May 17, 2001, the Company's common stock was delisted from the Nasdaq National Market. However, the Company continues to be publicly traded over-the-counter and continues to be listed in Europe on Nouveau Marche.

4. 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, 2001 and December 31, 2000, consisted of the following:

	September 30, 2001	December 31, 2000
Raw materials	$138,000	$ 682,000
Work in process	151,000	398,000
Finished goods	113,000	191,000
Total	$402,000	$1,271,000

5. CLOSURE OF CERTAIN OPERATIONS

In the second quarter of 2001, the Company's health products segment decided to cease operating its instrument manufacturing facility and its wellness services program. All remaining employees of the instruments manufacturing facility and wellness services program were terminated during the second quarter of 2001. Accordingly, the inventory and equipment for manufacturing instruments and for the wellness services program had been written down to their estimated sales values by approximately $885,000 during the second quarter of 2001. The Company negotiated the sale of certain of the remaining inventory and equipment relating to these operations during the third quarter.

6. STOCK OPTIONS AND WARRANTS

The Company has a stock incentive plan under which 2,250,000 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, 2001, options to purchase 442,750 shares at an exercise price of $.085 to $.6875 per share were issued under the Plan and options to purchase 505,145 shares were forfeited.

During the first nine months of 2001, options to purchase 78,438 shares were issued outside the Plan at an exercise price of $.085. An option that was issued outside the plan to acquire 400,000 shares of common stock at an exercise of $1.56 per share was forfeited in the first

nine months of 2001. Warrants to purchase 1,673,598 shares of common stock at exercise prices ranging from $4.92 to $16.25 per share expired in the first nine months of 2001.

At September 30, 2001, options issued pursuant to the Plan to acquire 1,740,091 shares of common stock at exercise prices ranging from $.085 to $17.50 remained outstanding. At September 30, 2001, options issued outside the Plan to acquire 110,438 shares of common stock at exercise prices of $.085 to $8.44 and warrants to acquire 3,521,279 shares of common stock at exercise prices of $3.05 to $9.38 also remained outstanding at September 30, 2001.

7. OPERATING SEGMENTS

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

<TABLE>
<CAPTION>

	Health Products	Therapeutic Development	Total
<S>	<C>	<C>	<C>
Quarter ended September 30, 2001:			
Revenues from external customers	$ 640,000	$ --	$ 640,000
Net loss	(245,000)	(122,000)	(367,000)
As of September 30, 2001 - Total assets	966,000	922,000	1,888,000
Quarter ended September 30, 2000:			
Revenues from external customers	$ 1,039,000	$ --	$ 1,039,000
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
Nine months ended September 30, 2001:			
Revenues from external customers	$ 2,455,000	$ --	$ 2,455,000
Net loss	(2,514,000)	(755,000)	(3,269,000)
Nine months ended September 30, 2000:			
Revenues from external customers	$ 2,761,000	$ --	$ 2,761,000
Net loss	(1,808,000)	(1,380,000)	(3,188,000)

</TABLE>

8. LACK OF CAPITAL

The Company believes that its capital is insufficient for ongoing operations, with current cash reserves almost completely exhausted. Although the Company is attempting to secure additional funds through asset sales and additional investments in or loans to the Company,

there can be no assurance that the Company will be able to raise any additional funds or that such funds will be available on acceptable terms. Any funds raised through equity financing will likely be significantly dilutive to current shareholders. The failure by the Company to secure additional funds within the next several months will materially affect the Company and its business, and may cause the Company to cease operations or to seek protection of the courts through reorganization, bankruptcy or insolvency proceedings. Consequently, shareholders could incur losses of their entire investment in the Company.

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

CERTAIN STATEMENTS SET FORTH BELOW MAY CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THE FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED BY

THE FORWARD-LOOKING STATEMENTS. WITH RESPECT TO THE COMPANY, THE FOLLOWING FACTORS, AMONG OTHERS, COULD CAUSE ACTUAL RESULTS OR OUTCOMES TO DIFFER MATERIALLY FROM CURRENT EXPECTATIONS: THE INABILITY TO OBTAIN FINANCING; UNCERTAINTIES RELATING TO PATENTS AND PROPRIETARY INFORMATION; THE POTENTIAL FOR PATENT-RELATED LITIGATION EXPENSES AND OTHER COSTS RESULTING FROM CLAIMS ASSERTED AGAINST THE COMPANY OR ITS CUSTOMERS BY THIRD PARTIES; ACHIEVEMENT OF PRODUCT PERFORMANCE SPECIFICATIONS; THE ABILITY OF NEW PRODUCTS TO COMPETE SUCCESSFULLY IN EITHER EXISTING OR NEW MARKETS; THE POTENTIAL FOR ADVERSE FLUCTUATIONS IN FOREIGN CURRENCY EXCHANGE RATES; THE EFFECT OF PRODUCT OR MARKET DEVELOPMENT ACTIVITIES; AVAILABILITY AND FUTURE COSTS OF MATERIALS AND OTHER OPERATING EXPENSES; COMPETITIVE FACTORS; THE RISKS INVOLVED IN INTERNATIONAL OPERATIONS AND SALES; THE PERFORMANCE AND NEEDS OF INDUSTRIES SERVED BY THE COMPANY AND THE FINANCIAL CAPACITY OF CUSTOMERS IN THESE INDUSTRIES TO PURCHASE THE COMPANY'S PRODUCTS; AS WELL AS OTHER FACTORS DISCUSSED UNDER THE HEADING "RISK FACTORS" IN ITEM 1 OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000 WHICH IS INCORPORATED HEREIN BY REFERENCE. GIVEN THESE UNCERTAINTIES STOCKHOLDERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS. THE COMPANY DISCLAIMS ANY OBLIGATION SUBSEQUENTLY TO REVISE OR UPDATE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF SUCH STATEMENTS OR TO REFLECT THE OCCURRENCE OF ANTICIPATED OR UNANTICIPATED EVENTS.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents decreased from $2,059,000 at December 31, 2000 to $258,000 at September 30, 2001.

The Company's working capital decreased during the first nine months of 2001 by $2,706,000, from $2,511,000 at December 31, 2000 to a negative working capital of $195,000 at September 30, 2001. The decrease in working capital resulted primarily from the effect of the net loss for the period ($3,269,000 less depreciation, amortization and equipment write-offs totaling $778,000).

The Company believes that its capital is insufficient for ongoing operations, with current cash reserves almost completely exhausted. Although the Company is attempting to secure additional funds through asset sales and additional investments in or loans to the Company, there can be no assurance that the Company will be able to raise any additional funds, or that such funds will be available on acceptable terms. Any funds raised through equity financing will likely be significantly dilutive to current shareholders. The failure by the Company to secure additional funds within the next few months will materially affect the Company and its business, and may cause the Company to cease operations or to seek protection of the courts through reorganization, bankruptcy or insolvency proceedings. Consequently, shareholders could incur losses of their entire investment in the Company.

While the Company believes that its new therapeutic products and technologies show considerable promise, its ability to realize revenues therefrom is dependent first upon obtaining sufficient capital to continue operations, and then upon successful development of business alliances with biotechnology and/or pharmaceutical companies that have the resources required to develop and market certain of these products. There is no assurance that the Company's efforts to obtain sufficient capital or to develop such business alliances will be successful.

The Company expects to continue to report losses in 2001 as expenses are expected to continue to exceed revenues. The Company can give no assurance of continued operations.

RESULTS OF OPERATIONS - THREE MONTHS ENDED SEPTEMBER 30, 2001 COMPARED WITH THREE MONTHS ENDED SEPTEMBER 30, 2000

Revenues

The Company's revenues for the quarters ended September 30, 2001 and 2000 were as follows:

	2001	2000
Research assays and fine chemicals	$577,000	$ 437,000
Therapeutic drug monitoring assays	--	262,000
Instruments	63,000	333,000
Other	--	7,000
	--------	----------
	$640,000	$1,039,000
	========	==========

Sales of research assays and fine chemicals increased by $140,000 from $437,000 in the third quarter of 2000 to $577,000 in the third quarter of 2001 due primarily to a single significant compound sale.

The Company's contract to manufacture therapeutic drug monitoring assays has terminated, and the Company ceased manufacturing and selling these products in the first quarter of 2001.

Revenue from instrument development sales decreased by $270,000, from $333,000 in the third quarter of 2000 to $63,000 in the third quarter of 2001. The Company decided to cease operating its instrument manufacturing facility in the second quarter of 2001, in the effort to lower the Company's losses. The instrument sales in the third quarter of 2001 are a result of July shipments of orders in house at June 30, 2001.

Costs and Expenses

Cost of sales was 66% of revenues for the third quarter of 2000 and increased to 81% of revenues for the third quarter of 2001 due to the loss taken on the Instruments division. Though cost of sales as a percentage of revenues for the third quarter of 2001 is up from the third quarter of 2000, we have continued to bring our cost of sales as a percentage down from the second quarter of 2001 (88%) to 81% in the third quarter of 2001.

Research and development expenses decreased from $436,000 in the third quarter of 2000 to $93,000 in the third quarter of 2001. The 2000 expenses included a settlement with two former French research employees resulting in an expense of $59,000. Additionally, $52,000 of 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 did not reoccur during the third quarter of 2001. The remaining decrease is due to the closure of the

United Kingdom facility along with the cut back of activity and personnel in research and development in the United States in 2001.

Selling, general and administrative expenses decreased from $1,072,000 in the third quarter of 2000 to $394,000 in the third quarter of 2001. This reduction is due primarily to the reduction of the marketing costs related to the Health Products segment, closure of the Company's United Kingdom subsidiary, and the reduction of additional management and staff personnel.

Net Loss

The Company continued to experience losses in the third quarter of 2001. The third quarter 2001 net loss of $367,000 ($.04 per share-basic and diluted) was $752,000 less than the $1,119,000 ($.12 per share-basic and diluted) net loss for the third quarter of 2000. The decrease in the net loss is primarily due to the decreases in research and development and selling, general and administrative costs, offset by decreased profit margins.

The Company expects to incur a substantial net loss for 2001. 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 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, 2001 COMPARED WITH NINE MONTHS ENDED SEPTEMBER 30, 2000

Revenues

The Company's revenues for the nine-month periods ended September 30, 2001 and 2000 were as follows:

	2001	2000
Research assays and fine chemicals	$1,291,000	$1,015,000
Therapeutic drug monitoring assays	378,000	726,000
Instruments	617,000	958,000
Bovine superoxide dismutase (bSOD) for research and human use	117,000	--
Other	52,000	62,000
	$2,455,000	$2,761,000

Sales of research assays and fine chemicals increased by $276,000, from $1,015,000 in the first nine months of 2000 to $1,291,000 in the first nine months of 2001. This increase was due primarily to a single significant compound sale.

The Company's contract to manufacture therapeutic drug monitoring assays has terminated, and the Company ceased manufacturing and selling these products in the first quarter of 2001.

Revenue from instrument sales declined by $326,000, from $958,000 in the first nine months of 2000 to $632,000 in the first nine months of 2001. The Company decided to cease operating its instrument manufacturing facility in the second quarter of 2001, in the effort to lower the Company's losses. Therefore, instrument sales subsequent to the second quarter of 2001 are expected to be substantially reduced from previous levels, consisting only of certain inventory in process at the end of the second quarter and the Company's OxyScan instruments which are expected to be manufactured on a contract basis, as necessary, to meet orders. Instrument sales in the third quarter of 2001 of $78,000 are a result of July shipment of orders in house at June 30, 2001.

Sales of bSOD in the first nine months of 2001 consisted of one shipment of bulk bSOD to the Company's Spanish licensee. No significant sales of bulk bSOD were made during 2000. Future sales of bulk bSOD beyond 2001 are largely dependent on the needs of the Company's Spanish licensee. Because such needs are uncertain and difficult to predict, no assurance can be given that the Company will continue to sell bulk bSOD to its Spanish licensee.

Costs and Expenses

Cost of product sales for the first nine months of 2001 includes a charge of $516,000 to write down inventory relating to the closure of the Company's instrument manufacturing facility and wellness services program. Excluding this $516,000 charge, cost of product sales for the first nine months of 2001 was $2,515,000, or 102% of revenues, compared to $2,375,000, or 86% of revenues for the first nine months of 2000.

Research and development expenses decreased from $1,221,000 in the first nine months of 2000 to $602,000 in the first nine months of 2001. The decrease in research and development expenses resulted primarily from a reduction in research and development activity by the Company's therapeutic development segment necessitated by the Company's lack of capital.

Selling, general and administrative expenses decreased by $328,000, from $2,436,000 in the first nine months of 2000 to $2,108,000 in the first nine months of 2001. This decrease was primarily the result of the closure of the United Kingdom, wellness and instrument businesses along the associated expenses of these businesses; partially offset by increased legal fees and other costs incurred in conducting and settling of the litigation described below in the section titled Legal Proceedings.

Net Loss

The Company continued to experience losses in the first nine months of 2001. The first nine month 2001 net loss of $3,269,000 ($.34 per share-basic and diluted) was $81,000 more than the $3,188,000 ($.35 per share-basic and diluted) net loss for the first nine months of 2000. The increase in the net loss is primarily due to the $1,004,000 charge to write down inventory and equipment relating to operations that were closed during the second quarter, offset by reduced research and development expenses and reduction in costs associated with the instruments and wellness businesses. After adjusting the 2001 net loss down by the $1,004,000 write down of inventory and equipment the resulting net loss due to operations is $2,265,000 compared to the $3,188,000 net loss of the first nine months of 2000.

PART II. OTHER INFORMATION

Item 5. Other Information

Interim Executive Appointment

As previously reported, Ray R. Rogers has been appointed as the interim Chairman of the Board, President and Chief Executive Officer of the Company, effective August 1, 2001. Accordingly, Mr. Rogers' Executive Separation and Employment Agreement (dated April 2000) was amended to shift his consultancy to employment status and to establish an employment term ending June 30, 2002. Mr. Rogers' annual salary has been reduced to $200,000, and in connection with this appointment Mr. Rogers was granted stock options which become vested monthly (during the period May 1, 2001 to April 30, 2002) and ratably for each month (through April 30, 2002) during which his salary reduction continues in effect or until at least $1.0 million in working capital has been raised, whichever comes first. The option exercise price per share is $.0850, and the aggregate shares grant is 470,588 shares, 392,150 shares of which represent a qualified stock option grant with the balance being a non-qualified stock option grant. It is the intention of the Company to secure additional working capital in an amount sufficient to begin implementation of its business plan. The first stage of such implementation includes provision for a permanent chief executive. To date the Company has been unsuccessful in obtaining additional working capital. The amendment (Addendum) to Mr. Rogers' Executive Separation and Employment Agreement, which contains the full text of the foregoing summary, is filed as Exhibit 10.1 with this Report (see Exhibit Index to this Report).

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

(a) Exhibits - See Exhibit Index on page 18.

(b) 8-K Reports - None filed for this period.

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 14, 2001 By /s/Ray R. Rogers

Ray R. Rogers
Interim Chairman of the Board,
President, and Interim Principal Accounting Officer

EXHIBIT INDEX

Exhibit Number	Description of Document
10.1	Addendum to Executive Separation and Employment Agreement between OXIS International, Inc. and Ray R. Rogers

Exhibit 10.1

ADDENDUM TO
EXECUTIVE SEPARATION AND EMPLOYMENT AGREEMENT

This Addendum (the "Addendum") to Executive Separation and Employment Agreement (the "Agreement") is entered into as of the 1st day of August, 2001 by and between OXIS International, Inc., its affiliated, related, parent or subsidiary corporations (the "Company") and Ray R. Rogers ("Rogers"), (collectively the "Parties").

RECITALS

A. The effective date of this Addendum is June 30, 2001, and the above date of this Addendum is the date, for reference purposes, when all of the provisions of this Addendum were first reduced to writing.

B. Rogers has or will execute the form of Release I which was required to be executed as of June 30, 2000, in accordance with the terms of the Agreement.

C. The Parties agree that Rogers' employment under section 2 of the Agreement has been continuous to the date hereof, without interruption and therefore without the necessity of entering into the General Release of Claims II which is the subject of section 2(c) of the Agreement.

D. Based on the report of the Compensation Committee to the Board, the Board of Directors of the Company has appointed Rogers as interim President, Chief Executive Officer and Chairman of the Board of the Company, effective August 1, 2001, and Rogers has agreed to accept this appointment for a period of one year ending June 30, 2002 subject to extension in accordance with section 2(b) of the Agreement and subject to earlier termination should the permanent chief executive position for the Company be engaged in accordance with the Company's "Business Plan" prior to June 30, 2002 (for purposes of this Addendum the Business Plan is that particular plan developed as part of the negotiations for a loan transaction to be entered into with _______________________________).

1. Modification of Agreement.

The Parties agree that this Addendum is entered into for good and valuable consideration and is a modification of the Executive Separation and Employment Agreement between Rogers and the Company and is entered into pursuant to section 12 of the Agreement. The Parties agree that all terms of the Agreement remain in full force and effect except as expressly modified by this Addendum. Under section 2 of the Agreement, Rogers' employment is now as the Chief Executive Officer, not as Special Advisor. Section 3 of the Agreement changes in that Rogers'

position, duties and responsibilities now shift to those associated with employment service as the Chief Executive Officer of the Company. Under section 4 of the Agreement, the specified compensation for Services is presently an annual base salary of $200,000, not $240,000 (subject to other terms of this Addendum hereinbelow set forth). Under section 8 of the Agreement, if Rogers' employment with the Company terminates as the result of the hire of a permanent CEO as contemplated under the Business Plan (and only as a result of such permanent CEO hire), then Rogers' termination of employment will be for Good Reason under section 8(d); however, if Rogers' employment continues after the effective date of hire of the permanent CEO, then the Agreement shall be deemed to have been further amended to reflect Rogers' new employment status. In addition, under section 8(d) of the Agreement, it shall not be termination for Good Reason under clause (iv) if as a result of the closing of the loan transaction with __________________, the Company's principal offices are relocated to or near the lender's principal offices (currently in southern California) and Rogers is required to relocate along with such office relocation.

2. Extension of Period of Employment.

The Initial Term of the Period of Employment under the Agreement is extended to June 30, 2002 and the Agreement may be renewed in accordance with section 2 of the Agreement for an additional one (1) year period following June 30, 2002. If either party declines to renew the Period of Employment, Rogers shall receive those Non-Renewal Benefits identified in paragraph 2. c. of the Agreement, except that he shall receive a continuation of his then-current salary for a period of twelve (12) months after the Period of Employment. The Company agrees that it shall defend and indemnify Rogers to the fullest extent allowed by law for any acts within the course or scope of employment during the Period of Employment or any renewal.

3. Waiver of Termination by Executive for Good Reason.

But for the terms of this Addendum, the Parties acknowledge that the reduction of Rogers' base salary from $240,000 to $200,000 would have permitted Rogers to terminate the Period of Employment "for Good Reason" as defined in paragraph 8.d. of the Agreement and thereby become entitled to severance under the Agreement. In consideration of this Addendum, Rogers has waived his right to terminate the Agreement as a result of that reduction.

4. Rate of Salary and New Stock Option.

The Parties agree that effective May 1, 2001, Rogers shall be compensated as follows: $200,000 annually in accordance with the Company's regular payroll practices. In addition, Rogers shall receive stock options granted this date by the Board of Directors which provide for an aggregate grant of 470,588 shares, each with an exercise price of $.085 per share (determined to be the market value of a share of common stock on this date). Of the total option grant 392,150 shares shall be qualified stock options, and the balance of 78,438 shares shall be non-qualified stock options. For vesting purposes this option grant shall be deemed to have been made effective May 1, 2001, and vesting shall be proportional on a monthly basis through the twelve-month period ending April 30, 2002. This means that as to the qualified option a total of

39,215 shares shall vest monthly during the ten months ending February 28, 2002. As to the non-qualified stock option shares, vesting on these shares shall occur as to one-half of the option shares commencing March 1, 2002, with the remaining one-half of the option shares vesting commencing April 2, 2002. In the event Rogers' employment is terminated during this twelve-month period ending April 30, 2002, the qualified stock option shares then vested and eligible for purchase may be purchased at any time on or prior to the expiration of 90 days following such date of employment termination. The non-qualified stock option portion may be purchased at any time on or before the lapse of the one-year period following the date of such employment termination (as to shares, if any, then vested). In all other respects these options shall be set forth on the Company's form of stock option agreement as currently in use.

5. Continuation of Base Salary Rate; Adjustment Thereof.

Rogers shall continue to be paid annually a base salary of $200,000. This annual rate shall continue until the earliest of (a) the closing by the Company of any transaction which secures new or additional financing of at least $1,000,000 (the "Financing Date") or (b) the occurrence of a "Change in Control". Upon the first to occur of either of the foregoing events, Rogers shall receive an immediate cash lump sum payment in amount equal to $3,333 multiplied by the number of months (whole months and fractions of months) that have lapsed since May 1, 2001, to and including the date of the occurrence of the first of either of such two events. In addition to this lump sum cash payment Rogers' annual base salary rate shall be increased to $240,000, payable in accordance with the Company's then applicable payroll practices. In addition, the aggregate number of shares subject to option as specified above in paragraph 4 shall be reduced on the basis of 39,215 shares for each of the months of the twelve-month period ending April 30, 2002 that remain after the effective date of either of said events (i.e., the Financing Date or Change in Control date).

6. Change in Control of Company.

The following new clause (ix) shall be added in section 8(d) to the definition of "Good Reason" for which Rogers may terminate his Period of Employment:

"(ix) There occurs a change in control of the Company. For purposes of this

Agreement, a "change in control" of the Company shall be the occurrence of any of the following: (i) the dissolution, liquidation, winding up the affairs, or the sale or transfer of all or substantially all of the assets of Company or the adoption of a plan or proposal for the same; (ii) the sale, lease, exchange or other transfer of all, or substantially all, the assets of Company; (iii) the acquisition of 30% or more of the outstanding shares of Company's stock by an entity, person or group other than Company or the issuance by the Company of shares of voting securities representing at least 30% or more of the ownership of the Company giving effect to such securities issue; or (iv) the holders of the voting securities of the Company approve any other transaction of any kind whereby a third party acquires actual control of the Company either through ownership of the Company's assets or ownership of more than 50% of the Company's then issued and outstanding voting securities (and if new shares are issued in any such transaction, then the 50% amount is computed giving effect to the issuance of new shares in that transaction). Notwithstanding the

foregoing, it is not deemed to be a Change in Control for the Company to carry out, pursuant to said Business Plan, the disposition (by sale, closure, write off or otherwise) of the Company's assets and business unrelated to its therapeutics development business. Further notwithstanding the foregoing, if Rogers continues his employment with the Company, as an employee or independent contractor, for any period of service after the effective date of any of the aforementioned "Change in Control" transactions that occurs at any time within twelve months of such effective date of Change in Control, then such transaction is not a Change in Control event. The purpose of the immediately preceding sentence is to prohibit Rogers from triggering his severance payments and then resuming employment with the Company while retaining the right to continue receipt of such severance payments.

7. Additional Bonus.

The parties agree that in the event of a sale of Oxis technology (including but not limited to Palosein and/or rhSOD technology), Rogers shall be entitled to a bonus payment equal to 10% of the gross sale price. Payment to Rogers of his additional bonus shall be made as follows: the first 5% of the gross sale price paid in cash shall be retained by the Company and all of the bonus to which Rogers is entitled shall next be paid to Rogers from cash proceeds next received in that transaction. While Rogers is employed by the Company, he has full authority to negotiate and effect any such transaction.

8. Life Insurance.

The Parties agree that the life insurance policy on the life of Rogers, which is currently owned by Rogers and for which premiums have previously been paid by the Company, shall become the sole property of Rogers, and Rogers agrees from this time forward to pay all premiums for this coverage should Rogers wish to continue this policy in force. The Company relinquishes all ownership interest and claims, as a creditor or otherwise, in respect of this policy. If necessary, the Company will cooperate in relinquishing any secured interest in the policy in favor of Rogers.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the date first above written; and this Addendum is executed by the Company by its signator thereunto duly authorized, to-wit the Chair of the Compensation Committee.

OXIS International, Inc. /s/ Ray R. Rogers

Ray R. Rogers

By: /s/ Stuart G. Lang

The Compensation Committee of the
Board of Directors, acting by and
through its Chair, Stuart Lang