UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2013

Commission File Number: 000-08092

OXIS INTERNATIONAL, INC.
(Exact name of Registrant as specified in its charter)

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

468 No. Camden Drive
Beverly Hills, California 90210
(Address of principal executive offices) (Zip code)

(310) 860-5184
(Registrant's telephone number including area code)
Securities registered pursuant to Section 12(b) of the Act: None.
Securities registered pursuant to section 12(g) of the Act:

Title of Securities	Exchanges on which Registered
Common Stock, $.001 Par Value	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer or non-accelerated filer (See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act) (Check one).

Large accelerated filer☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common stock, $0.001 par value per share, of the registrant on June 30, 2013, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $0. As of January 8, 2015, there were 591,714,484 shares of the registrant's common stock, $.001 par value, issued and outstanding.

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PART I

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Report, including any documents which may be incorporated by reference into this Report, contains "Forward-Looking Statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are "Forward-Looking Statements" for purposes of these provisions, including our plans of operation, any projections of revenues or other financial items, any statements of the plans and objectives of management for future operations, any statements concerning proposed new products or services, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. All Forward-Looking Statements included in this document are made as of the date hereof and are based on information available to us as of such date. We assume no obligation to update any Forward-Looking Statement. In some cases, Forward-Looking Statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "believes," "estimates," "potential," or "continue," or the negative thereof or other comparable terminology. Although we believe that the expectations reflected in the Forward-Looking Statements contained herein are reasonable, there can be no assurance that such expectations or any of the Forward-Looking Statements will prove to be correct, and actual results could differ materially from those projected or assumed in the Forward-Looking Statements. Future financial condition and results of operations, as well as any Forward-Looking Statements are subject to inherent risks and uncertainties, including any other factors referred to in our press releases and reports filed with the Securities and Exchange Commission. All subsequent Forward-Looking Statements attributable to the company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Additional factors that may have a direct bearing on our operating results are described under "Risk Factors" and elsewhere in this report.

Introductory Comment

Throughout this Annual Report on Form 10-K, the terms "OXIS," "we," "us," "our," "the company" and "our company" refer to OXIS International, Inc., a Delaware corporation formerly known as DDI Pharmaceuticals, Inc. and Diagnostic Data, Inc, together with our subsidiaries.

ITEM 1. BUSINESS

OXIS International, Inc. is engaged in the research, development and sale of products that counteract the harmful effects of "oxidative stress" and inflammation. Oxidative stress refers to the situations in which the body's antioxidant and other defensive abilities to combat free radicals (a.k.a. highly reactive species of oxygen and nitrogen) are overwhelmed and normal healthy balance is lost. Our current finished product and finished product candidates include therapeutic nutraceutical products and cosmeceutical products. The Company also possesses intellectual property covering a number of proprietary compounds and formulations that may be out-licensed to biotech and pharmaceutical companies as drug candidates.

One current company focus is on products that incorporate the unique amino acid naturally occurring compound, L-Ergothioneine ("ERGO"), as a key component. ERGO is produced only by microorganisms in soil and is not synthesized by humans, animals or plants. We have spent approximately $75 million in researching and developing ERGO, and now own a patented process to synthesize commercial quantities of ERGO in a highly stable form that is highly soluble and tasteless, making it suitable for use in combination with other nutraceuticals and botanicals in a wide variety of functional foods and beverages, and topical anti-aging products including lotions and creams. We refer to the ERGO that is produced and synthesized by means of our patented process as "EGT™".

In addition to the company's current focus, a complimentary business opportunity has emerged in the form of cannabinoids and their impact on several types of diseases. Oxis Biotech, a wholly owned subsidiary, will address this specific sector.

Oxis Biotech is a biopharmaceutical company focused on discovering, developing and commercializing novel therapeutics from our intended proprietary cannabinoid product platform in a broad range of disease areas. We intend to develop CBD therapeutics through proven drug discovery and development processes, creating an intellectual property portfolio and utilizing our regulatory and manufacturing expertise. Our CBD program is intended to support the submission of a New Drug Application, or NDA, in cancer-related indications with the U.S. Food and Drug Administration, or FDA, and in other markets around the world. We plan to develop a deep pipeline of cannabinoid product candidates and seek patents available to us from several sources including the NIH.

Corporate History

We filed our original Articles of Incorporation with the Secretary of State of the State of California in 1965, under the name Diagnostic Data, Inc., and in 1972 filed a Certificate of Conversion with the Secretary of State of the State of Delaware to change the state of our incorporation to Delaware. In 1985, we changed our name to DDI Pharmaceuticals, Inc. In 1994, DDI Pharmaceuticals merged with International BioClinical, Inc. and Bioxytech S.A. and changed its name to OXIS International, Inc.

Business--Overview

OXIS' focus is on the development and sale/licensing of products and/or proprietary formulations that can be classified generally into four main business sectors:

1. Functional foods and functional beverages;

2. Personal care products, including skin care and cosmetic products;

3. Veterinary products for companion animals, livestock and performance animals such as race horses; and

4. Proprietary compounds that may be out-licensed to biotechnology and/or pharmaceutical companies.

We are working on establishing several marketing channels to commercialize our planned products. Our primary marketing initiative consists of an on-line global sales program. Other marketing channels may include non-traditional, direct to consumer channel (i.e. multi-level-marketing (MLM), infomercials, and direct-mail) as well as traditional channels of mass retail and specialty retail. We plan to develop products internally and seek complementary acquisitions that may provide additional products, expand our customer base and/or add to our distribution capabilities.

Science Background/Rationale

The following key points summarize the science background and rationale for our L-Ergothioneine ("ERGO") focused business.

Internally and externally generated free radicals and oxidative stress have been proven to contribute to disease and the deleterious effects of aging.

Free radicals (a.k.a. highly reactive species of oxygen and nitrogen) can damage the body when they exceed the body's natural defenses to counteract them. This condition is commonly referred to as "oxidative stress." These unstable molecules are produced continuously in the body as a result of oxygen metabolism and inflammatory reactions. Inflammation contributes to many disorders including most of the "itis" diseases and, most notably, arthritis. The body also encounters free radicals when exposed to sunlight, air pollution, pharmaceutical drugs, tobacco smoke, and following strenuous exercise. Free radicals can react with key organic substances such as lipids (fats), proteins and DNA in a process called "oxidation." Oxidative damage disturbs the function of biological molecules causing disease and a wide variety of physiological changes associated with premature aging and disease. By way of example, free radical damage to DNA has been associated with cancer, damage to lipids with atherosclerosis, damage to proteins with premature aging, and neurodegenerative diseases, such as Alzheimer's disease. All of the body's organ systems are susceptible to oxidative stress; the lungs, the brain, the eyes, the cardiovascular system, the skin, and the reproductive systems are especially vulnerable.

Antioxidants and other systems in the human body work to counteract the effects of oxidative stress.

The human body has a special intrinsic group of "defensive" antioxidant enzymes including superoxide dismutase, catalase and glutathione peroxidase that can act synergistically to neutralize oxidative stress. Antioxidants that are ingested either as components of the foods or as ingredients in dietary supplements also play an important role in reducing oxidative stress. These include well-known and widely consumed vitamins such as Vitamin C and Vitamin E. Other dietary antioxidants include beta-carotene (converted in the body to Vitamin A and found in red, orange, yellow and dark green vegetables, squash, carrots, sweet potatoes and pumpkins) and fruits, such as apricots and cantaloupes. In addition, certain dietary substances such as proanthocyanins, anthocyanins, polyphenols, flavonoids, and metal chelators can also reduce oxidative stress. These natural compounds exist in a variety of food products such as grains, fruits, vegetables, herbs, spices, teas, red wine and soybeans. For example, tomatoes are a particularly good source of lycopene, which is also believed to be an antioxidant.

The key concern is that the protective antioxidant systems of the body can be overwhelmed as a result of the stresses of aging, disease, exposure to environmental toxins and the day-to-day stresses of modern life. The consequence is a reduction in overall health and wellbeing, the development of disease and/or accelerated aging.

Our business focuses on this major health challenge with the goal of identifying and developing a number of naturally occurring substances that can be used by humans and animals as supplements to protect them from the harmful effects of oxidative stress. These supplements would bolster the effects produced by the body's own intrinsic defense mechanisms and amplify the helpful impact of the dietary intake of antioxidants and other helpful nutrients.

We believe that there is a rationale for focusing our efforts on naturally occurring protective substances since they are more likely to be both safe and efficacious. Many of these naturally occurring compounds promoting better health are contained in foods. In most cases, however, these foods cannot be consumed in sufficient quantities to obtain the health benefits of these naturally occurring substances. Thus, a key component of our business plan is providing these specific helpful compounds in sufficient quantities in the form of dietary supplements or "functional" foods that contain these compounds.

Our first group of products incorporates the amino acid L-Ergothioneine, and in particular our EGT™, as a key component.

ERGO is a naturally occurring, water soluble, amino acid antioxidant produced by microbes in the soil, where it is taken up by and most commonly found in (but not produced by) various species of mushrooms and grapes. It is also found in meats and dairy products as a result of the animal's consumption of ergothioneine-containing foods. Humans and most animals typically have low levels of ERGO since the amount of ERGO in the diet is typically very small.

Our intellectual property includes three patents that cover the synthesis of 99% pure L-Ergothioneine, EGT™, and the protective effect of ERGO on mitochondria and other critical body structures and functions. A significant number of peer-reviewed scientific papers published since the discovery of ERGO in 1909 indicate that ERGO is one of the most potent, multifaceted biological compounds with both appreciable antioxidant and other protective properties. ERGO acts by itself, or in concert with other natural compounds, to improve the body's own innate defenses against oxidative stress. Accordingly, Oxis focuses its efforts on developing products that deliver the benefits of ERGO taken by itself and in combination with other elements that support the body's health protective systems.

Our patented and proprietary manufacturing method produces ERGO in commercial quantities that are indistinguishable from its form found in and utilized by humans. ERGO exists in certain types of mushrooms, grapes, meats and dairy products. However, it is not commercially practical to extract ERGO from these natural sources and it is essentially impossible to ingest a diet that provides enough ERGO to take full advantage of its potential health benefits.

ERGO has a number of special properties that decrease oxidative stress and may be beneficial for reducing the risk of developing certain diseases, including age-related diseases, and for contributing to healthy aging.

ERGO has been known to science since the early 20th century and the efficacy of ERGO as a multi-faceted antioxidant is supported by extensive published peer-review scientific research. In particular, ERGO provides fundamental anti-inflammatory benefits, along with other potentially beneficial effects, as evidenced by its ability to inhibit multiple mechanisms that contribute to inflammation and oxidative stress. Some specific examples include the ability of ERGO to: (1) inhibit NF-B activation (a central mechanism for implementing inflammatory responses), (2) abolish the transcriptional activation of interleukin-8 (a pro-inflammatory cytokine chemical that attracts white blood cells into sites of inflammation, for example an arthritic joint), (3) reduce apoptosis (a mechanism by which cells self-terminate, which may be important in controlling inflammation and aging), (4) suppress the formation of peroxynitrite (a reactive nitrogen species that has many harmful effects, especially the damaging nitration of proteins seen in neurodegenerative and vascular disorders), and (5) decrease hydrogen peroxide formation and its many effects on pro-inflammatory signaling mechanisms. These multiple scientific observations support the multifaceted actions of ERGO and suggest the potential importance of having this broad reaching agent in optimal levels to achieve full health and combat aging and disease. Several leading scientific authorities have opined that ERGO may well be an unrecognized essential nutrient.

A good example of the protective effect of ERGO has been demonstrated in studies of amyloid beta (Aβ) which is the major component of senile plaques - the brain lesion that commonly occurs and is considered to play a causal role in the development and progression of Alzheimer's disease.

The exact cause of the injury due to this amyloid molecule is of current interest in neurodegenerative disease research. A key finding is that ERGO may reduce this injury process that appears to involve oxidative stress damage to important brain constituents. Moreover, peer-reviewed, published scientific research shows that reactions involving β-amyloid peptides are associated with important neurotransmitter signaling deficits in the brains of patients with Alzheimer's disease. The conclusion that can be drawn is that ERGO protects the neurons of the brain against injury by reducing the damage caused by neurotoxins. We intend to continue to pursue the practical value of these and other observations about the potential wide ranging benefits of ERGO by conducting a basic and applied research strategy and collaborating with experts in academic institutions.

It is also significant that ERGO has been shown to possess properties that may be beneficial in maintaining overall health and reducing the risk of disease.

Some of these additional benefits of ERGO include its ability to:

1. Conserve the levels of and enhance the effectiveness of other antioxidants such as Vitamin E, Vitamin C and glutathione;

2. Increase respiration and the oxidation of fat (possibly contributing to increased energy and exercise capacity);

3. Protect mitochondria DNA from damage;

4. Protect against environmental ultraviolet radiation (likely to be important in protecting the eyes against cataract producing oxidative injury and the skin against pre-cancerous inflammation-related pathologies); and

5. Neutralize increased oxidative stress by providing an ROS (radical oxygen species) and RNS (radical nitrogen species) scavenging capacity that protects key molecules in the body.

The recent identification of an ERGO transporter-designated OCTN1 or ETT (a facilitator for moving ERGO into cells and maximizing its activities) suggests the physiological relevance of ERGO as a potential protective and possibly therapeutic agent. Although more needs to be learned about this intrinsic mechanism for localizing and using ERGO, the presence of a genetically-directed system dedicated to ERGO further suggests the potential importance of ERGO. Moreover, the ERGO transporter system has been suggested as potentially being of specific importance in considering possible therapeutic agent applications for chronic inflammatory diseases, such as Crohn's disease, ulcerative colitis, rheumatoid arthritis and Type I diabetes, as well as aging and other significant health processes.

Products

Our initial focus is to develop and sell products to the consumer products sector. We have sold small amounts of EGT™ as a component to selected commercial customers in the cosmetics industry for use in skin care products. We currently are developing certain skin care products that we expect to release in 4th quarter of 2014.

We are in the process of developing a broader line of cosmeceutical products containing ERGO, and plan in the future to develop, by ourselves or through third party alliances, functional foods and beverages. Our product/market strategy is based on the rapid development of innovative products for these consumer markets. Product development will be achieved by a team comprised of our executive leadership and outside firms that specialize in these fields.

Markets

The products that Oxis is developing and plans to sell address very large, but fragmented markets with a wide variety of products, producers and marketing channels. According to *Nutrition Business Journal*, the total retail natural products market amounted to approximately $101.8 billion in retail sales in calendar 2008.

Oxis competes in: (1) the functional foods market with 2008 estimated retail sales of $36.8 billion, and, (2) the personal care market with $10.1 billion in estimated retail sales in 2008. Oxis also competes in the global anti-aging market, estimated at $120 billion in 2010.

We also may enter the market for veterinary products, including both products for companion animal (such as dietary supplements and topical products) and products based on our prior experience with companies in reproductive science for horses, pigs and other livestock.

We may also enter the health care segment of the companion animal products segment, which is a very large target segment accounting for over $6.8 billion in global sales, with the United States being the dominant market. The total global market for animal health products is estimated to be $17.4 billion.

Finally, we believe that there are opportunities for us to out-license proprietary compounds to biotech and pharmaceutical companies as drug candidates. Oxis owns several patents that could cover viable drug candidates at this time and expects to add to its IP portfolio as it builds relationships with various researchers around the globe, especially those focusing on therapeutics employing ERGO. Oxis believes that several of its patents may be related to the potential use of ERGO in compounds having therapeutic value in the preservation of organs for transplantation and as a treatment to address the significant oxidation stress occurring after both stroke and heart attack.

Oxis owns one approved pharmaceutical product (trademarked as Palosein) for veterinary use and is evaluating the re-launch of this product. This drug would compete with several prescription drugs for veterinary use such as Adequan (Polysulfated Glycosaminoglycan - PSGAG Solution) and Rimadyl.

Marketing, Sales and Distribution

North American Marketing

Our immediate marketing and sales plan emphasizes close and direct contact with the consumer. This strategy stresses building a significant and enduring customer base and maximizing profits by eliminating one or more layers in certain distribution channels. This approach compares favorably with a traditional retail distribution strategy where the consumer relationship is with the retailer and manufacturer profits are lower in terms of both sales and profits.

Examples of methods to build direct consumer relationships include multi-level marketing, long and short-form television infomercials, long and short-form radio infomercials and direct mail programs. We plan to further evaluate all of these approaches for the distribution of our consumer products and utilize the approaches which best build and maintain consumer relationships and maximize our profits.

Research and Development.

Ergo ARDS, LLC. We believe that EGT™ may have additional health benefits. Accordingly, in order to investigate such other health benefits and to develop other potential products, on June 29, 2011 we entered into a Joint Venture Agreement ("Joint Venture Agreement") with John E. Repine, M.D. ("Dr. Repine"), a member of our advisory board. Under the terms of the Joint Venture Agreement, we formed a Delaware limited liability company, Ergo ARDS, LLC (the "ARDS Venture"), in which we hold a 60% membership interest and Dr. Repine holds a 40% membership interest. The ARDS Venture was formed to develop, acquire and market dietary supplements, cosmeceutical products, nutraceutical products, medical foods and pharmaceuticals using EGT™ for treating, diagnosing and preventing acute respiratory distress syndrome and other lung disorders (collectively "ARDS").

Concurrently with the execution of the Joint Venture Agreement, Dr. Repine assigned his interest in the patent applications relating to the use of ERGO in treating ARDS (the "Assigned IP") to the ARDS Venture. In consideration for the Assigned Interest, Dr. Repine was issued a 40% membership interest in the ARDS Venture.

Oxis will be responsible for supplying EGT™ to the ARDS Venture at no cost in connection with the ARDS Venture's animal studies. Oxis will also pay all patent prosecution and maintenance costs relating to the Assigned IP. The ARDS Venture is required to make payments to Dr. Repine upon the achievement of certain milestones by the ARDS Venture. Any future payments to Dr. Repine shall be made based on the achievement of following milestones with respect to products to be commercialized using the Assigned IP:

- The ARDS Venture shall pay the following cash amounts to Dr. Repine upon the attainment of the following milestones:

  (i) Licensing the Assigned IP to a pharmaceutical company -- $1,000,000;

  (ii) Completion of Phase I Clinical Trial -- $250,000;

  (iii) Completion of Phase II Clinical Trial -- $1,000,000;

  (iv) Completion of pivotal Phase III Clinical Trial -- $1,500,000; and

  (v) Receipt of FDA Marketing approval -- $3,000,000

- The ARDS Venture shall pay the following cash amounts to Dr. Repine upon the attainment of the following milestones:

(i) Licensing the Assigned IP to, or entering into a distribution agreement with, a nutraceutical or similar company -- $100,000; and

(ii) Gross sales of products utilizing EGT™ in the field – 5% of annual gross sales by the ARDS Venture or any licensee or distributor (including Oxis).

Following the successful completion of the animal studies, Oxis and Dr. Repine will make a joint decision to commence human clinical trials. If the parties do not agree to proceed, the Joint Venture Agreement will terminate and the intellectual property belonging to the ARDS Venture will be assigned to the party that elected to proceed. In the event both parties agree to not proceed, the ARDS Venture will continue to hold the intellectual property. If the parties agree to proceed, Oxis will use its best efforts to raise $3 million for the ARDS Venture. Once the $3 million in funds have been successfully raised by Oxis, Oxis will no longer be responsible for paying the ARDS Venture's operating costs, including costs related to the ARDS Venture's intellectual property.

The ARDS Venture will be managed by Dr. Repine as Manager, who will also serve as the ARDS Venture's Chief Executive Officer and Treasurer. The ARDS Venture will also have a board of five members, consisting of Dr. Repine and a designee of Dr. Repine, and three designees of Oxis.

Research and Development Expenditures. No research and development expenditures for the year ended December 31, 2013 were incurred.

Manufacturing

We have outsourced the manufacturing of ERGO and are working to reduce the cost of producing ERGO. We have had a multi-year relationship with our primary manufacturing source that manufactures ERGO according to our patented, proprietary process.

We plan to outsource the manufacture of all of our future products that we plan to sell through various channels into the marketplace. We believe there are a wide variety of companies that can efficiently and cost-effectively manufacture our products.

Patents and Trademarks

OXIS Patent Portfolio

Below is a list of patents and patent applications that serve as a base for new product development and are particularly relevant to our planned businesses. These patents and patent applications address the protective effect of ERGO on mitochondria, the ERGO manufacturing process, and the neuroprotectant methods and compositions of ERGO. Certain patents cover potential therapeutic drug candidates that we may out-license to biotech and pharmaceutical companies. In addition, we own certain other patents not directly related to our planned nutraceutical and cosmeceutical business that are not listed.

OXIS Ergothioneine Patents

? U.S. Patent 6,103,746 issued August 8, 2000 entitled "Methods and Compositions for the Protection of Mitochondria" will expire on February 19, 2018.

? Mexican Patent 211035 issued October 25, 2002 entitled "Methods and Compositions for the Protection of Mitochondria" will expire on February 19, 2018.

We have previously marketed the antioxidant ERGO to industry leaders in the cosmetics industry. One of these cosmetics industry leaders, The Estée Lauder Companies, challenged our patent rights. Last year we reached a settlement of the patent dispute with The Estée Lauder Companies, which settlement provided us with full title to two important ergothioneine method of use patents.

Selected Licensed BXT-51072 Patents – Potential Drug Candidates and Related Patents

- U.S. Patent 5,968,920 issued October 19, 1999 entitled "Novel Compounds having a Benzoisoelen-Azoline and -Azine Structure, Method for Preparing Same and Therapeutic Uses Thereof" will expire on April 7, 2015.
- U.S. Patent 6,093,532 issued July 25, 2000 entitled "Method for Storing a Biological Organ Transplant Graft Using a Benzisoelen-Azoline or -Azine Compound" will expire on April 7, 2015.
- U.S. Patent 5,973,009 issued October 26, 1999 entitled "Aromatic Diselenides and Selenosulfides, their Preparation and their Uses, more Particularly their Therapeutic Use" will expire on December 23, 2017.
- U.S. Patent 6,525,040 issued February 25, 2003 entitled "Cyclic Organoselenium Compounds, their Preparation and their Uses" will expire on December 23, 2017.

The foregoing patents can expire earlier if they are abandoned or are not adequately maintained. No assurance can be given that patents will be issued from any of the pending patent applications or that the scope of the coverage claimed in our patent applications will not be significantly reduced prior to any patent being issued.

Trademarks

We have a number of trademarks available for its use including: ErgoFlex™ Ergo-Plex™, ERGOLD™, Ergo-Max™, Ergo-Pur™, V[eye]tamin™, Immortal Energy™. We also own the non-EGT™ related trademark Palosein®.

Competition

The pharmaceutical, nutraceutical and the consumer products industries are highly competitive and require an ongoing, extensive search for technological innovation. They also require, among other things, the ability to effectively discover, develop, test and obtain regulatory approvals for products, as well as the ability to effectively commercialize, market and promote approved products, including communicating the effectiveness, safety and value of products to actual and prospective customers. Numerous companies are engaged in the development, manufacture and marketing of health care and personal care products competitive with those that we manufacture, develop and market. Many of our competitors have greater resources than we have. This enables them to, among other things, make greater research and development investments and spread their research and development costs, as well as their marketing and promotion costs, over a broader revenue base. Our competitors may also have comparable experience and expertise in obtaining marketing approvals from the FDA and other regulatory authorities. In addition to product development, testing, approval and promotion, other competitive factors in the pharmaceutical industry include industry consolidation, product quality and price, product technology, reputation, customer service and access to technical information.

Our primary initial target markets are: (1) functional foods and beverages, and (2) personal care product. The markets for our products are highly competitive. Our competitors include manufacturers and marketers of personal care and nutritional products, pharmaceutical companies and other direct selling organizations, many of which have a longer operating history and higher visibility, name recognition and financial resources than we do.

The leading functional foods and beverages companies are Monavie, Hain-Celestial, Pom, Wonderful, Hanson, Red Bull and Silk. Some apparently successful smaller companies include Lifeway and Honest Teas

The leading cosmetics companies are L'Oreal, Estee Lauder, NuSkin and Mary Kay. Some apparently successful smaller companies include Nature's Gate and Dermalogica.

Our products in these segments will initially compete based on the potential health benefits of ERGO. However, we will also attempt to compete in these markets on the basis of quality, clinical data, and effective marketing campaigns, including direct-to-consumer advertising.

Government Regulation

The manufacturing, packaging, labeling, advertising, distribution and sale of our proposed nutraceutical and cosmeceutical products will be subject to extensive governmental regulation by numerous domestic and foreign governmental agencies and authorities, including the U.S. Food and Drug Administration ("FDA"), the Federal Trade Commission ("FTC"), the Consumer Product Safety Commission, the Department of Agriculture, State Attorneys General and other state regulatory agencies in the United States, and similar government agencies in each market in which we operate.

Our personal care products may be subject to various laws and regulations that regulate cosmetic products and set forth regulations for determining whether a product can be marketed as a "cosmetic" or requires further approval as an over-the-counter drug. In the United States, regulation of cosmetics is under the jurisdiction of the FDA. The Food, Drug and Cosmetic Act defines cosmetics by their intended use, as "articles intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance." Among the products included in this definition are skin moisturizers, perfumes, lipsticks, fingernail polishes, eye and facial makeup preparations, shampoos, permanent waves, hair colors, toothpastes and deodorants, as well as any material intended for use as a component of a cosmetic product. Conversely, a product will not be considered a cosmetic, but may be considered a drug if it is intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease, or is intended to affect the structure or any function of the body. A product's intended use can be inferred from marketing or product claims.

Our nutraceutical business (functional foods and beverages products) may be subject to various regulations promulgated by government agencies in the markets in which we operate. We plan to market our nutritional products as conventional foods or dietary supplements. The FDA has jurisdiction over this regulatory area. Because these products are regulated under the Dietary Supplement and Health Education Act, we are generally not required to obtain regulatory approval prior to introducing a product into the United States market. None of this infringes, however, upon the FDA's power to remove from the market any product it determines to be unsafe or an unapproved drug. Additionally, due to negative publicity associated with some supplements in the dietary supplements industry, there has been an increased movement in the United States and other markets to expand the regulation of dietary supplements, which could impose additional restrictions or requirements in the future. In general, the regulatory environment is becoming more complex with increasingly strict regulations each year.

Effective June 2008, the FDA established regulations to require current good manufacturing practices (cGMP) for dietary supplements. The regulations ensure that dietary supplements are produced in a quality manner, do not contain contaminants or impurities, and are accurately labeled. We may be subject to such regulations, which include requirements for establishing quality control procedures, designing and constructing manufacturing plants, and testing ingredients and finished products. The regulations also include requirements for record keeping and handling consumer product complaints. If dietary supplements contain contaminants or do not contain the type or quantity of dietary ingredient they are represented to contain, the FDA would consider those products to be adulterated or misbranded. Our business may also be subject to additional FDA regulations, such as those implementing an adverse event reporting system effective December 2007, which will require us to document and track adverse events and report serious adverse events, which are events involving hospitalization or death, associated with consumers' use of our products. Compliance with these regulations is costly and may directly and indirectly increase the cost of manufacturing and selling our products.

Advertising and product claims regarding the efficacy of products are also regulated. Accordingly, these regulations can limit our ability to inform consumers of the full benefits of our products. For example, we will not be able to claim that any of our nutritional supplements will diagnose, cure, mitigate, treat or prevent any disease or health-related condition. The Dietary Supplement Health and Education Act permits substantiated, truthful and non-misleading statements of nutritional support to be made in labeling, such as statements describing general well-being resulting from consumption of a dietary ingredient or the role of a nutrient or dietary ingredient in affecting or maintaining a structure or a function of the body.

We do not anticipate that we will be directly involved in any regulation regarding our therapeutic compounds since we will be out-licensing these compounds to biotech and pharmaceutical companies that will be responsible for this aspect of our therapeutic business.

Employees

As of December 30, 2014, we had two employees, the chief executive officer and chief financial officer of the company. Many of our activities are out-sourced to consultants who provide services to us on a project basis. As business activities require and capital resources permit, we will hire additional employees to fulfill our company's needs.

ITEM 1A. RISK FACTORS

This company qualifies as a "smaller reporting company" as defined in 17 C.F.R. §229.10(f)(1), and is not required to provide information by this Item.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our principal executive office is located at 468 N. Camden Drive, 2nd Fl., Beverly Hills, California 90210. It is leased on a month to month basis at the rate of $245 per month. In the event this lease should be terminated, we believe the Company could locate equally favorable office space at a comparable price.

ITEM 3. LEGAL PROCEEDINGS

In March, 2014, Nexdius PTY LTD, a purported licensee of rights from ESLLC, filed a declaratory action against the Company in the United States District Court Central District of California, Case No: CV14-1770SH. The lawsuit disputed the Company's worldwide licensing rights to a vitamin D producing line of sun care and skin care products under a license from ESLLC. In May 2014, the Company filed a counterclaim against Nexdius PTY LTD. The Company also filed a claim against ESLLC for violating a non-circumvent agreement with the Company in relation to the Nexdius action. On October 24, 2014, the Company reached a satisfactory resolution with Nexdius PTY LTD and Exposure Scientific, LLC. For consideration of releasing Nexdius and Exposure Scientific from any further claims, the Company will receive a cash payment and perpetual royalty against all future product sales.

ITEM 4. MINE SAFETY DISCLOSURES

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Until May 2009, our common stock was traded on the OTC Bulletin Board ("OTCBB") under the symbol "OXIS." From May 20, 2009 until March 11, 2010, our common stock was traded on Pink OTC Markets Inc. trading platform under the symbol "OXIS." Since March 11, 2010, our common stock is again quoted on the OTCBB under the "OXIS" trading symbol.

Trading in our common stock has fluctuated greatly during the past year. Accordingly, the prices for our common stock quoted on the OTCBB or Pink OTC Markets Inc. may not necessarily be reliable indicators of the value of our common stock. The following table sets forth the high and low bid prices for shares of our common stock for the quarters noted, as reported on the OTCBB and the Pink OTC Markets Inc. The following price information reflects inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

YEAR	PERIOD	HIGH	LOW
Fiscal Year 2012	First Quarter	0.05	0.02
	Second Quarter	0.04	0.03
	Third Quarter	0.03	0.01
	Fourth Quarter	0.03	0.01
Fiscal Year 2013	First Quarter	0.02	0.01
	Second Quarter	0.01	0.00
	Third Quarter	0.02	0.00
	Fourth Quarter	0.01	0.00

Our common stock is also quoted on several European based exchanges including Berlin (OXI.BE), Frankfurt (OXI.DE), the Euronext (OXI.NX) and Paris, (OXI.PA). The foregoing trading prices exclude trading on these foreign stock markets.

Stockholders

As of November 15, 2014, there were 1,330 stockholders of record, which total does not include stockholders who hold their shares in "street name." The transfer agent for our common stock is ComputerShare, whose address is 350 Indiana Street, Golden, CO 80401.

Dividends

We have not paid any dividends on our common stock to date and do not anticipate that we will pay dividends in the foreseeable future. Any payment of cash dividends on our common stock in the future will be dependent upon the amount of funds legally available, our earnings, if any, our financial condition, our anticipated capital requirements and other factors that the Board of Directors may think are relevant. However, we currently intend for the foreseeable future to follow a policy of retaining all of our earnings, if any, to finance the development and expansion of our business and, therefore, do not expect to pay any dividends on our common stock in the foreseeable future.

Equity Compensation Plan Information

The information included under the heading "Equity Compensation Plan Information" in Item 12 of Part III of this report, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters." is hereby incorporated by reference into this Item 5 of this report.

Recent Issuances of Unregistered Securities

We did not issue any unregistered securities during the fourth quarter of the fiscal year covered by this report.

Repurchase of Shares

We did not repurchase any shares during the fourth quarter of the fiscal year covered by this report.

ITEM 6. SELECTED FINANCIAL DATA

This company qualifies as a "smaller reporting company" as defined in 17 C.F.R. §229.10(f)(1), and is not required to provide information by this Item.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Until the end of 2008, we were engaged in the business of developing and selling clinical and research assay products and out-licensing certain therapeutic compounds addressing conditions and diseases associated with oxidative stress. During 2008, we lost our majority-owned subsidiary, BioCheck, Inc., which was engaged in the production of enzyme immunoassay diagnostic kits for clinical laboratories, and in December 2008 we sold substantially all of the assets of our research assay product line to Percipio Biosciences, Inc. Commencing in 2009, our focus shifted from the clinical and research assay business to developing and marketing nutraceutical products in the field of oxidative stress reduction, with a focus on products that include EGT™ as a component. As a result, since the beginning of 2009 we have been primarily involved in re-directing our business plan, on obtaining financing to fund our revised business plan, building a new management team, developing new products, establishing new manufacturing relationships, and otherwise implementing our new business strategy. We conducted limited operations, and had limited revenues in 2012 and in 2013.

As shown in the accompanying consolidated financial statements, we have incurred an accumulated deficit of $6,334,000 through December 31, 2013. Our cash holdings at December 31, 2013 were $43,000 and we had a working capital deficit of $6,259,000. Because our lack of funds, we will have to raise additional capital in order to fund our selling, general and administrative, and research and development expenses. There are no assurances that we will be able to raise the funds necessary to maintain our operations or to implement our business plan. The consolidated financial statements included in this Annual Report do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event we cannot continue our operations.

Recent Developments

In November, 2011, the Company entered into a financing arrangement with several accredited investors (the "November 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the "November 2011 Financing"). In connection with the November 2011 Financing, the Company issued the following securities to the November 2011 Investors:

- 8% Convertible Debentures in the principal amount of $275,000 due in two years, convertible into shares of the Company's common stock at a per share conversion price equal to $0.05 per share; and
- Warrants to purchase 5,500,000 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the "Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In March, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $617,500 (the “March 2012 Financing”). In connection with the March 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $617,500 due in two years, convertible into shares of the Company’s common stock at a per share conversion price equal to $0.05 per share; and
- Warrants to purchase 12,350,000 of shares of the Company’s common stock. The Class A Warrants and Class B Warrants (collectively, the “ March 2012 Warrants”) are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In April 2012, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain convertible instruments is now $0.01 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $0.01 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

In May, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the “May 2012 Financing”). In connection with the May 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $275,000 due May 2014, convertible into shares of the Company’s common stock at a per share conversion price equal to $0.05 per share; and
- Warrants to purchase 5,500,000 of shares of the Company’s common stock. The Class A Warrants and Class B Warrants (collectively, the “ May 2012 Warrants”) are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

On August 8, 2012, a Settlement Agreement and Mutual General Release ("Agreement") was made by and between OXIS and Bristol Investment Fund, Ltd., in order to settle certain claims regarding certain convertible debentures held by Bristol.

Pursuant to the Agreement, OXIS shall pay Bristol (half of which payment would redound to Merit Capital Limited (“Merit”)) a total of $1,119,778 as payment in full for the losses suffered and all costs incurred by Bristol in connection with the Transaction. Payment of such $1,119,778 shall be made as follows: OXIS shall issue restricted common stock to each of Bristol and Merit, in an amount such that each Bristol and Merit shall hold no more than 9.99% of the outstanding shares of OXIS (including any shares that each may hold as of the date of issuance). The shares so issued represent $417,475.65 of the $1,119,778 payment (27,831,710 shares at $0.015 per share, of which 9,168,750 will be retained by Bristol and 18,662,960 will be issued to Merit). The remaining balance of the payment shall be made in the form of two convertible promissory notes in the respective amounts of $422,357.75 for Bristol and $279,944.60 for Merit (collectively, the “Notes”) with a maturity of December 1, 2017 having an 8% annual interest rate, with interest only accruing until January 1, 2013, and then level payments of $3,750 each beginning January 1, 2013 until paid in full on December 1, 2017. In the event a default in the monthly payments on the Notes has occurred and is continuing each holder of the Notes shall be permitted to convert the unpaid principal and interest of the Notes into shares of OXIS at $.01 cents per share. In the absence of such continuing default no conversion of the Notes will be permitted. OXIS will have the right to repay the Notes in full at any time without penalty.

On February 7, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the “February 2011 Bristol Note”). The February 2011 Bristol Note is convertible into shares of common stock of the Company at a price equal to $0.05 per share.

Simultaneously with the issuance of the February 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the “February 2011 Bristol Series A Warrants”) to purchase 313,750 shares of the Company’s common stock at a per share exercise price of $0.0625, and a Series B Warrant (the “February 2011 Bristol Series B Warrants” and, together with the February 2011 Bristol Series A Warrants, the “February 2011 Bristol Warrants”) to purchase 313,750 shares of the Company’s common stock at a per share exercise price of $0.075. The February 2011 Warrants are exercisable for up to seven years from the date of issue. The February 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Bristol Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On February 7, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the “February 2011 Net Capital Note”). The February 2011 Net Capital Note is convertible into shares of common stock of the Company at a price equal to $0.05 per share. As of September, 2012, the February 2011 Net Capital Note had been converted into shares of the Company’s common stock.

Simultaneously with the issuance of the February 2011 Net Capital Note, the Company issued Net Capital a Series A Warrant (the “February 2011 Net Capital Series A Warrants”) to purchase 313,750 shares of the Company’s common stock at a per share exercise price of $0.0625, and a Series B Warrant (the “February 2011 Net Capital Series B Warrants” and, together with the February 2011 Net Capital Series A Warrants, the “February 2011 Net Capital Warrants”) to purchase 313,750 shares of the Company’s common stock at a per share exercise price of $0.075. The February 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The February 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Net Capital Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On March 4, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the “March 2011 Bristol Note”). The March 2011 Bristol Note is convertible at the option of the holder at any time into shares of common stock, at a price equal to $0.05.

Simultaneously with the issuance of the March 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the “March 2011 Bristol Series A Warrants”) to purchase 313,750 shares of the Company’s common stock at a per share exercise price of $0.0625, and a Series B Warrant (the “March 2011 Bristol Series B Warrants” and, together with the March 2011 Bristol Series A Warrants, (the “March 2011 Bristol Warrants”) to purchase 313,750 shares of the Company’s common stock at a per share exercise price of $0.075. The March 2011 Warrants are exercisable for up to seven years from the date of issue. The March 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the March 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the March 2011 Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On April 4, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "April 2011 Net Capital Note"). The April 2011 Net Capital Note is convertible into shares of common stock of the Company, at a price equal to $0.05 per share. As of September, 2012, the April 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the Net Capital Note, the Company issued Net Capital a Series A Warrant (the "April 2011 Net Capital Series A Warrants") to purchase 313,750 shares of common stock of the Company at a per share exercise price of $0.0625, and a Series B Warrant (the "April 2011 Net Capital Series B Warrants" and, together with the April 2011 Net Capital Series A Warrants, the "April 2011 Net Capital Warrants") to purchase 313,750 shares of common stock of the Company at a per share exercise price of $0.075. The April 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The April 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the April 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the April 2011 Net Capital Warrants are exercised on a cashless basis, we will not receive any proceeds.

On October 26, 2011 the Company entered into a convertible demand promissory note with Theorem pursuant to which Theorem purchased an aggregate principal amount of $200,000 of convertible demand promissory notes for an aggregate purchase price of $157,217 (the "October 2011 Theorem Note"). The October 2011 Theorem Note is convertible into shares of common stock of the Company, at a price equal to $0.05 per share. As of September, 2012, the October 2011 Theorem Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the October 2011 Theorem Note, the Company issued Theorem a Series A Warrant (the "October 2011 Series A Warrant") to purchase 10,000,000 shares of common stock of the Company at a per share exercise price of $0.0625, and a Series B Warrant (the "October 2011 Series B Warrants" and, together with the October 2011 Series A Warrants, the "October 2011 Warrants") to purchase 10,000,000 shares of common stock of the Company at a per share exercise price of $0.075. The October 2011 Warrants are exercisable for up to seven years from the date of issue. The October 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the October 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the October 2011 Warrants are exercised on a cashless basis, we will not receive any proceeds.

On December 7, 2012, the Company entered into, and made its initial $315,000 borrowing under, a short-term loan agreement with two lenders pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Interest on the Notes is at the rate of 18% per annum, payable on the first day of each month until maturity on May 1, 2013. On April 1, 2013, the Company is required to pay 25.7143% of the Loan, with the remaining balance due on May 1, 2013.

The full principal amount of the Loans may be due upon default under the terms of the Loan Agreement, the Notes or the Security Agreement.

Under the Loan Agreement, the Company is required to issue 66,666.67 shares of its common stock for each $1,000 of Loans made. Accordingly, on December 7, 2012, the Company issued 21,000,105 shares of its common stock. Assuming the entire amounts of Loans permitted under the Loan Agreement are borrowed, the Company will issue 23,333,334.5 shares in connection with the Loan Agreement.

In March 2013, the Company entered into, and made an additional $35,000 borrowing under, a short-term loan agreement with two lenders the Company entered into in December 2012, pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company's notes and secured pursuant to a Security Agreement, that is junior to the Company's existing security arrangements under the Company's October 26, 2006 Debentures but cover the same assets of the Company.

Effective April, 2013 the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $75,000.

Effective October and November, 2013, the Company entered into a securities purchase agreement with four accredited investors to sell 10% convertible debentures with an initial principal balance of $172,000 and warrants to acquire up to 24,571,429 shares of the Company's common stock at an exercise price of $0.01 per share.

Effective December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of $189,662 convertible at $.007 per share and warrants to acquire up to 27,094,571 shares of the Company's common stock at an exercise price of $0.01 per share.

Effective July 24, 2014, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures with an initial principal balance of $1,250,000 and warrants to acquire up to 178,571,429 shares of the Company's common stock at an exercise price of $0.01 per share.

In October 2014, the Company issued two convertible debentures to two separate investors, each in the face amount of $500,000. The Company also issued a third convertible debenture to a third investor in the face amount of $250,000 for total investment proceeds to the Company of $1,250,000. Each debenture accrues interest at the rate of 10% per annum. The debentures are convertible into common shares of the Company at the rate of $0.0125 per share. Each debenture recipient also received warrants for the purchase common shares of the Company at the exercise price of $0.02 per share. The two investors acquiring the $500,000 debentures each received warrants to purchase up to 40,000,000 common shares. The investor who acquired the $250,000 debenture received warrants to purchase up to 20,000,000 common shares.

Results of Operations

Revenues

The following table presents the changes in revenues from fiscal 2012 to fiscal 2013:

							Increase from 2012	
			2013		**2012**		**Amount**	**%**
Product revenues	$	$	368,000	$	342,000	$	26,000	7.6

Because we did not actively market any products until July 2012, we do not believe that the revenue data for 2013 and 2012 is meaningful or an indication of our future operations.

Cost of product revenues

The following table presents the changes in cost of product revenues from fiscal 2012 to fiscal 2013:

	2013	2012	Increase from 2012 Amount	%
Cost of product revenues	$ 226,000	$ 94,000	$ 132,000	140

Selling, general and administrative expenses

Our selling, general and administrative expenses decreased in fiscal 2013 by $2,427,000 to $935,000 compared to $3,362,000 in fiscal 2012. The decrease is primarily the result of a decrease in stock based compensation of approximately $754,000, advertising and promotional costs of approximately $400,000 and consulting fees of of approximately $1,227,000.

Change in value of warrant and derivative liabilities

During the year ended December 31, 2013, we recorded a gain as a result of a decrease in the fair market value of outstanding warrants and beneficial conversion features of $1,425,000, compared to an expense of $94,000 during the year ended December 31, 2012. We recorded a gain as a result of a decrease in the fair market value of outstanding debt and equity securities accounted for as derivative liabilities.

Interest Expense

Interest expense was $1,196,000 compared to $1,653,000 for the year ended December 31, 2013 and 2012, respectively. The decrease of $457,000 is due to the expense related to the settlement agreement note payable in 2012 offset by the additional notes payable incurred in 2013.

Liquidity and Capital Resources

As of December 31, 2013, we had cash and cash equivalents of $43,000. This cash and cash equivalents is in part the result of the proceeds from borrowings in 2013. On the same day we had total current assets of $125,000, and a working capital deficit of $6,259,000. Our cash holdings as of the date of this Annual Report are sufficient to fund our administrative expenses for the next 12 months. However, if we are successful in attracting certain assets for our subsidiary Oxis Biotech, we expect our administrative expenses to approach $5,000,000 on an annualized basis. In this event, we would seek an additional $5,000,000 in funding in the 1st quarter of 2015 once our Biotech strategy becomes more certain. We would seek to obtain this additional funding through a private placement of convertible debentures with attached warrants to certain investors who have shown an interest in the Company in the past.

Critical Accounting Policies

We consider the following accounting policies to be critical given they involve estimates and judgments made by management and are important for our investors' understanding of our operating results and financial condition.

Basis of Consolidation

The consolidated financial statements contained in this report include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated.

Revenue Recognition

Product Revenue

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

Long-Lived Assets

Our long-lived assets include property, plant and equipment, capitalized costs of filing patent applications and goodwill and other assets. We evaluate our long-lived assets for impairment in accordance with SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Estimates of future cash flows and timing of events for evaluating long-lived assets for impairment are based upon management’s judgment. If any of our intangible or long-lived assets are considered to be impaired, the amount of impairment to be recognized is the excess of the carrying amount of the assets over its fair value.

Applicable long-lived assets are amortized or depreciated over the shorter of their estimated useful lives, the estimated period that the assets will generate revenue, or the statutory or contractual term in the case of patents. Estimates of useful lives and periods of expected revenue generation are reviewed periodically for appropriateness and are based upon management’s judgment. Goodwill and other assets are not amortized.

Certain Expenses and Liabilities

On an ongoing basis, management evaluates its estimates related to certain expenses and accrued liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Derivative Financial Instruments

During the normal course of business, from time to time, we issue warrants as part of a debt or equity financing. We do not enter into any derivative contracts for speculative purposes. We recognize all derivatives as assets or liabilities measured at fair value with changes in fair value of derivatives reflected as current period income or loss unless the derivatives qualify for hedge accounting and are accounted for as such. During fiscal 2012 and 2011, we issued warrants to purchase 463,250,546 and 33,010,000 shares of common stock, respectively, in connection with equity transactions. In accordance with ASC Topic 815-40, “Derivatives and Hedging — Contracts in Entity’s Own Stock” (“ASC 815-40”), the value of these warrants is required to be recorded as a liability, as the holders have an option to put the warrants back to us in certain events, as defined.

Inflation

We believe that inflation has not had a material adverse impact on our business or operating results during the periods presented.

Off-balance Sheet Arrangements

We have no off-balance sheet arrangements as of December 31, 2013.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This company qualifies as a smaller reporting company, as defined in 17 C.F.R. §229.10(f) (1) and is not required to provide information by this Item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Please see the financial statements beginning on page F-1 located elsewhere in this annual report and incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our principal executive officer and principal financial officer evaluated the effectiveness of our "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the United States Securities Exchange Act of 1934, as amended), as of December 31, 2013. Based on that evaluation we have concluded that our disclosure controls and procedures were not effective as of December 31, 2013.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, a company's principal executive and principal financial officers and effected by a company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations and can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

As of December 31, 2013, management of the company conducted an assessment of the effectiveness of the company's internal control over financial reporting. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. In the course of the assessment, material weaknesses were identified in the company's internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management determined that fundamental elements of an effective control environment were missing or inadequate as of December 31, 2013. The most significant issues identified were: 1) lack of segregation of duties due to very small staff and significant reliance on outside consultants, and 2) risks of executive override also due to lack of established policies, and small employee staff. Based on the material weaknesses identified above, management has concluded that internal control over financial reporting was not effective as of December 31, 2013.

As the company's operations increase, the company intends to hire additional employees in its accounting department. On November 3, 2014, the company hired a new full-time CFO in connection with putting in place more comprehensive internal accounting controls. This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Control over Financial Reporting

Other than as described above, no changes in our internal control over financial reporting were made during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth the name, age and position held by each of our executive officers and directors as of November 15, 2014. Directors are elected for a period of one year and thereafter serve until the next annual meeting at which their successors are duly elected by the stockholders.

Name	Age	Position
Anthony J. Cataldo	63	Chief Executive Officer and Chairman of the Board
Steven Weldon	39	Chief Financial Officer and Director

Anthony J. Cataldo was appointed to the Board of Directors on July 31, 2014 and he was appointed Chief Executive Officer on November 19, 2014. Most recently, From February 2011 to June 2013 Mr. Cataldo served as Chairman and CEO/ Founder of Genesis Biopharma, Inc. (Now known as Lion Biotechnologies, Inc. Trading symbol, LBIO) Mr. Cataldo created Lion/Genesis with the inclusion of assets purchase from the National Cancer Institute (NIH) for their novel treatment of Stage Four Cancer treatment for melanoma.

Mr. Cataldo also served as Chairman of the board of directors of Brand Partners Group, Inc., a provider of integrated products and services dedicated to providing financial services and traditional retail clients with turn-key environmental solutions, from October 2003 through August 2006.

Mr. Cataldo also served as non-executive co-chairman of the board of MultiCell Technologies, Inc., a supplier of functional, non-tumorigenic immortalized human hepatocytes from February 2005 through July 2006. Mr. Cataldo has also served as Executive Chairman of Calypte Biomedical Corporation, a publicly traded biotechnology company, involved in the development and sale of urine based HIV-1 screening tests from May 2001 through November 2004. Mr. Cataldo served as the Chief Executive Officer and Chairman of the Board of Directors of Miracle Entertainment, Inc., a Canadian film production company, from May 1999 through May 2002 where he was the executive producer or producer of several motion pictures. From August 1995 to December 1998, Mr. Cataldo served as President and Chairman of the Board of Senetek, PLC, a publicly traded biotechnology company involved in age-related therapies.

Steven Weldon was appointed to our Board of Directors in September, 2014 and as our President and Chief Financial Officer in November, 2014. Mr. Weldon has over 15 years of financial and accounting experience. The majority of his career has been focused on tax planning, preparation, and CFO consulting. Mr. Weldon's financial background includes experience in managerial, private accounting and planning. He has served on the board of several publicly traded companies as both, Chief Executive Officer and Chief Financial Officer. For several years, he taught accounting and tax courses to undergrad students at Florida Southern College. He received his Bachelor of Science degree and his Masters in Business Administration from Florida Southern College. Mr. Weldon was appointed as Chief Financial Officer and as a member of the board of directors of Growblox Sciences, Inc., a Delaware corporation in September 2005 and served in both positions until November 2014. Mr. Weldon also served as chief executive officer of Growblox Sciences from December 29, 2009, through May 2, 2011, and from April 18, 2012, through March 13, 2014.

Committees of the Board of Directors

Due to the small number of directors, at the present time the duties of an Audit Committee, Nominating and Governance Committee, and Compensation Committee are performed by the board of directors as a whole. At such time as we have more directors on our board of directors, these committees will be reconstituted.

Code of Ethics

A copy of the company's code of ethics is attached to this annual report as exhibit 14.1.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than 10% of a registered class of the company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish the company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of reporting forms received by the company, the company believes that all of our executive officers and directors filed the required reports on a timely basis under Section 16(a).

ITEM 11. EXECUTIVE COMPENSATION SUMMARY COMPENSATION TABLE

The following table set forth certain information concerning the annual and long-term compensation for services rendered to us in all capacities for the fiscal years ended December 31, 2013 and 2012 of all persons who served as our principal executive officers and as our principal financial officer during the fiscal year ended December 31, 2013. No other executive officers received total annual compensation during the fiscal year ended December 31, 2013 in excess of $100,000. The principal executive officer and the other named officers are collectively referred to as the "Named Executive Officers."

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards	Option Awards[1] ($)	Non-Equity Incentive Plan Compensation Earnings ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total
Anthony J. Cataldo,	2013	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Chairman[2]	2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Kenneth Eaton,	2013	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Chief Executive Officer (Principal Executive Officer) [3]	2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Steven Weldon,	2013	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Chief Financial Officer (Principal Financial Officer) [4]	2012	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
David Saloff,	2013	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Chief Executive Officer[5]	2012	$ 117,500	$ —	$ —	$1,053,367	$ —	$ —	$ —	1,170,868

(1) This column represents option awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to the option grants, refer to Note 1 of our financial statements in this Annual Report. These amounts do not correspond to the actual value that will be recognized by the named executives from these awards.

(2) Mr. Cataldo served as our Chief Executive Officer from March 2009 to August 2011 and again in November 2014, and was appointed Chairman of the Board of Directors on July 25, 2014.

(3) Mr. Eaton was appointed Chief Executive Officer in November 2013 and resigned in November 2014.

(4) Mr. Weldon was appointed Chief Financial Officer on November 3, 2014.

(5) Mr. Saloff was appointed Chief Executive Officer on August 29, 2011 and Chairman of the Board on March 1, 2012. He resigned his position of CEO in November, 2013, and his board position in July, 2014.

Employment Agreements

The Company has entered into employment agreements with Kenneth Eaton and Anthony J. Cataldo (each an "Executive"). Pursuant to the agreements, each Executive receives an annual salary of $216,000, bonuses as determined by the Board of Directors, an award of common stock equal to 5% of the fully diluted shares of the Company as of July 1, 2014, and an equal number of options to obtain common shares which vest over three years. The term of employment under the agreements is for three years with a year to year renewal option thereafter.

The Company has entered into an employment agreement with Steven Weldon, our Chief Financial Officer. Pursuant to the agreement, Mr. Weldon receives an annual salary of $108,000, bonuses as determined by the Board of Directors, and an award of 10,000,000 shares of common stock which vests over two years. The term of employment under the agreement is for two years with a year to year renewal option thereafter.

Stock Option Grants

The following table sets forth information as of December 31, 2013, concerning unexercised options, unvested stock and equity incentive plan awards for the executive officers named in the Summary Compensation Table.

OUTSTANDING EQUITY AWARDS AT YEAR ENDED DECEMBER 31, 2013

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Michael Handelman	250,000	—	—	$ 0.17	3/1/2020				
David Saloff	777,778	—	—	$ 0.09	6/30/2021				
David Saloff	538,713	—	—	$ 0.0535	8/31/2021				
David Saloff	18,960,619	18,960,619(1)	—	$ 0.04	3/1/2022				

(1) One-third vested on March 1, 2012. Remaining shares vest monthly over 36 months.

Director Compensation

Mr. Eaton, appointed a director on June 27, 2011, receives a quarterly payment of $4,500 for his services on the Board of Directors of the Company.

Effective July, 1, 2011 the Board of Directors adopted a new compensation plan pursuant to which it agreed to pay each member of its Board of Directors an annual base fee of $30,000 for serving as a director, plus $1,250 per month for serving on as the chairperson of any committee of the Board, plus $500 per month for serving as a member of any committee of the Board. The annual base fee is paid in equal quarterly installments. In addition, as part of the Board's new compensation package, Mr. Eaton shall also receive a non-qualified stock option to purchase $70,000 worth ($70,000 divided by the stock price on the date of grant) of shares of Common Stock.

Beginning in January 2012, members of the Board of Directors are to receive $3,000 per quarter either in cash or registered shares, plus an option to purchase 25,000 shares at the market price at the end of each quarter. The options will vest equally over a one year period.

The following table sets forth information concerning the compensation paid to each of our non-employee directors during fiscal 2013 for their services rendered as directors.

DIRECTOR COMPENSATION FOR FISCAL YEAR 2013

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards[(1)]	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Kenneth Eaton		$				$	$
Total		$				$	$

(1) This column represents the aggregate grant date of option awards computed in accordance with FASB ASC Topic 718, excluding the effect of estimated forfeitures related to service-based vesting conditions. For additional information on the valuation assumptions with respect to the option grants, refer to Note 4 of our financial statements in this Annual Report. These amounts do not correspond to the actual value that will be recognized by the named directors from these awards.

2003 Stock Incentive Plan

We have adopted an equity incentive plan, the 2003 Stock Incentive Plan (the "2003 Plan"), pursuant to which we are authorized to grant options to purchase up to 3,000,000 shares of common stock to our employees, officers, directors and consultants. The number of shares of common stock issuable under the 2003 Plan increases by 300,000 every year on January 1, commencing in 2005. In 2006, with the approval of shareholders, the 2003 Plan was amended to increase the number of shares reserved for issuance from 3,600,000 shares to 5,600,000 shares. As a result, the number of shares of common stock that may be awarded under the 2003 Plan has increased from 3,000,000 to 7,700,000 as of January 1, 2013. Additionally, any options to purchase shares of common stock that are unexercised at the end of their respective terms or otherwise forfeited, become available under the 2003 Plan. Awards under the 2003 Plan may consist of both non-qualified options and options intended to qualify as "Incentive Stock Options" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

The 2003 Plan is administered by our Board of Directors or a committee appointed by the Board (the "Committee"). If appointed by the Board, the committee would consist of at least two members of the Board whose members shall, from time to time, be appointed by the Board. The Committee has the authority to determine the persons to whom awards will be granted, the type of award to be granted, the number of awards to be granted, and the terms and provisions of stock options granted pursuant to the 2003 Plan. The 2003 Plan may be amended by our Board of Directors at any time.

The number of shares of common stock exercisable in any single year with respect to the options granted under the 2003 Plan cannot exceed 500,000. The 2003 Plan provides that the purchase price of each share of common stock subject to an incentive stock option may not be less than 100% of the fair market value (as such term is defined in the 2003 Plan) of a share of our common stock on the date of grant. No incentive stock option shall be exercisable later than the tenth anniversary of its grant. With respect to non-qualified stock options, the Committee shall determine the purchase price of each share of common, provided however, that the purchase price shall not be less than 85% of the fair market value of the common stock on the date of grant.

The 2003 Plan also provides for automatic nonqualified stock option grants for 30,000 shares of common stock to each outside director (as such term is defined in the 2003 Plan) upon his or her appointment to our Board of Directors. For each subsequent calendar year immediately after the year that such director was appointed to our Board of Director, the director receives additional nonqualified stock options to purchase 5,000 shares of common stock upon the conclusion of each regular annual meeting of stockholders. All such options granted to the outside directors terminate upon the earlier of the 10^{th} anniversary of the date of grant, six months after the outside director is no longer a member of the Board of Directors for any reason other than death or disability or 12 months after the outside director is no longer a member of the Board of Directors by reason of death or disability.

The 2003 Plan also provides us with the ability to grant shares of common stock that are subject to certain transferability, forfeiture or other restrictions. The recipient of restricted stock grants, the type of restriction, the number of shares of restricted stock granted and other such provisions shall be determined by the Committee. The Board, in good faith and in its sole discretion, shall determine the fair market value with regards to awards of restricted stock.

The 2003 Plan provides that in the event of a merger or change of control, the outstanding stock options and stock awards will be subject to any such merger or reorganization agreement, which will provide for either: the continuation of the outstanding stock options and stock awards at the time, the assumption of the outstanding stock options and stock awards by the surviving company, the substitution of the outstanding stock options and stock awards under the 2003 Plan to those of the surviving company, the full acceleration of the outstanding stock options and stock awards to allow for exercise or settlement of the full value of the outstanding stock options and stock awards.

The Board may, at any time, alter, amend, suspend, discontinue, or terminate the 2003 Plan, and only to the extent required by applicable laws, regulations or rules will the Board seek stockholder approval

2010 Stock Incentive Plan

On October 29, 2010, our Board adopted the Oxis International, Inc. 2010 Equity Incentive Plan (the "2010 Plan"), and recommended that the adoption of the 2010 Plan be submitted for approval by our stockholders. Until the stockholders approve the 2010 Plan, we may make awards under the 2010 Plan, as long as the effectiveness of the awards is conditioned upon obtaining such stockholder approval. If stockholders do not approval this proposal, we will not implement the 2010 Plan, and any currently outstanding awards under the 2010 Plan will terminate and be of no further force or effect. A summary of the 2010 Plan is set forth below.

General. The 2010 Plan provides for awards of incentive stock options, non-statutory stock options, rights to acquire restricted stock, and stock appreciation rights, or SARs. Incentive stock options granted under the 2010 Plan are intended to qualify as "incentive stock options" within the meaning of Section 422 of the Code. Non-statutory stock options granted under the 2010 Plan are not intended to qualify as incentive stock options under the Code. See "Federal Income Tax Consequences" below for a discussion of the principal federal income tax consequences of awards under the 2010 Plan.

Purpose. Our Board adopted the 2010 Plan to provide a means by which employees, directors and consultants of the Company and its affiliates may be given an opportunity to benefit from increases in the value of our Common Stock, to assist in attracting and retaining the services of such persons, to bind the interests of eligible recipients more closely to the Company's interests by offering them opportunities to acquire shares of our Common Stock and to afford such persons stock-based compensation opportunities that are competitive with those afforded by similar businesses. All of our employees, directors and consultants are eligible to participate in the 2010 Plan.

Administration. Unless it delegates administration to a committee as described below, our Board will administer the 2010 Plan. Subject to the provisions of the 2010 Plan, the Board has the power to construe and interpret the 2010 Plan, and to determine: (i) the fair value of Common Stock subject to awards issued under the 2010 Plan; (ii) the persons to whom and the dates on which awards will be granted; (iii) what types or combinations of types of awards will be granted; (iv) the number of shares of Common Stock to be subject to each award; (v) the time or times during the term of each award within which all or a portion of such award may be exercised; (vi) the exercise price or purchase price of each award; and (vii) the types of consideration permitted to exercise or purchase each award and other terms of the awards.

The Board has the power to delegate administration of the 2010 Plan to a committee composed of one or more directors. In the discretion of the Board, a committee may consist solely of "outside directors" or "non-employee directors" (as such terms are defined in the 2010 Plan).

Stock Subject to the 2010 Plan. Subject to the provisions of Sections 6.1.1 and 7.2 of the 2010 Plan relating to adjustments upon changes in our Common Stock, an aggregate of 22,500,000 shares of common stock have been reserved for issuance under the 2010 Plan.

If shares of Common Stock subject to an option or SAR granted under the 2010 Plan expire or otherwise terminate without being exercised (or exercised in full), such shares shall become available again for grants under the 2010 Plan. If shares of restricted stock awarded under the 2010 Plan are forfeited to the Company or repurchased by the Company, the number of shares forfeited or repurchased shall again be available under the 2010 Plan. Where the exercise price of an option granted under the 2010 Plan is paid by means of the optionee's surrender of previously owned shares of common stock, or the Company's withholding of shares otherwise issuable upon exercise of the option as may be permitted under the 2010 Plan, only the net number of shares issued and which remain outstanding in connection with such exercise shall be deemed "issued" and no longer available for issuance under the 2010 Plan.

Eligibility. Incentive stock options may be granted under the 2010 Plan only to employees of the Company and its affiliates. Employees, directors and consultants of the Company and its affiliates are eligible to receive all other types of awards under the 2010 Plan.

No incentive stock option may be granted under the 2010 Plan to any person who, at the time of the grant, owns (or is deemed to own) stock possessing more than 10% of the total combined voting power of the Company or any affiliate of the Company, unless the exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and the term of the option does not exceed five years from the date of grant. In addition, no employee may be granted options under the 2010 Plan exercisable for more than 3,000,000 shares of common stock during any twelve-month period.

Terms of Options and SARs. Options and SARs may be granted under the 2010 Plan pursuant to stock option agreements and stock appreciation rights agreements, respectively. The following is a description of the permissible terms of options and SARs under the 2010 Plan. Individual grants of options and SARs may be more restrictive as to any or all of the permissible terms described below.

The exercise price of incentive stock options may not be less than the fair market value of the common stock subject to the option on the date of the grant and, in some cases (see "Eligibility" above), may not be less than 110% of such fair market value. The exercise price of nonstatutory options also may not be less than the fair market value of the common stock on the date of grant. The base value of a SAR may not be less than the fair market value of the common stock on the date of grant. The exercise price of options granted under the 2010 Plan must be paid either in cash at the time the option is exercised or, at the discretion of the Board, (i) by delivery of already-owned shares of our Common Stock, (ii) pursuant to a deferred payment arrangement, (iii) pursuant to a net exercise arrangement, or (iv) pursuant to a cashless exercise as permitted under applicable rules and regulations of the Securities and Exchange Commission.

In addition, the holder of a SAR is entitled to receive upon exercise of such SAR only shares of our Common Stock at a fair market value equal to the benefit to be received by the exercise.

Options granted under the 2010 Plan may be exercisable in cumulative increments, or "vest," as determined by the Board. Our Board has the power to accelerate the time as of which an option may vest or be exercised.

To the extent provided by the terms of an option or SAR, a participant may satisfy any federal, state or local tax withholding obligation relating to the exercise of such option or SAR by a cash payment upon exercise, or in the discretion of our Board, by authorizing the Company to withhold a portion of the stock otherwise issuable to the participant, by delivering already-owned shares of our Common Stock or by a combination of these means.

The maximum term of options and SARs under the 2010 Plan is ten years, except that in certain cases (see "Eligibility" above) the maximum term is five years. Options and SARs awarded under the 2010 Plan generally will terminate three months after termination of the participant's service; however, pursuant to the terms of the 2010 Plan, an a grantee's employment shall not be deemed to terminate by reason of such grantee's transfer from the Company to an affiliate of the Company, or vice versa, or sick leave, military leave or other leave of absence approved by our Board, if the period of any such leave does not exceed ninety (90) days or, if longer, if the grantee's right to reemployment by the Company or any of its affiliate is guaranteed either contractually or by statute.

A recipient may not transfer an incentive stock option otherwise than by will or by the laws of descent and distribution. During the lifetime of the recipient, only the recipient may exercise an option or SAR. The Board may grant nonstatutory stock options and SARs that are transferable to the extent provided in the applicable written agreement.

Terms of Restricted Stock Awards . Restricted stock awards may be granted under the 2010 Plan pursuant to restricted stock purchase or grant agreements. No awards of restricted stock may be granted under the 2010 Plan after ten (10) years from the Board's adoption of the 2010 Plan.

Our Board may issue shares of restricted stock under the 2010 Plan as a grant or for such consideration, including services, and, subject to the Sarbanes-Oxley Act of 2002, promissory notes, as determined in its sole discretion. If restricted stock under the 2010 Plan is issued pursuant to a purchase agreement, the purchase price must be paid either in cash at the time of purchase or, at the discretion of our Board, pursuant to any other form of legal consideration acceptable to the Board.

Shares of restricted stock acquired under a restricted stock purchase or grant agreement may, but need not, be subject to forfeiture to the Company or other restrictions that will lapse in accordance with a vesting schedule to be determined by our Board. In the event a recipient's employment or service with the Company terminates, any or all of the shares of Common Stock held by such recipient that have not vested as of the date of termination under the terms of the restricted stock agreement may be forfeited to the Company in accordance with such restricted stock agreement.

Our Board may require any recipient of restricted stock to pay to the Company in cash upon demand amounts necessary to satisfy any applicable federal, state or local tax withholding requirements. If the recipient fails to pay the amount demanded, our Board may withhold that amount from other amounts payable by the Company to the recipient, including salary, subject to applicable law. With the consent of our Board in its sole discretion, a recipient may deliver shares of our common stock to the Company to satisfy this withholding obligation.

Rights to acquire shares of common stock under the restricted stock purchase or grant agreement shall be transferable by the recipient only upon such terms and conditions as are set forth in the restricted stock agreement, as the Board shall determine in its discretion, so long as shares of Common Stock awarded under the restricted stock agreement remains subject to the terms of the such agreement.

Adjustment Provisions. f any change is made to our outstanding shares of Common Stock without the Company's receipt of consideration (whether through reorganization, stock dividend or stock split, or other specified change in the capital structure of the Company), appropriate adjustments may be made in the class and maximum number of shares of Common Stock subject to the 2010 Plan and outstanding awards. In that event, the 2010 Plan will be appropriately adjusted in the class and maximum number of shares of Common Stock subject to the 2010 Plan, and outstanding awards may be adjusted in the class, number of shares and price per share of Common Stock subject to such awards.

Effect of Certain Corporate Events. In the event of (i) a liquidation or dissolution of the Company, (ii) a merger or consolidation of the Company with or into another corporation or entity (other than a merger with a wholly-owned subsidiary), or (iii) a sale of all or substantially all of the assets of the Company, any surviving or acquiring corporation may assume awards outstanding under the 2010 Plan or may substitute similar awards. Unless the stock award agreement otherwise provides, in the event any surviving or acquiring corporation does not assume such awards or substitute similar awards, then the awards will terminate if not exercised at or prior to such event.

Duration, Amendment and Termination . The Board may suspend or terminate the 2010 Plan without stockholder approval or ratification at any time or from time to time. Unless sooner terminated, the 2010 Plan will terminate ten years from the date of its adoption by the Board, i.e., in October 2020.

The Board may also amend the 2010 Plan at any time, and from time to time. However, except as provided in Section 6.1.1 and 7.2 relating to adjustments upon changes in common stock, no amendment will be effective unless approved by our stockholders to the extent stockholder approval is necessary to preserve incentive stock option treatment for federal income tax purposes. Our Board may submit any other amendment to the 2010 Plan for stockholder approval if it concludes that stockholder approval is otherwise advisable.

Federal Income Tax Consequences of Plans

The following is a summary of the principal United States federal income tax consequences to the recipient and the Company with respect to participation in the 2003 Plan and 2010 Plan. This summary is not intended to be exhaustive, and does not discuss the income tax laws of any city, state or foreign jurisdiction in which a participant may reside.

Incentive Stock Options

There will be no federal income tax consequences to either us or the recipient upon the grant of an incentive stock option. Upon exercise of the option, the excess of the fair market value of the stock over the exercise price, or the "spread," will be added to the alternative minimum tax base of the recipient unless a disqualifying disposition is made in the year of exercise. A disqualifying disposition is the sale of the stock prior to the expiration of two years from the date of grant and one year from the date of exercise. If the shares of common stock are disposed of in a disqualifying disposition, the recipient will realize taxable ordinary income in an amount equal to the spread at the time of exercise, and we will be entitled (subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation) to a federal income tax deduction equal to such amount. If the recipient sells the shares of common stock after the specified periods, the gain or loss on the sale of the shares will be long-term capital gain or loss and we will not be entitled to a federal income tax deduction.

Non-statutory Stock Options and Restricted Stock Awards

Non-statutory stock options granted under the 2003 Plan and 2010 Plan and restricted stock awards granted under the 2010 Plan generally have the following federal income tax consequences.

There are no tax consequences to the participant or us by reason of the grant. Upon acquisition of the stock, the recipient will recognize taxable ordinary income equal to the excess, if any, of the stock's fair market value on the acquisition date over the purchase price. However, to the extent the stock is subject to "a substantial risk of forfeiture" (as defined in Section 83 of the Code), the taxable event will be delayed until the forfeiture provision lapses unless the recipient elects to be taxed on receipt of the stock by making a Section 83(b) election within 30 days of receipt of the stock. If such election is not made, the recipient generally will recognize income as and when the forfeiture provision lapses, and the income recognized will be based on the fair market value of the stock on such future date. On that date, the recipient's holding period for purposes of determining the long-term or short-term nature of any capital gain or loss recognized on a subsequent disposition of the stock will begin. If a recipient makes a Section 83(b) election, the recipient will recognize ordinary income equal to the difference between the stock's fair market value and the purchase price, if any, as of the date of receipt and the holding period for purposes of characterizing as long-term or short-term any subsequent gain or loss will begin at the date of receipt.

With respect to employees, we are generally required to withhold from regular wages or supplemental wage payments an amount based on the ordinary income recognized. Subject to the requirement of reasonableness, the provisions of Section 162(m) of the Code and the satisfaction of a tax reporting obligation, we will generally be entitled to a business expense deduction equal to the taxable ordinary income realized by the participant.

Upon disposition of the stock, the recipient will recognize a capital gain or loss equal to the difference between the selling price and the sum of the amount paid for such stock plus any amount recognized as ordinary income with respect to the stock. Such gain or loss will be long-term or short-term depending on whether the stock has been held for more than one year.

Stock Appreciation Rights or SARs granted under the 2010 Plan

A recipient receiving a stock appreciation right will not recognize income, and we will not be allowed a tax deduction, at the time the award is granted. When a recipient exercises the stock appreciation right, the fair market value of any shares of common stock received will be ordinary income to the recipient and will be allowed as a deduction to us for federal income tax purposes.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of our common stock as of October 23, 2014 (a) by each person known by us to own beneficially 5% or more of any class of our common stock, (b) by each of our Named Executive Officers, (c) by each of our directors and (d) by all of our current executive officers and directors as a group. As of November 15, 2014 there were 591,714,484 shares of our common stock issued and outstanding. Shares of common stock subject to stock options and warrants that are currently exercisable or exercisable within 60 days of November 15, 2014 are deemed to be outstanding for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Except as otherwise indicated, the address of each stockholder is c/o OXIS International, Inc. at 468 N. Camden Drive, 2nd Fl., Beverly Hills, California 90210.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Shares of Outstanding Common Stock
Security Ownership of Certain Beneficial Owners:		
Bristol Investment Fund, Ltd. Bristol Capital Advisors, LLC 10990 Wilshire Boulevard, Suite 1410 Los Angeles, CA 90024	31,974,050(1)	5.1%
Theorem Group, LLC (2) 10880 Wilshire Blvd., Suite 950 Los Angeles, CA 90024	39,725,000(2)	6.3%
Anshuman Dube c/o Theorem Group, LLC 10880 Wilshire Blvd., Suite 950 Los Angeles, CA 90024	39,725,000(3)	6.3%
Security Ownership of Management:		
Anthony J. Cataldo	5,000,000	*
Kenneth Eaton	0	*
Steven Weldon	0	*
Executive officers and directors as a group — 3 persons	5,000,000	*

* Less than 1%.

(1) As reported on SC 13G/A filed with the SEC on February 13, 2013. Paul Kessler, manager of Bristol Capital Advisors, LLC, the investment advisor to Bristol Investment Fund, Ltd., has voting and investment control over the securities held by Bristol Investment Fund, Ltd. Mr. Kessler disclaims beneficial ownership of these securities.

(2) Represents 36,125,000 warrants to purchase common stock, including 10,000,000 Series A Warrants and 10,000,000 Series B Warrants; and 2,500,000 shares of Series H Convertible Preferred Stock. The foregoing shares of Series H Convertible Preferred Stock, the 0% Convertible Debenture and the Series A Warrant and Series B Warrant limit the ability of the holder thereof to convert such securities if, following such conversion, the holder and its affiliates would beneficially own more than 4.99% of the Company's then issued and outstanding shares of Common Stock. The Series H Convertible Preferred Stock entitles the holder thereof to a number of votes, without the foregoing 4.99% limitation, equal to (A) the number of shares of Common Stock that such share of preferred stock could, at such time, be converted into (B) multiplied by 100 (or, a voting power of 250,000,000 shares). The foregoing table includes the 2,500,000 shares the Series H Convertible Preferred Stock is convertible into, but does not include the effect of these 250,000,000 votes. Anshuman Dube, managing director of Theorem Group, LLC, has voting and investment control over the securities held by Theorem Group, LLC. Mr. Dube disclaims beneficial ownership of these securities.

(3) The referenced securities are held by Theorem Group, LLC and are as described in note (2) immediately above. Anshuman Dube is the managing director of Theorem Group, LLC, has voting and investment control over securities held by Theorem Group, LLC and is therefore the beneficial owner of securities held by Theorem Group, LLC.

Equity Compensation Plan Information

The following is a summary of our equity compensation plans at December 31, 2013:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders (1)	28,777,471	$ 0.05	123,941
Equity compensation plans not approved by security holders (2)	500,000	$ 0.29	—
Total	29,277,471	$ 0.05	123,941

(1) As of December 31, 2013, we had options issued and outstanding to purchase 701,787 shares of common stock under our 2003 Stock Incentive Plan As approved by stockholders, we may grant additional options to purchase up to 5,699,625 shares of common stock under our 2003 Stock Incentive Plan as of December 31, 2013. The number of shares reserved for issuance pursuant to options under the 2003 Stock Incentive Plan was increased by 300,000 shares on January 1, 2013 pursuant to an evergreen provision in the stock option plan. On August 25, 2011, stockholders approved the 2010 Stock Incentive Plan. As of December 31, 2013, we had options issued and outstanding for the purchase of 28,075,684 shares of our common stock under the 2010 Plan. We may grant additional options to purchase up to (5,575,684) shares of common stock under our 2010 Stock Incentive Plan as of December 31, 2013.

(2) We have reserved 500,000 shares of common stock for issuance outside of our stock incentive plans. At December 31, 2011, options to purchase 500,000 shares of common stock are outstanding outside of our stock incentive plans.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Director Independence

None of our three directors qualify as "independent directors" as defined by Item 407 of Regulation S-K.

We have elected to use the definition for "director independence" under the Nasdaq Stock Market's listing standards, which defines an "independent director" as "a person other than an officer or employee of us or its subsidiaries or any other individual having a relationship, which in the opinion of our Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director." The definition further provides that, among others, employment of a director by us (or any parent or subsidiary of ours) at any time during the past three years is considered a bar to independence regardless of the determination of our Board of Directors.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Seligson & Giannattasio, LLP was our independent registered public accounting firm for the fiscal years ending December 31, 2011 and 2012. The Audit Committee appointed Seligson & Giannattasio, LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. The following table shows the fees that were paid or accrued by us for audit and other services provided by Seligson & Giannattasio, LLP for the 2013 and 2012 fiscal years.

	2012	2013
Audit Fees (1)	$ 50,500	$ 50,500
Audit-Related Fees (2)	—	
Tax Fees (3)	—	—
All Other Fees	—	—
Total	$ 50,500	$ 50,500

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(1) Audit fees represent fees for professional services provided in connection with the audit of our annual financial statements and the review of our financial statements included in our Form 10-Q quarterly reports and services that are normally provided in connection with statutory or regulatory filings for the 2012 and 2013 fiscal years.

(2) Audit-related fees represent fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and not reported above under "Audit Fees."

(3) Tax fees represent fees for professional services related to tax compliance, tax advice and tax planning.

All audit related services, tax services and other services rendered by Seligson & Giannattasio, LLP were pre-approved by our Board of Directors or Audit Committee. The Audit Committee has adopted a pre-approval policy that provides for the pre-approval of all services performed for us by Seligson & Giannattasio, LLP. The policy authorizes the Audit Committee to delegate to one or more of its members pre-approval authority with respect to permitted services. Pursuant to this policy, the Board delegated such authority to the Chairman of the Audit Committee. All pre-approval decisions must be reported to the Audit Committee at its next meeting. The Audit Committee has concluded that the provision of the non-audit services listed above is compatible with maintaining the independence Seligson & Giannattasio, LLP.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

The Company's financial statements and related notes thereto are listed and included in this Annual Report beginning on page F-1. The following documents are furnished as exhibits to this Annual Report on Form 10-K.

EXHIBIT INDEX

		Incorporated by Reference			
Exhibit Number	Exhibit Description	Form	Date	Number	Filed Herewith
3.1	Restated Certificate of Incorporation as filed in Delaware September 10, 1996 and as thereafter amended through March 1, 2002	10-KSB	04/01/02	3.A	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Oxis International, Inc.	10-K	03/31/11	3.2	
3.3	Certificate of Designation of Preferences, Rights and Limitations of Series H Convertible Preferred Stock of Oxis International, Inc., dated February 5, 2010	8-K	2/16/10	3.1	
3.4	Certificate of Designation of Preferences, Rights and Limitations of Series I Convertible Preferred Stock of Oxis International, Inc., dated March 18, 2011.	10-K	03/31/11	3.4	
3.5	Bylaws, as restated effective September 7, 1994 and as amended through April 29, 2003	10-QSB	08/13/03	3	
10.1	Employment Agreement of Steven Weldon	8-K	11/10/14	10.1	
10.2	Employment Agreement of Anthony Cataldo				X
10.3	Employment Agreement of Steven Weldon				X

		Incorporated by Reference			
Exhibit Number	Exhibit Description	Form	Date	Number	Filed Herewith
14.1	Code of Ethics				X
21.1	Subsidiaries of OXIS International, Inc.				X
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
101	Interactive Data File				X

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Dated: January 8, 2015	OXIS International, Inc.
	By: /s/ Anthony J. Cataldo Anthony J. Cataldo Chief Executive Officer and Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ Anthony J. Cataldo Anthony J. Cataldo	Chairman of the Board, Chief Executive Officer and President of Oxis Biotech	January 8, 2015
/s/ Steven Weldon Steven Weldon	Chief Financial Officer (Principal Financial Officer), President and Director	January 8, 2015

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To The Board of Directors and Stockholders of
Oxis International, Inc.

We have audited the accompanying consolidated balance sheets of Oxis International, Inc. (the "Company") and subsidiaries as of December 31, 2013 and 2012 and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for the two years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Oxis International, Inc. and subsidiaries as of December 31, 2013 and 2012 and the consolidated results of their operations and their consolidated cash flows for the two years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has incurred significant recurring losses. The realization of a major portion of its assets is dependent upon its ability to meet its future financing needs and the success of its future operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from this uncertainty.

/s/ Seligson & Giannattasio, LLP
Seligson & Giannattasio, LLP
White Plains, New York
January 8, 2015

OXIS International, Inc. and Subsidiaries
December 31, 2013 and 2012
Consolidated Balance Sheets

	December 31, 2013	December 31, 2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 43,000	$ 123,000
Accounts receivable	40,000	-
Inventories	42,000	59,000
Prepaid expenses		20,000
Total Current Assets	125,000	202,000
Patents, net	22,000	24,000
Total Other Assets	22,000	24,000
TOTAL ASSETS	$ 147,000	$ 226,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	$ 940,000	$ 878,000
Accrued interest	1,619,000	1,253,000
Accrued expenses	1,225,000	1,173,000
Line of credit	28,000	27,000
Warrant liability	109,000	1,378,000
Settlement note payable	695,000	702,000
Demand notes payable, net of discount of $90,000 and $-0-	154,000	63,000
Convertible debentures, net of discount of $142,000 and $54,000, current portion	1,067,000	463,000
Convertible debentures	547,000	625,000
Total Current Liabilities	6,384,000	6,562,000
Long term liabilities:		
Convertible debentures, net of discount of $75,000 and $0	97,000	-
Total long term liabilities	97,000	-
Total liabilities	6,481,000	-
Stockholders' Deficit:		
Convertible preferred stock - $0.001 par value; 15,000,000 shares authorized:		
Series C - 96,230 and 96,230 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively	1,000	1,000
Series H – 25,000 and 25,000 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively	—	—
Series I – 1,666,667 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively	2,000	2,000
Common stock - $0.001 par value; 600,000,000 shares authorized; and 573,051,524 and 500,573,746 shares issued and outstanding at December 31, 2013 and December 31, 2012, respectively	574,000	501,000
Additional paid-in capital	82,709,000	82,216,000
Accumulated deficit	(89,467,000)	(88,966,000)
Noncontrolling interest	(153,000)	(90,000)
Total Stockholders' Deficit	(6,334,000)	(6,336,000)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 147,000	$ 226,000

The accompanying notes are an integral part of these consolidated financial statements.

OXIS International, Inc. and Subsidiaries
December 31, 2013 and 2012
Statements of Operations

	December 31, 2013	December 31, 2012
Revenue:		
Product revenues	$ 368,000	$ 342,000
License revenues	—	—
TOTAL REVENUE	368,000	342,000
Cost of Product Revenue	226,000	94,000
Gross profit (loss)	142,000	248,000
Operating Expenses:		
Research and development	—	—
Selling expenses	—	400,000
Selling, general and administrative	935,000	3,362,000
Total operating expenses	935,000	3,762,000
Loss from Operations	(793,000)	(3,514,000)
Change in value of warrant and derivative liabilities	1,425,000	(94,000)
Interest expense/income	(1,196,000)	(1,653,000)
Total Other Income (Expense)	229,000	(1,747,000)
Loss before minority interest and provision for income taxes	(564,000)	(5,261,000)
Less: Net income attributable to the noncontrolling interests	63,000	90,000
Income (loss) before provision for income taxes	(501,000)	(5,171,000)
Provision for income taxes	—	—
Net loss	(501,000)	(5,171,000)
Loss Per Share – basic and diluted	$ (0.01)	$ (0.01)
Weighted Average Shares Outstanding – basic and diluted	566,625,040	371,724,614

The accompanying notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statement of Stockholders' Deficit
For the Years Ended December 31, 2013 and 2012

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated
	Shares	Amount	Shares	Amount	Capital	Deficit
Balance at December 31, 2011	1,787,897	$ 3,000	269,299,838	$ 269,000	$ 78,422,000	$ (83,795,000)
Issuance of stock options					929,000	
Issuance of common stock for services			47,600,000	48,000	1,406,000	
Conversion of debt			170,340,575	171,000	1,472,000	
Exercise of warrants			13,333,333	13,000	(13,000)	
Net loss						(5,171,000)
Balance at December 31, 2012	1,787,897	$ 3,000	500,573,746	$ 501,000	$ 82,216,000	$ (88,966,000)
Issuance of stock options					176,000	
Issuance of common stock for inducement			11,666,667	12,000	128,000	
Conversion of debt			14,311,111	14,000	236,000	
Exercise of warrants			46,500,000	47,000	(47,000)	
Net loss						(501,000)
Balance at December 31, 2013	**1,787,897**	**$ 3,000**	**573,051,524**	**$ 574,000**	**$ 82,709,000**	**$ (89,467,000)**

The accompanying notes are an integral part of these consolidated financial statements.

OXIS INTERNATIONAL, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2013 and 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (501,000)	$ (5,171,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of intangible assets	2,000	3,000
Stock compensation expense for options and warrants issued to employees and non-employees	176,000	929,000
Issuance of shares for services	140,000	1,454,000
Amortization of debt discounts	689,000	40,000
Change in value of warrant and derivative liabilities	(1,425,000)	1,220,000
Changes in operating assets and liabilities:		
Accounts receivable	(40,000)	-
Inventory	17,000	(47,000)
Other assets	20,000	(20,000)
Accounts payable and accrued liabilities	480,000	605,000
Net cash used in operating activities	(442,000)	(987,000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	-	(2,000)
Net cash used by investing activities	-	(2,000)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options and warrants	—	—
Proceeds from notes payable	433,000	930,000
Repayment of note payable	(8,000)	—
Net cash provided by financing activities	425,000	930,000
Minority interest	(63,000)	90,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(80,000)	31,000
CASH AND CASH EQUIVALENTS - Beginning of period	123,000	92,000
CASH AND CASH EQUIVALENTS - End of period	$ 43,000	$ 123,000

The accompanying notes are an integral part of these consolidated financial statements.

1. The Company and Summary of Significant Accounting Policies

OXIS International, Inc. (collectively, "OXIS" or the "Company") is engaged in the research, development and sale of products that counteract the harmful effects of "oxidative stress" and inflammation. Oxidative stress refers to the situations in which the body's antioxidant and other defensive abilities to combat free radicals (a.k.a. highly reactive species of oxygen and nitrogen) are overwhelmed and normal healthy balance is lost. The Company's current finished product and finished product candidates include therapeutic nutraceutical products, cosmeceutical products, functional foods and functional beverages. The Company also possesses intellectual property covering a number of proprietary compounds and formulations that may be out-licensed to biotech and pharmaceutical companies as drug candidates. The Company's primary focus currently is on products that incorporate the unique amino acid naturally occurring compound, L-Ergothioneine ("ERGO"), as a key component. Ergothioneine is produced only by microorganisms in soil and is not synthesized by humans, animals or plants. The Company has spent approximately $75 million in researching and developing ERGO, and now owns a patented process to synthesize commercial quantities of ERGO in a highly stable form that is highly soluble and tasteless, making it suitable for use in combination with other nutraceuticals and botanicals in a wide variety of dietary supplements, functional foods and beverages, and topical anti-aging products including lotions and creams.

In 1965, the corporate predecessor of OXIS, Diagnostic Data, Inc. was incorporated in the State of California. Diagnostic Data changed its incorporation to the State of Delaware in 1972; and changed its name to DDI Pharmaceuticals, Inc. in 1985. In 1994, DDI Pharmaceuticals merged with International BioClinical, Inc. and Bioxytech S.A. and changed its name to OXIS International, Inc.

Going Concern

As shown in the accompanying consolidated financial statements, the Company has incurred an accumulated deficit of $89,467,000 through December 31, 2013. On a consolidated basis, the Company had cash and cash equivalents of $43,000 at December 31, 2013. The Company's plan is to raise additional capital until such time that the Company generates sufficient revenues to cover its cash flow needs and/or it achieves profitability. However, the Company cannot assure that it will accomplish this task and there are many factors that may prevent the Company from reaching its goal of profitability.

The current rate of cash usage raises substantial doubt about the Company's ability to continue as a going concern, absent any sources of significant cash flows. In an effort to mitigate this near-term concern the Company intends to seek additional equity or debt financing to obtain sufficient funds to sustain operations. The Company plans to increase revenues by introducing new nutraceutical products primarily based on its ergothioneine assets. However, the Company cannot provide assurance that it will successfully obtain equity or debt or other financing, if any, sufficient to finance its goals or that the Company will generate future product related revenues. The Company's financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue in existence.

Accounts receivable

The Company carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions.

Advertising and promotional fees

Advertising expenses consist primarily of costs incurred in the design, development, and printing of Company literature and marketing materials. The Company expenses all advertising expenditures as incurred. The Company's advertising expenses were $0 and $400,000 for the years ended December 31, 2013 and 2012, respectively.

Basis of Consolidation and Comprehensive Income

The accompanying consolidated financial statements include the accounts of OXIS International, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated. The Company's financial statements are prepared using the accrual method of accounting.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company's cash and cash equivalents, marketable securities and accounts receivable are monitored for exposure to concentrations of credit risk. The Company maintains substantially all of its cash balances in a limited number of financial institutions. The balances are each insured by the Federal Deposit Insurance Corporation up to $250,000. Through December 31, 2013, all balances in U.S. non-interest bearing accounts are fully insured. The Company had no balances in excess of this limit at December 31, 2013, although at times during the year, the Company may have exceeded the insured limits. Management monitors the amount of credit exposure related to accounts receivable on an ongoing basis and generally requires no collateral from customers. The Company maintains allowances for estimated probable losses, when applicable.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, restricted cash, accounts receivable, inventory, accounts payable and accrued expenses approximate fair value because of the short-term nature of these instruments. The fair value of debt is based upon current interest rates for debt instruments with comparable maturities and characteristics and approximates the carrying amount.

Stock Based Compensation to Employees

The Company accounts for its stock-based compensation for employees in accordance with Accounting Standards Codification (“ASC”) 718. The Company recognizes in the statement of operations the grant-date fair value of stock options and other equity-based compensation issued to employees and non-employees over the related vesting period.

The Company granted stock options to purchase 0 and 26,384,193 shares of the Company’s common stock to employees and directors during the year ended December 31, 2013 and 2012, respectively. The fair values of employee stock options are estimated for the calculation of the pro forma adjustments at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions during 2013: expected volatility of 116%; average risk-free interest rate of 1.04% to 2.03%; initial expected life of 5 to 10 years; no expected dividend yield; and amortized over the vesting period of typically one to four years. The Company reported an expense for share-based compensation for its employees and directors of $929,000 and $303,000 for the year ended December 31, 2013 and 2012, respectively.

Inventories

The Company states its inventories at the lower of cost or market. Cost has been determined by using the first-in, first-out method. The physical count of inventory takes place at the end of the year, and the Company makes estimates of inventory at interim dates. The Company periodically reviews its reserves for slow moving and obsolete inventory and believes that such reserves are adequate at December 31, 2013. Below is a summary of inventory at December 31, 2013 and 2012, respectively.

	December 31, 2013	December 31, 2012
Raw materials	$ 0	$ 0
Work in process	0	0
Finished goods	42,000	59,000
	$ 42,000	$ 59,000

Impairment of Long Lived Assets

The Company's long-lived assets currently consist of capitalized patents The Company evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any of the Company's long-lived assets are considered to be impaired, the amount of impairment to be recognized is equal to the excess of the carrying amount of the assets over the fair value of the assets.

Income Taxes

The Company accounts for income taxes using the asset and liability approach, whereby deferred income tax assets and liabilities are recognized for the estimated future tax effects, based on current enacted tax laws, of temporary differences between financial and tax reporting for current and prior periods. Deferred tax assets are reduced, if necessary, by a valuation allowance if the corresponding future tax benefits may not be realized.

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period, plus the potential dilutive effect of common shares issuable upon exercise or conversion of outstanding stock options and warrants during the period. The weighted average number of potentially dilutive common shares excluded from the calculation of net income (loss) per share totaled 676,367,257 in 2013 and 686,716,412 in 2012.

Patents

Acquired patents are capitalized at their acquisition cost or fair value. The legal costs, patent registration fees and models and drawings required for filing patent applications are capitalized if they relate to commercially viable technologies. Commercially viable technologies are those technologies that are projected to generate future positive cash flows in the near term. Legal costs associated with patent applications that are not determined to be commercially viable are expensed as incurred. All research and development costs incurred in developing the patentable idea are expensed as incurred. Legal fees from the costs incurred in successful defense to the extent of an evident increase in the value of the patents are capitalized.

Capitalized cost for pending patents are amortized on a straight-line basis over the remaining twenty year legal life of each patent after the costs have been incurred. Once each patent is issued, capitalized costs are amortized on a straight-line basis over the shorter of the patent's remaining statutory life, estimated economic life or ten years.

Property, Plant and Equipment

Property, plant and equipment is stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, which are 3 to 10 years for machinery and equipment and the shorter of the lease term or estimated economic life for leasehold improvements.

Fair Value

The carrying amounts reported in the balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets. The Company's Level 1 assets include cash equivalents, primarily institutional money market funds, whose carrying value represents fair value because of their short-term maturities of the investments held by these funds.

- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. The Company's Level 2 liabilities consist of liabilities arising from the issuance of convertible securities and in accordance with ASC 815-40: a warrant liability for detachable warrants, as well as an accrued derivative liability for the beneficial conversion feature. These liabilities are remeasured each reporting period. Fair value is determined using the Black-Scholes valuation model based on observable market inputs, such as share price data and a discount rate consistent with that of a government-issued security of a similar maturity.

- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following table represents the Company's assets and liabilities by level measured at fair value on a recurring basis at December 31, 2013.

Description	Level 1	Level 2	Level 3
Assets			
	$ —	$ —	$ —
Liabilities			
Warrant liability	—	109,000	—

Recent Accounting Pronouncements

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2014-09 (ASU 2014-09), Revenue from Contracts with Customers. ASU 2014-09 will eliminate transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. ASU 2014-09 will require that companies recognize revenue based on the value of transferred goods or services as they occur in the contract. The ASU also will require additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016, and early adoption is not permitted. Entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. Management has not determined the effect of adopting ASU 2014-09 on our ongoing financial reporting.

In April 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant and Equipment (Topic 360)." ASU 2014-08 amends the requirements for reporting discontinued operations and requires additional disclosures about discontinued operations. Under the new guidance, only disposals representing a strategic shift in operations or that have a major effect on the Company's operations and financial results should be presented as discontinued operations. This new accounting guidance is effective for annual periods beginning after December 15, 2014.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future financial statements.

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the Company's financial position or results of operations.

Research and Development

Research and development costs are expensed as incurred and reported as research and development expense.

Revenue Recognition

Product Revenue

The Company manufactures, or has manufactured on a contract basis, fine chemicals and nutraceutical products, which are its primary products to be sold to customers. Revenue from the sale of its products, including shipping fees, will be recognized when title to the products is transferred to the customer which usually occurs upon shipment or delivery, depending upon the terms of the sales order and when collectability is reasonably assured. Revenue from sales to distributors of its products will be recognized, net of allowances, upon delivery of product to the distributors. According to the terms of individual distributor contracts, a distributor may return product up to a maximum amount and under certain conditions contained in its contract. Allowances are calculated based upon historical data, current economic conditions and the underlying contractual terms.

License Revenue

License arrangements may consist of non-refundable upfront license fees, exclusive licensed rights to patented or patent pending technology, and various performance or sales milestones and future product royalty payments. Some of these arrangements are multiple element arrangements.

Non-refundable, up-front fees that are not contingent on any future performance by us, and require no consequential continuing involvement on our part, are recognized as revenue when the license term commences and the licensed data, technology and/or compound is delivered. We defer recognition of non-refundable upfront fees if we have continuing performance obligations without which the technology, right, product or service conveyed in conjunction with the non-refundable fee has no utility to the licensee that is separate and independent of our performance under the other elements of the arrangement. In addition, if we have continuing involvement through research and development services that are required because our know-how and expertise related to the technology is proprietary to us, or can only be performed by us, then such up-front fees are deferred and recognized over the period of continuing involvement.

Payments related to substantive, performance-based milestones in a research and development arrangement are recognized as revenue upon the achievement of the milestones as specified in the underlying agreements when they represent the culmination of the earnings process.

Segment Reporting

The Company operates in one reportable segment.

Use of Estimates

The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities revenues and expenses and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

2. Patents

	December 30, 2013	December 31, 2012
Capitalized patent costs	$ 642,000	$ 642,000
Accumulated amortization	(620,000)	(618,000)
	$ 22,000	$ 24,000

Periodically, the Company reviews its patent portfolio and has determined that certain patent applications no longer possessed commercial viability or were abandoned since they were inconsistent with the Company's business development strategy.

The following table presents expected future amortization of patent costs as of December 31, 2013 that may change according to the Company's amortization policy upon additional patents being issued or allowed:

2014	4,000
2015	4,000
2016	4,000
2017	4,000
2018	4,000

3. Debt

Convertible debentures

On October 25, 2006, the Company entered into a securities purchase agreement (“2006 Purchase Agreement”) with four accredited investors (the “2006 Purchasers”). In conjunction with the signing of the 2006 Purchase Agreement, the Company issued secured convertible debentures (“2006 Debentures”) and Series A, B, C, D, and E common stock warrants (“2006 Warrants”) to the 2006 Purchasers, and the parties also entered into a security agreement (the “2006 Security Agreement”) pursuant to which the Company agreed to grant the 2006 Purchasers, pari passu, a security interest in substantially all of the Company’s assets.

Pursuant to the terms of the 2006 Purchase Agreement, the Company issued the 2006 Debentures in an aggregate principal amount of $1,694,250 to the 2006 Purchasers. The 2006 Debentures are subject to an original issue discount of 20.318% resulting in proceeds to the Company of $1,350,000 from the transaction. The 2006 Debentures were due on October 25, 2008. The 2006 Debentures are convertible, at the option of the 2006 Purchasers, at any time prior to payment in full, into shares of common stock of the Company. As a result of the full ratchet anti-dilution provision the current conversion price is $0.01 per share (the “2006 Conversion Price”). Beginning on the first of the month beginning February 1, 2007, the Company was required to amortize the 2006 Debentures in equal installments on a monthly basis resulting in a complete repayment by the maturity date (the “Monthly Redemption Amounts”). The Monthly Redemption Amounts could have been paid in cash or in shares, subject to certain restrictions. If the Company chose to make any Monthly Redemption Amount payment in shares of common stock, the price per share would have been the lesser of the Conversion Price then in effect and 85% of the weighted average price for the 10-trading days prior to the due date of the Monthly Redemption Amount. The Company did not make any of the required monthly redemption payments.

Pursuant to the provisions of the 2006 Debentures, such non-payment was an event of default and penalty interest has accrued on the unpaid redemption balance at an interest rate equal to the lower of 18% per annum and the maximum rate permitted by applicable law. In addition, each of the 2006 Purchasers has the right to accelerate the cash repayment of at least 130% of the outstanding principal amount of the 2006 Debenture (plus accrued but unpaid liquidated damages and interest) and to sell substantially all of the Company's assets pursuant to the provisions of the 2006 Security Agreement to satisfy any such unpaid balance. On June 6, 2008, the Company received notification from Bristol Investment Fund, Ltd ("Bristol"), that the collateral held under the 2006 Security Agreement would be sold to the highest qualified bidder on Thursday, June 19, 2008. On June 19, 2008, the Company received a Notice of Disposition of Collateral from Bristol in which Bristol notified the Company that Bristol, acting as the agent for itself and the three other 2006 Purchasers, purchased certain assets held as collateral under the 2006 Security Agreement. Bristol purchased 111,025 shares of common stock of BioCheck, Inc., the Company's majority owned subsidiary, on a credit bid of $50,000, and Bristol also purchased 1,000 shares of the capital stock of OXIS Therapeutics, Inc., a wholly owned subsidiary of OXIS, for a credit bid of $10,000. In December 2005, OXIS purchased the 111,025 shares of common stock of BioCheck, Inc. for $3,060,000. After crediting the aggregate amount of $60,000 to the aggregate amount due under the 2006 Debentures, plus fees and charges due through June 19, 2008, Bristol notified the Company that the Company remains obligated to the 2006 Purchasers in a deficiency in an aggregate amount of $2,688,000 as of June 19, 2008. As a result of the disposition of the collateral, the Company recorded a net loss aggregating $2,978,000.

Under the 2006 Purchase Agreement, the 2006 Purchasers also have a right of first refusal to participate in up to 100% of any future financing undertaken by the Company until the 2006 Debentures are no longer outstanding. In addition, the Company is also prohibited from effecting any subsequent financing involving a variable rate transaction until such time as no 2006 Purchaser holds any of the 2006 Debentures. Furthermore, so long as any 2006 Purchaser holds any of the securities issued under the 2006 Purchase Agreement, if the Company issues or sells any common stock or instruments convertible into common stock which a 2006 Purchaser reasonably believes is on terms more favorable to such investors than the terms pursuant to the 2006 Debentures or 2006 Warrants, the Company is obligated to permit such 2006 Purchaser the benefits of such better terms.

Of the 2006 Warrants issued by the Company to the 2006 Purchasers, only the Series A Warrants remain outstanding. The Series A Warrants, which now expire in October 2014, permit the holders to purchase 2,420,357 shares of common stock at an original exercise price of $0.35 per share. Such exercise price is adjustable pursuant to a full ratchet anti-dilution provision and upon the occurrence of a stock split or a related event.

During 2009, Bristol converted $177,900 of the principal amount of 2006 Debentures for 17,790,000 shares of the Company's common stock. During 2010, Bristol converted an additional $401,000 of the principal amount of 2006 Debentures for 40,100,000 shares of the Company's common stock. During 2011, an additional $605,000 of the principal amount of 2006 Debentures was converted into 60,500,000 shares of the Company's common stock. During 2012, an additional $369,625 of the principal amount of 2006 Debentures was converted into 87,654,791 shares of the Company's common stock.

The 2006 Debentures do not meet the definition of a "conventional convertible debt instrument" since they are not convertible into a fixed number of shares. The Monthly Redemption Amounts can be paid with common stock at a conversion price that is a percentage of the market price; therefore the number of shares that could be required to be delivered upon "net-share settlement" is essentially indeterminate. Therefore, the 2006 Debentures are considered "non-conventional," which means that the conversion feature must be bifurcated from the debt and shown as a separate derivative liability. This beneficial conversion liability has been calculated to be $690,000 on October 25, 2006. In addition, since the 2006 Debentures are convertible into an indeterminate number of shares of common stock, it is assumed that the Company could never have enough authorized and unissued shares to settle the conversion of the 2006 Warrants issues in this transaction into common stock. Therefore, the 2006 Warrants have a fair value of $2,334,000 at October 25, 2006. The value of the 2006 Warrant was calculated using the Black-Scholes model using the following assumptions: Discount rate of 4.5%, volatility of 158% and expected term of 1 to 6 years. The fair value of the beneficial conversion feature and the 2006 Warrant liability will be adjusted to fair value on each balance sheet date with the change being shown as a component of net loss. The fair value of the beneficial conversion feature and the 2006 Warrants at the inception of the 2006 Debentures were $690,000 and $2,334,000, respectively.

The first $1,350,000 of these discounts has been shown as a discount to the 2006 Debentures which will be amortized over the term of the 2006 Debenture and the excess of $1,674,000 has been shown as financing costs in the accompanying statement of operations.

At December 31, 2013 and 2012, the Company determined the fair value of the 2006 Warrants was $1,000 and $34,000, respectively.

On October 1, 2009, the Company entered into a financing arrangement with several accredited investors (the "2009 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $2,000,000 (the "2009 Financing"). In connection with the 2009 Financing, the Company issued the following securities to the 2009 Investors:

- 0% Convertible Debentures in the principal amount of $2,000,000 due 24 months from the date of issuance (the " 2009 Debentures"), convertible into shares of the Company's common stock at a per share conversion price equal to $0.05 per share;
- Series A warrant to purchase such number of shares of the Company's common stock equal to 50% of the principal amount invested by each 2009 Investor (the "2009 Class A Warrants") resulting in the issuance of Class A Warrants to purchase 20,000,000 shares of common stock of the Company.
- Series B warrant to purchase such number of shares of the Company's common stock equal to 50% of the principal amount invested by each 2009 Investor (the "2009 Class B Warrants") resulting in the issuance of Class B Warrants to purchase 20,000,000 shares of common stock of the Company.

The Class A Warrants and Class B Warrants (collectively, the " 2009 Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis. The 2009 Debentures and the 2009 Warrants are collectively referred to herein as the "2009 Securities".

In connection with the sale of the 2009 Securities by the Company, the Company and Bristol entered a Standstill and Forbearance Agreement, pursuant to which Bristol agreed to refrain and forbear from exercising certain rights and remedies with respect to (i) the 2006 Debentures and (ii) certain demand notes (the "Bridge Notes") issued by the Company on October 8, 2008, March 19, 2009, April 7, 2009, April 28, 2009, May 21, 2009 and June 25, 2009 and discussed under the caption "Demand Notes" below. In connection with the sale of the 2009 Securities by the Company, the Company and Bristol have also entered into a waiver agreement (the "Waiver Agreement") pursuant to which Bristol waived certain rights with respect to the 2006 Debentures and Bridge Notes.

The conversion price of the 2009 Debentures and the exercise price of the 2009 Warrants are subject to full ratchet anti-dilution adjustment in the event that the Company thereafter issues common stock or common stock equivalents at a price per share less than the conversion price or the exercise price, respectively, and to other normal and customary anti-dilution adjustment upon certain other events. So long as the 2009 Debentures are outstanding, if the Company effects a subsequent financing, the October 2009 Investors may elect, in their sole discretion, to exchange all or some of the October 2009 Debentures (but not the 2009 Warrants) for any securities or units issued in a subsequent financing on a $1.00 for $1.00 basis or to have any particular provisions of the subsequent financing legal documents apply to the documents utilized for the October 2009 Financing.

The Company also agreed that if it determines to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others, then it shall include the shares of common stock underlying the 2009 Securities on such registration statement. The 2009 Investors have contractually agreed to restrict their ability to convert the 2009 Debentures and exercise the 2009 Warrants and receive shares of our common stock such that the number of shares of the Company common stock held by a 2009 Investor and its affiliates after such conversion or exercise does not exceed 4.9% of the Company's then issued and outstanding shares of common stock.

During 2010, 2009 Investors converted $1,335,000 of the principal amount of 2009 Debentures for 26,700,000 shares of the Company's common stock. During 2011, 2009 Investors converted $610,000 of the principal amount of 2009 Debentures for 12,200,000 shares of the Company's common stock. Accordingly, at December 31, 2012, $55,000 in aggregate principal amount of 2009 Debentures remained outstanding. In addition, as of December 31, 2012, 93,125,000 of the 2009 Class A Warrants and 118,875,000 of the 2009 Class B Warrants remained outstanding.

On June 1, 2011, the Company entered into a financing arrangement with several accredited investors (the "June 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $500,000 (the "June 2011 Financing"). In connection with the June 2011 Financing, the Company issued the following securities to the June 2011 Investors:

- 12% Convertible Debentures in the principal amount of $500,000 due April 15, 2012, convertible into shares of the Company's common stock at a per share conversion price equal to $0.10 per share; and
- Warrants to purchase 5,000,000 of shares of the Company's common stock. The warrants are exercisable, on a cash or cashless basis, for up to two years from the date of issue at a per share exercise price equal to $0.15.

In November, 2011, the Company entered into a financing arrangement with several accredited investors (the "November 2011 Investors"), pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the "November 2011 Financing"). In connection with the November 2011 Financing, the Company issued the following securities to the November 2011 Investors:

- 8% Convertible Debentures in the principal amount of $275,000 due in two years, convertible into shares of the Company's common stock at a per share conversion price equal to $0.05 per share; and
- Warrants to purchase 5,500,000 of shares of the Company's common stock. The Class A Warrants and Class B Warrants (collectively, the "Warrants") are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In March, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $617,500 (the “March 2012 Financing”). In connection with the March 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $617,500 due in two years, convertible into shares of the Company’s common stock at a per share conversion price equal to $0.05 per share; and
- Warrants to purchase 12,350,000 of shares of the Company’s common stock. The Class A Warrants and Class B Warrants (collectively, the “ March 2012 Warrants”) are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

In April 2012, the Company agreed to an adjustment as negotiated to enable inducement of further financing of the Company. Pursuant to the anti-dilution provisions in the convertible instruments, the conversion price of certain convertible instruments is now $0.01 (with the exception of the conversion price of the October 2006 Debenture which is already priced at the lesser of $0.01 and 60% of the average of the lowest three trading prices occurring at any time during the 20 trading days preceding conversion).

In May, 2012, the Company entered into a financing arrangement with several accredited investors pursuant to which it sold various securities in consideration of a maximum aggregate purchase price of $275,000 (the “May 2012 Financing”). In connection with the May 2012 Financing, the Company issued the following securities to the investors:

- 8% Convertible Debentures in the principal amount of $275,000 due May 2014, convertible into shares of the Company’s common stock at a per share conversion price equal to $0.05 per share; and
- Warrants to purchase 5,500,000 of shares of the Company’s common stock. The Class A Warrants and Class B Warrants (collectively, the “ May 2012 Warrants”) are exercisable for up to five years from the date of issue at a per share exercise price equal to $0.0625 and $0.075 for the Class A Warrants and the Class B Warrants, respectively, on a cash or cashless basis.

On August 8, 2012, a Settlement Agreement and Mutual General Release ("Agreement") was made by and between OXIS and Bristol Investment Fund, Ltd., in order to settle certain claims regarding certain convertible debentures held by Bristol.

Pursuant to the Agreement, OXIS shall pay Bristol (half of which payment would redound to Merit Capital Limited (“Merit”)) a total of $1,119,778 as payment in full for the losses suffered and all costs incurred by Bristol in connection with the Transaction. Payment of such $1,119,778 shall be made as follows: OXIS shall issue restricted common stock to each of Bristol and Merit, in an amount such that each Bristol and Merit shall hold no more than 9.99% of the outstanding shares of OXIS (including any shares that each may hold as of the date of issuance). The shares so issued represent $417,475.65 of the $1,119,778 payment (27,831,710 shares at $0.015 per share, of which 9,168,750 will be retained by Bristol and 18,662,960 will be issued to Merit). The remaining balance of the payment shall be made in the form of two convertible promissory notes in the respective amounts of $422,357.75 for Bristol and $279,944.60 for Merit (collectively, the “Notes”) with a maturity of December 1, 2017 having an 8% annual interest rate, with interest only accruing until January 1, 2013, and then level payments of $3,750 each beginning January 1, 2013 until paid in full on December 1, 2017. In the event a default in the monthly payments on the Notes has occurred and is continuing each holder of the Notes shall be permitted to convert the unpaid principal and interest of the Notes into shares of OXIS at $.01 cents per share. In the absence of such continuing default no conversion of the Notes will be permitted. OXIS will have the right to repay the Notes in full at any time without penalty.

Effective April, 2013 the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $75,000.

In October and November, 2013, the Company entered into a securities purchase agreement with four accredited investors to sell 10% convertible debentures with an initial principal balance of $172,000 and warrants to acquire up to 24,571,429 shares of the Company's common stock at an exercise price of $0.01 per share.

In December, 2013, the Company entered into a convertible demand promissory note with an initial principal balance of $189,662 convertible at $.007 per share and warrants to acquire up to 27,094,571 shares of the Company's common stock at an exercise price of $0.01 per share.

Demand Notes

On May 15, 2009, the Company entered into a convertible demand promissory note with Bristol Capital, LLC for certain consulting services totaling $100,000. The note does not provide for any interest and is due upon demand by the holder. The note has been converted into common stock of the Company.

On June 22, 2009, the Company entered into a convertible demand promissory note with Theorem Group ("Theorem") pursuant to which Theorem purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the " 2009 Theorem Note"). The 2009 Theorem Note was subsequently sold as described below.

Simultaneously with the issuance of the 2009 Theorem Note, the Company issued Theorem a seven-year warrant (the "2009 Theorem Warrant") to purchase 3,137,500 shares of common stock of the Company at a price equal to the lower of (i) $0.01 and (ii) 60% of the average of the three (3) lowest trading prices occurring at any time during the 20 trading days preceding the issue date of the Theorem Note (the "Exercise Price"). The 2009 Theorem Warrant may be exercised on a cashless basis if the shares of common stock underlying the 2009 Theorem Warrant are not then registered pursuant to an effective registration statement. In the event the 2009 Theorem Warrant is exercised on a cashless basis, we will not receive any proceeds.

On December 1, 2009, Theorem sold the 2009 Theorem Note to Net Capital Partners, Inc. ("Net Capital"). In December 2009, Net Capital converted $24,000 of the principal for 2,400,000 shares of the Company's common stock. In January 2010, Net Capital converted the remaining $7,375 of principal amount for an additional 737,500 shares of the Company's common stock.

On February 7, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "February 2011 Bristol Note"). The February 2011 Bristol Note is convertible into shares of common stock of the Company at a price equal to $0.05 per share.

Simultaneously with the issuance of the February 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the "February 2011 Bristol Series A Warrants") to purchase 313,750 shares of the Company's common stock at a per share exercise price of $0.0625, and a Series B Warrant (the "February 2011 Bristol Series B Warrants" and, together with the February 2011 Bristol Series A Warrants, the "February 2011 Bristol Warrants") to purchase 313,750 shares of the Company's common stock at a per share exercise price of $0.075. The February 2011 Warrants are exercisable for up to seven years from the date of issue. The February 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Bristol Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On February 7, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "February 2011 Net Capital Note"). The February 2011 Net Capital Note is convertible into shares of common stock of the Company at a price equal to $0.05 per share. As of September, 2012, the February 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the February 2011 Net Capital Note, the Company issued Net Capital a Series A Warrant (the "February 2011 Net Capital Series A Warrants") to purchase 313,750 shares of the Company's common stock at a per share exercise price of $0.0625, and a Series B Warrant (the "February 2011 Net Capital Series B Warrants" and, together with the February 2011 Net Capital Series A Warrants, the "February 2011 Net Capital Warrants") to purchase 313,750 shares of the Company's common stock at a per share exercise price of $0.075. The February 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The February 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the February 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the February 2011 Net Capital Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On March 4, 2011 the Company entered into a convertible demand promissory note with Bristol pursuant to which Bristol purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "March 2011 Bristol Note"). The March 2011 Bristol Note is convertible at the option of the holder at any time into shares of common stock, at a price equal to $0.05.

Simultaneously with the issuance of the March 2011 Bristol Note, the Company issued Bristol a Series A Warrant (the "March 2011 Bristol Series A Warrants") to purchase 313,750 shares of the Company's common stock at a per share exercise price of $0.0625, and a Series B Warrant (the "March 2011 Bristol Series B Warrants" and, together with the March 2011 Bristol Series A Warrants, (the "March 2011 Bristol Warrants") to purchase 313,750 shares of the Company's common stock at a per share exercise price of $0.075. The March 2011 Warrants are exercisable for up to seven years from the date of issue. The March 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the March 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the March 2011 Warrants are exercised on a cashless basis, the Company will not receive any proceeds.

On April 4, 2011 the Company entered into a convertible demand promissory note with Net Capital pursuant to which Net Capital purchased an aggregate principal amount of $31,375 of convertible demand promissory notes for an aggregate purchase price of $25,000 (the "April 2011 Net Capital Note"). The April 2011 Net Capital Note is convertible into shares of common stock of the Company, at a price equal to $0.05 per share. As of September, 2012, the April 2011 Net Capital Note had been converted into shares of the Company's common stock.

Simultaneously with the issuance of the Net Capital Note, the Company issued Net Capital a Series A Warrant (the "April 2011 Net Capital Series A Warrants") to purchase 313,750 shares of common stock of the Company at a per share exercise price of $0.0625, and a Series B Warrant (the "April 2011 Net Capital Series B Warrants" and, together with the April 2011 Net Capital Series A Warrants, the "April 2011 Net Capital Warrants") to purchase 313,750 shares of common stock of the Company at a per share exercise price of $0.075. The April 2011 Net Capital Warrants are exercisable for up to seven years from the date of issue. The April 2011 Net Capital Warrants may be exercised on a cashless basis if the shares of common stock underlying the April 2011 Net Capital Warrants are not then registered pursuant to an effective registration statement. In the event the April 2011 Net Capital Warrants are exercised on a cashless basis, we will not receive any proceeds.

On October 26, 2011 the Company entered into a convertible demand promissory note with Theorem pursuant to which Theorem purchased an aggregate principal amount of $200,000 of convertible demand promissory notes for an aggregate purchase price of $157,217 (the “October 2011 Theorem Note”). The October 2011 Theorem Note is convertible into shares of common stock of the Company, at a price equal to $0.05 per share. As of September, 2012, the October 2011 Theorem Capital Note had been converted into shares of the Company’s common stock.

Simultaneously with the issuance of the October 2011 Theorem Note, the Company issued Theorem a Series A Warrant (the “October 2011 Series A Warrant”) to purchase 10,000,000 shares of common stock of the Company at a per share exercise price of $0.0625, and a Series B Warrant (the “October 2011 Series B Warrants” and, together with the October 2011 Series A Warrants, the “October 2011 Warrants”) to purchase 10,000,000 shares of common stock of the Company at a per share exercise price of $0.075. The October 2011 Warrants are exercisable for up to seven years from the date of issue. The October 2011 Warrants may be exercised on a cashless basis if the shares of common stock underlying the October 2011 Warrants are not then registered pursuant to an effective registration statement. In the event the October 2011 Warrants are exercised on a cashless basis, we will not receive any proceeds.

All of the foregoing securities were issued in reliance upon an exemption from the registration requirements pursuant to Section 4(2) of the Securities Act of 1933, as amended.

On December 7, 2012, the Company entered into, and made its initial $315,000 borrowing under, a short-term loan agreement with two lenders pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company’s notes and secured pursuant to a Security Agreement, that is junior to the Company’s existing security arrangements under the Company’s October 26, 2006 Debentures but cover the same assets of the Company.

Interest on the Notes is at the rate of 18% per annum, payable on the first day of each month until maturity on May 1, 2013. On April 1, 2013, the Company was required to pay 25.7143% of the Loan, with the remaining balance due on May 1, 2013.

The full principal amount of the Loans may be due upon default under the terms of the Loan Agreement, the Notes or the Security Agreement.

Under the Loan Agreement, the Company is required to issue 66,666.67 shares of its common stock for each $1,000 of Loans made. Accordingly, on December 7, 2012, the Company issued 21,000,105 shares of its common stock. Assuming the entire amounts of Loans permitted under the Loan Agreement are borrowed, the Company will issue 23,333,334.5 shares in connection with the Loan Agreement.

In March 2013, the Company entered into, and made an additional $35,000 borrowing under, a short-term loan agreement with two lenders the Company entered into in December 2012, pursuant to which it is permitted to borrow up to an aggregate of $350,000. The loans made under the loan agreement are evidence by the Company’s notes and secured pursuant to a Security Agreement, that is junior to the Company’s existing security arrangements under the Company’s October 26, 2006 Debentures but cover the same assets of the Company.

Financing Agreement

On November 8, 2010, the Company entered into a financing arrangement with Gemini Pharmaceuticals, Inc., a product development and manufacturing partner of the Company, pursuant to which Gemini Pharmaceuticals made a $250,000 strategic equity investment in the Company and agreed to make a $750,000 purchase order line of credit facility available to the Company.

The aggregate amount of outstanding Advances available to the Company under the Line of Credit may not exceed $750,000.00 at any time. The credit amounts available to the Company will be tiered, starting at $250,000 and will ramp up to $500,000 and then $750,000 upon achievement of determined milestones. The Advances requested under the Line of Credit may only be used for purchases of products and inventory from Gemini Pharmaceuticals.

The outstanding principal of all Advances under the Line of Credit will bear interest at the rate of interest of prime plus 2 percent per annum.

In partial consideration of the commitment made by Gemini Pharmaceuticals under the Line of Credit, the Company has issued to Gemini, non-callable 5-year warrants to purchase 300,000 additional shares of Common Stock at a share price of $0.12. The warrants contain a cashless exercise provision. The warrants vest as follows: 50% immediately, 25% when the credit line is increased to $500,000, and the remaining 25% when the credit line is increased to $750,000.

Joint Ventures

In March 2011, the Company agreed to form a joint venture with engage:BDR, Inc., an on-line marketing company that offers both premium and placement-specific display marketing solutions and the ability to distribute campaigns through its own display platforms and channels. engage:BDR partners with most of comScore's top 1000 websites (globally) for the most advanced display marketing capabilities. Under the joint venture agreement, engage:BDR will provide a full range of online marketing services to the joint venture, including developing brand strategy, the design of all digital media and interfaces, online media planning and buying, leveraging and integrating social media, and customer analysis.

In March 2012 the Company signed a term sheet with engage:BDR that further evidences its arrangement and that permits both parties to commence operations under the arrangement. The parties contemplate that the existing binding arrangement will be evidenced by a formal limited liability company agreement that the parties are preparing. The following is a summary of the principal provisions of our joint venture arrangement (the “Joint Venture”) with engage:BDR, Inc.:

A. The Company has agreed to grant the Joint Venture an exclusive license for the on-line marketing of products containing EGT™. The first product to be marketed and sold through the Joint Venture shall be OXIS’ ErgoFlex™ product, which product was successfully test marketed in mail offering in late 2010 and early 2011. Additional OXIS products designated by the Company will be offered by the Joint Venture. If both parties agree, third party products may also be offered through the Joint Venture. However, nothing in the Joint Venture is intended to prohibit the Company from marketing, distributing and selling ErgoFlex™ or any of its other current or future products by means other than through online sales.

B. OXIS and engage:BDR have agreed to make the following contributions to the Joint Venture:

(a) OXIS will contribute up to $240,000 during the first year following the formation of the Joint Venture. These funds will be provided if, when and as needed by the Joint Venture. OXIS’ cash capital contribution will be used (i) to purchase ErgoFlex and other products from OXIS, at OXIS’ cost, without any markup, (ii) to purchase website media inventory from engage:BDR, at engage:BDR’s cost, plus a 15% administrative mark-up, and (iii) to fund the Joint Venture’s other operating costs. engage:BDR has agreed to waive the 15% administrative mark-up through December 31, 2012.

(b) In addition to the cash, OXIS' contribution to the Joint Venture includes the exclusive license for the on-line marketing of any products created by OXIS which utilize its proprietary EGT™.

(c) engage:BDR , at its own cost and expense, is designing, developing and providing to the Joint Venture, on a turnkey basis, all online product offering systems and technologies, including website layouts, landing pages, graphic designs, display advertising, rich media, in-banner and in-stream video development. During the initial start-up phase of the Joint Venture, engage:BDR will, at its own cost and expense, also manage all day-to-day online activities of the Joint Venture. Cash from operations in excess of the amounts needed for its operations and for reasonable reserves, shall be distributed by the Joint Venture in the following order:

(a) First, to OXIS on a cumulative basis, an amount equal to the cash that OXIS contributed to the Joint Venture, and

(b) Thereafter, all excess net operating cash will be distributed 50.1% to OXIS and 49.9% to engage:BDR.

C. The administrative affairs of the Joint Venture shall be managed by a committee consisting of one representative of each Joint Venture member.

As additional consideration for engage:BDR entering into the Joint Venture and for contributing its services in designing, developing and implementing the advertising platform, at the time that the Joint Venture operating agreement is signed, OXIS will grant engage:BDR a two-year option to purchase OXIS securities. The option shall entitle engage:BDR to purchase the type of securities sold by us in a future $6,000,000 or more financing, on the same terms and conditions, and at the same price, as such securities are sold to third party investors in such financing. The number of such securities that engage:BDR may purchase upon the exercise of the option (determined by assuming all convertible securities are converted and all exercisable securities are exercised) shall be equal to 4.99% of the Company's common stock issued and outstanding on the date the Joint Venture agreement is signed. If the Company has not raised $6,000,000 by December 31, 2012, commencing on that date, engage:BDR will have a two-year right to purchase OXIS' common stock at a price equal to $.03. OXIS has also agreed to issue to engage:BDR a warrant to purchase up to 5,000,000 shares of its common stock if the Joint Venture, through engage:BDR efforts, attains certain revenue and profits targets. The warrant will have an exercise price of $.03 per share.

On June 29, 2011 the Company entered into a Joint Venture Agreement ("Joint Venture Agreement") with John E. Repine, M.D. ("Dr. Repine"), a member of the Company's advisory board. Under the terms of the Joint Venture Agreement, the Company formed a Delaware limited liability company, Ergo ARDS, LLC (the "ARDS Venture"), in which the Company holds a 60% membership interest and Dr. Repine holds a 40% membership interest. The ARDS Venture was formed to develop, acquire and market dietary supplements, cosmeceutical products, nutraceutical products, medical foods and pharmaceuticals using EGT™ for treating, diagnosing and preventing acute respiratory distress syndrome and other lung disorders (collectively "ARDS").

Concurrently with the execution of the Joint Venture Agreement, Dr. Repine assigned his interest in the patent applications relating to the use of ERGO in treating ARDS (the "Assigned IP") to the ARDS Venture. In consideration for the Assigned Interest, Dr. Repine was issued a 40% membership interest in the ARDS Venture.

OXIS will be responsible for supplying EGT™ to the ARDS Venture at no cost in connection with the ARDS Venture's animal studies. OXIS will also pay all patent prosecution and maintenance costs relating to the Assigned IP. The ARDS Venture is required to make payments to Dr. Repine upon the achievement of certain milestones by the ARDS Venture. Any future payments to Dr. Repine shall be made based on the achievement of following milestones with respect to products to be commercialized using the Assigned IP:

- The ARDS Venture shall pay the following cash amounts to Dr. Repine upon the attainment of the following milestones:

(i) Licensing the Assigned IP to a pharmaceutical company -- $1,000,000;
(ii) Completion of Phase I Clinical Trial -- $250,000;
(iii) Completion of Phase II Clinical Trial -- $1,000,000;
(iv) Completion of pivotal Phase III Clinical Trial -- $1,500,000; and
(v) Receipt of FDA Marketing approval -- $3,000,000

- The ARDS Venture shall pay the following cash amounts to Dr. Repine upon the attainment of the following milestones:

(i) Licensing the Assigned IP to, or entering into a distribution agreement with, a nutraceutical or similar company -- $100,000; and
(ii) Gross sales of products utilizing EGT™ in the field – 5% of annual gross sales by the ARDS Venture or any licensee or distributor (including OXIS).

Following the successful completion of the animal studies, OXIS and Dr. Repine will make a joint decision to commence human clinical trials. If the parties do not agree to proceed, the Joint Venture Agreement will terminate and the intellectual property belonging to the ARDS Venture will be assigned to the party that elected to proceed. In the event both parties agree to not proceed, the ARDS Venture will continue to hold the intellectual property. If the parties agree to proceed, OXIS will use its best efforts to raise $3 million for the ARDS Venture. Once the $3 million in funds have been successfully raised by OXIS, OXIS will no longer be responsible for paying the ARDS Venture’s operating costs, including costs related to the ARDS Venture’s intellectual property.

The ARDS Venture will be managed by Dr. Repine as Manager, who will also serve as the ARDS Venture’s Chief Executive Officer and Treasurer. The ARDS Venture will also have a board of five members, consisting of Dr. Repine and a designee of Dr. Repine, and three designees of OXIS.

4. Stockholders' Equity

Common Stock

Under the Company's Second Amended and Restated Certificate of Incorporation, the Company was authorized to issue a total of 150,000,000 shares of Common Stock.

On January 5, 2011, the Company's Board of Directors approved an amendment to its Second Amended and Restated Certificate of Incorporation to increase the shares of Common Stock that are authorized for issuance by 450,000,000 shares, bringing the total number of common shares authorized for issuance to 600,000,000.

The approval of the Amendment required the consent of no less than at least a majority of the voting power of the Company. Theorem Group, LLC owns, in addition to other of our securities, 25,000 shares of Series H Convertible Preferred Stock. The Certificate of Designation of Preferences, Rights and Limitations of the Series H Convertible Preferred Stock provides that each outstanding share of Series H Convertible Preferred Stock entitles the holder thereof to a number of votes equal to (A) the number of shares of Common Stock that such share of preferred stock could, at such time, be converted into (B) multiplied by 100. The Series H Convertible Preferred Stock is currently convertible into 2,500,000 shares of Common Stock. Accordingly, Theorem Group, LLC has the voting power of 250,000,000 shares, which represents more than a majority of voting power of all of the Company's outstanding voting shares. Theorem Group, LLC approved the Amendment on January 5, 2011 by an action taken by written consent. The amendment was filed with the Delaware Secretary of State in February 2011.

Each share of common stock is entitled to one vote at the Company's annual meeting of stockholders.

During the year ended December 31, 2013 and 2012, the Company issued a total of 25,977,778 and 170,340,575 shares of common stock for debt conversion and accrued interest valued at $251,000 and $1,643,000, respectively.

During the year ended December 31, 2013 and 2012, the Company issued a total of 0 and 47,600,000 shares of common stock for the payment of services valued at $0 and $1,454,000, respectively.

Preferred Stock

The 96,230 shares of Series C preferred stock are convertible into 27,800 shares of the Company's common stock at the option of the holders at any time. The conversion ratio is based on the average closing bid price of the common stock for the fifteen consecutive trading days ending on the date immediately preceding the date notice of conversion is given, but cannot be less than .20 or more than .2889 common shares for each Series C preferred share. The conversion ratio may be adjusted under certain circumstances such as stock splits or stock dividends. The Company has the right to automatically convert the Series C preferred stock into common stock if the Company lists its shares of common stock on the Nasdaq National Market and the average closing bid price of the Company's common stock on the Nasdaq National Market for 15 consecutive trading days exceeds $13.00. Each share of Series C preferred stock is entitled to the number of votes equal to .26 divided by the average closing bid price of the Company's common stock during the fifteen consecutive trading days immediately prior to the date such shares of Series C preferred stock were purchased. In the event of liquidation, the holders of the Series C preferred stock shall participate on an equal basis with the holders of the common stock (as if the Series C preferred stock had converted into common stock) in any distribution of any of the assets or surplus funds of the Company. The holders of Series C preferred stock are entitled to noncumulative dividends if and when declared by the Company's board of directors. No dividends to Series C preferred stockholders were issued or unpaid through December 31, 2013.

On December 4, 2008, the Company entered into and closed an Agreement (the “Bristol Agreement”) with Bristol Investment Fund, Ltd. pursuant to which Bristol agreed to cancel the debt payable by the Company to Bristol in the amount of approximately $20,000 in consideration of the Company issuing Bristol 25,000 shares of Series G Convertible Preferred Stock, which such shares carry a stated value equal to $1.00 per share (the “Series G Stock”).

The Series G Stock is convertible, at any time at the option of the holder, into common shares of the Company based on a conversion price equal to the lesser of $.01 or 60% of the average of the three lowest trading prices occurring at any time during the 20 trading days preceding the conversion. The Series G Stock, as amended, shall have voting rights on an as converted basis multiplied by 100.

In the event of any liquidation or winding up of the Company, the holders of Series G Stock will be entitled to receive, in preference to holders of common stock, an amount equal to the stated value plus interest of 15% per year.

The Series G Stock restricts the ability of the holder to convert the Series G Stock and receive shares of the Company’s common stock such that the number of shares of the Company common stock held by Bristol and its affiliates after such conversion does not exceed 4.9% of the Company’s then issued and outstanding shares of common stock.

The Series G Stock was previously referred to in an 8-K filed by the Company on December 10, 2008 in error as the “Series E Stock”. Further, the Series G Stock initially incorrectly provided that it voted on an as converted basis multiplied by 10. This incorrectly reflected the intent of the Company and the holder.

On October 13, 2009 the Company was informed by Theorem Group, LLC that it had purchased all of the outstanding Series G Preferred Stock and Theorem gave notice to the Company that it intended to exercise its ability to vote on all shareholder matters utilizing the super voting privileges provided by the Series G Stock.

Effective February 10, 2010, the Company issued 25,000 shares of its new Series H Convertible Preferred Stock (the “Series H Preferred”) to Theorem Group, LLC, a California limited liability company (the “Stockholder”), in exchange for the 25,000 shares of Series G Stock then owned by the Stockholder. The foregoing exchange was effected pursuant to that certain Exchange Agreement, dated February 10, 2010, between the Company and the Stockholder (the “Exchange Agreement”).

The Certificate of Designation of the Series H Preferred is based on, and substantially similar to the form and substance of the Certificate of Designation of the Series G Preferred. Some of the corrections, changes and differences between the Certificate of Designation of the Series G Preferred and the Certificate of Designation of the Series H Preferred include the following:

- As previously disclosed, the holder of the Series H Preferred is entitled to vote with the common stock, and is entitled to a number of votes equal to (i) the number of shares of common stock it can convert into (without any restrictions or limitations on such conversion), (ii) multiplied by 100.
- The holder of the Series H Preferred cannot convert such preferred stock into shares of common stock if the holder and its affiliates after such conversion would own more than 9.9% of the Company’s then issued and outstanding shares of common stock.
- The Series G Preferred contained a limitation that the holder of the Series G Preferred could not convert such preferred shares into more than 19.999% of the issued and outstanding shares of common stock without the approval of the stockholders if the rules of the principal market on which the common stock is traded would prohibit such a conversion. Since the rules of the Company’s principal market did not require such a limitation, that provision has been deleted.

On November 8, 2010, Gemini Pharmaceuticals purchased 1,666,667 shares of the Company’s Series I Preferred Stock, $.001 par value, at a price of $0.15 per share ($250,000).

As the holder of the Series I Preferred Stock, Gemini Pharmaceuticals will be entitled to receive, out of funds legally available, dividends in cash at the annual rate of 8.0% of the Preference Amount ($0.15), when, as, and if declared by the Board. No dividends or other distributions shall be made with respect to any shares of junior stock until dividends in the same amount per share on the Series I Preferred Stock shall have been declared and paid or set apart during that fiscal year. Dividends on the Series I Preferred Stock shall not be cumulative and no right shall accrue to the Series I Preferred Stock by reason of the fact that the Company may fail to declare or pay dividends on the Series I Preferred Stock in the amount of the Dividend Rate per share or in any amount in any previous fiscal year of the Company, whether or not the earnings of the Company in that previous fiscal year were sufficient to pay such dividends in whole or in part.

Each share of Series I Preferred Stock shall entitle the holder thereof to such number of votes per share as shall equal the number of shares of Common Stock (rounded to the nearest whole number) into which such share of Series I Preferred Stock is then convertible.

Upon any liquidation of the Company, subject to the rights of any series of Preferred Stock that may from time to time come into existence, before any distribution or payment shall be made to the holders of any Junior Stock, the holders of the shares of Series I Preferred Stock then outstanding shall be entitled to receive and be paid out of the assets of the Company legally available for distribution to its stockholders liquidating distributions in cash or property at its fair market value as determined by the Board in the amount of $0.15 per share (as adjusted for any stock dividends, combinations or splits with respect to such shares).

Shares of Series I Preferred Stock may, at the option of the holder thereof, be converted at any time or from time to time into fully paid and non-assessable shares of Common Stock. The number of shares of Common Stock which a holder of shares of Series I Preferred Stock shall be entitled to receive upon conversion of such shares shall be the product obtained by multiplying the Conversion Rate by the number of shares of Series I Preferred Stock being converted. Initially, the Series I Preferred Stock is convertible into 1,666,667 shares of common stock.

In the event that the per-share Market Price of the Common Stock over a period of 20 consecutive trading days is equal to at least 130% of the initial conversion price (130% of $0.15), all outstanding shares of Series I Preferred Stock shall be converted automatically into the number of shares of Common Stock into which such shares of Series I Preferred Stock are then convertible without any further action by the holders of such shares and whether or not the certificates representing such shares of Series I Preferred Stock are surrendered to the Company or its transfer agent.

Common Stock Warrants

Warrant transactions for the years ended December 31, 2013 and 2012 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2011:	105,001,252	$ 0.06
Granted	613,063,046	0.01
Forfeited	62,300,000	0.01
Exercised	20,000,000	0.01
Outstanding at December 31, 2012:	635,764,298	$ 0.01
Granted	51,666,000	0.01
Forfeited	3,384,616	0.1
Exercised	93,000,000	0.01
Outstanding at December 31, 2013	591,045,682	$ 0.02
Exercisable warrants:		
December 31, 2012	635,764,298	$ 0.01
December 31, 2013	590,895,682	$ 0.02

Stock Options

The Company has reserved 22,500,000 shares of its common stock at December 31, 2013 for issuance under the 2010 Stock Incentive Plan (the “2010 Plan”). The 2010 Plan, approved by stockholders at the 2011 annual meeting, 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. At December 31, 2013, (5,575,684) shares of common stock were available for grant and options to purchase 28,075,684 shares of common stock are outstanding under the 2010 Plan.

The Company has reserved 6,401,412 shares of its common stock at December 31, 2013 for issuance under the 2003 Stock Incentive Plan (the "2003 Plan"). The 2003 Plan, approved by stockholders at the 2003 annual meeting, 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. At December 31, 2013, 5,699,625 shares of common stock were available for grant and options to purchase 701,787 shares of common stock are outstanding under the 2003 Plan.

In addition, the Company has reserved 500,000 shares of its common stock for issuance outside of its stock incentive plans. At December 31, 2013, options to purchase 500,000 shares of common stock are outstanding outside of its stock incentive plans.

The following table summarizes stock option transactions for the years ended December 31, 2013 and 2012:

	Number of Options	**Weighted Average Exercise Price**
Outstanding, December 31, 2011	16,078,979	$ 0.19
Granted	27,984,193	0.04
Exercised	-	
Expired	(3,972,192)	0.17
Outstanding, December 31, 2012	40,090,980	$ 0.07
Granted	-	-
Exercised	-	
Expired	(10,813,509)	0.09
Outstanding, December 31, 2013	29,277,471	$ 0.06
Exercisable Options:		
December 31, 2012	25,843,052	$ 0.09
December 31, 2013	21,903,897	$ 0.05

The weighted-average fair value of options granted was $0 and $2,973,240 in 2013 and 2012, respectively.

The following table summarizes information about all outstanding and exercisable stock options at December 31, 2013:

	Outstanding Options			Exercisable Options	
Range of Exercise Prices	Number of Options	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
$ 0.03 to $0.04	26,359,193	8.17	$ 0.040	18,985,619	$ 0.040
$ 0.05 to $0.09	1,566,491	7.56	0.076	1,566,491	0.076
$ 0.10 to $0.20	727,000	3.41	0.166	727,000	0.166
$ 0.30 to $0.59	624,787	1.90	0.317	624,787	0.317
	29,277,471			21,903,897	

Consulting Agreements

On January 1, 2011, we entered into a consulting agreement with Bristol Capital, LLC whereby Bristol will assist us in general corporate activities including but not limited to strategic and financial planning, management and business operations, final projections and investor relation materials. As compensation for these services, we issued 5,000,000 shares of our common stock. The term of the agreement is for six months unless terminated or extended in accordance with subsequent agreements between the parties.

On January 1, 2011, the Company entered into a consulting agreement with Piter Korompis, whereby Mr. Korompis will assist the company in general corporate activities including but not limited to strategic and financial planning, management and business operations, final projections and investor relation materials. As compensation for these services, the Company will issue 5,000,000 shares of common stock of the Company. The term of the agreement is for six months unless terminated or extended in accordance with subsequent agreements between the parties.

In connection with a joint venture agreement, the Company entered into a consulting agreement with John E. Repine, M.D. on June 28, 2011, whereby Dr. Repine will provide advisory services to OXIS and Ergo ARDS and serve as Ergo ARDS' Chief Executive Officer. OXIS' payments to Dr. Repine under the consulting agreement will be made in shares of OXIS common stock. OXIS agreed to issue shares of Common Stock to Dr. Repine as follows:

- On July 6, 2011 OXIS issued to Dr. Repine 2,777,778 shares of common stock (valued at $250,000) for various services relating to the terms of the consulting agreement;

- OXIS agreed to issue to Dr. Repine additional shares of common stock valued at $50,000 upon completion of the first animal study and Dr. Repine's delivery to Ergo ARDS of a summary presentation of the findings of the study; and

- OXIS agreed to issue Dr. Repine additional shares of common stock valued at $100,000 upon the completion of such second animal study and Dr. Repine's delivery to Ergo ARDS of a summary presentation of the findings of the study.

If the value of these shares decreases at the end of the 6-month period following the date of issuance of such shares, OXIS will be obligated to issue additional shares of common stock to Dr. Repine so that the market value of the shares previously issued to Dr. Repine on that date will equal to $250,000, $50,000 or $100,000, as the case may be.

In March 2012, the Company entered into a consulting agreement with Dr. Tony Nakhla. Dr. Nakhla is a Board Certified Dermatologist, Dermatologic Surgeon, Medical Director of OC Skin Institute, and author of “The Skin Commandments: 10 Rules to Healthy, Beautiful Skin.” The Company has engaged Dr. Nakhla to, among other things, (i) assist the Company in the development of new line of skin care products that incorporate EGT™, (ii) assist the Company in developing a marketing strategy for our new skin care products, (iii) act as a principal spokesperson for the Company’s skin care products and as the exclusive medical spokesperson for skin care products, and (iv) in general raise public awareness about EGT™ and its health benefits. It is the Company’s goal to jointly develop a line of skin care products with Dr. Nakhla, which skin care products contain ERGO and that are either branded with Dr. Nakhla or that are otherwise endorsed by him. The Company has agreed to give Dr. Nakhla a percentage of net profits, if any, that the Company generates from skin care products that the Company develops through his services and that bear his name in the label, or contain an endorsement from him on the product, on its packaging, or in any of the marketing materials. In addition, as a further incentive, the Company has also agreed to grant Dr. Nakhla warrants to purchase up to 4,000,000 shares of our common stock. The warrant will have an exercise price of $0.02, and a term of ten years. The warrant will vest over a period of 36 months (as to 111,111 shares on the last day of each calendar month, and as to 111,115 on the last day of the 36th month) commencing with March 2012, provided that Dr. Nakhla is still providing services to the Company under the consulting agreement at the end of each such calendar month.

5. Income Taxes

Deferred Taxes

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and operating losses and tax credit carryforwards. The significant components of net deferred income tax assets for the Company are:

	December 31,	
	2013	**2012**
Deferred tax assets:		
Federal net operating loss carryforward	$ 13,732,222	$ 13,493,553
Other	696,043	538,936
Patent amortization	(7,007)	(7,707)
Deferred tax assets before valuation	14,421,258	14,024,782
Valuation allowance	(14,421,258)	(14,024,782)
Net deferred income tax assets	$ —	$ —

Generally accepted accounting principles requires that the tax benefit of net operating losses, temporary differences and credit carryforwards be recorded as an asset to the extent that management assesses that realization is “more likely than not.” Realization of the future tax benefits is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. Because of the Company's history of operating losses, management has provided a valuation allowance equal to its net deferred tax assets.

Tax Carryforward

At December 31, 2013, the Company had net operating loss carryforwards of approximately $31,935,000 to reduce United States federal taxable income in future years. These carryforwards expire through 2033. A reconciliation of the difference between the expected income tax rate using the statutory federal rate and the Company's effective rate is as follows:

	Year Ended December 31,	
	2013	**2012**
U.S. Federal Income Tax statutory rate	34%	34%
State income taxes	5%	$ 5%
Valuation allowance	(35)%	(35)%
Other	(4)%	(4)%
Effective tax rate	0%	$ 0%

6. Subsequent Events

In January, 2014, the Company entered into a securities purchase agreement with one accredited investor to sell 10% convertible debentures with an initial principal balance of $50,000 and warrants to acquire up to 7,142,857 shares of the Company's common stock at an exercise price of $0.01 per share.

In April, 2014, the Company entered into a securities purchase agreement with three accredited investors to sell 10% convertible debentures with an initial principal balance of $49,000 and warrants to acquire up to 5,571,429 shares of the Company's common stock at an exercise price of $0.01 per share.

Effective July 24, 2014, the Company entered into a securities purchase agreement with ten accredited investors to sell 10% convertible debentures with an initial principal balance of $1,250,000 and warrants to acquire up to 178,571,429 shares of the Company's common stock at an exercise price of $0.01 per share.

Also effective July 24, 2014, the Company sold to Kenneth Eaton, the Company's Chief Executive Officer, a $175,000 debenture as payment in full for all accrued and unpaid salary and fees owed to Mr. Eaton.

Effective July 25, 2014, Anshuman Dube and David Saloff resigned from their positions as members of the Board of Directors.

Also effective July 25, 2014, Anthony Cataldo was appointed to the Board as a new director and serves as the Chairman of the Board of Directors. Mr. Cataldo previously served as a director and as the Company's Chief Executive Officer from March 2009 to August 2011.

Oxis Biotech, Inc., a wholly owned subsidiary, was formed on September 26, 2014, for the purpose of addressing a business opportunity in the form of cannabinoids and their impact on several types of diseases.

On September 29, 2014, Steven Weldon was elected a member of the Board of Directors of the Company and on November 3, 2014, was appointed the Chief Financial Officer and Chief Accounting Officer of the Company. The Company has entered into an employment agreement with Mr. Weldon. Pursuant to the agreement, Mr. Weldon receives an annual salary of $108,000, bonuses as determined by the Board of Directors, and an award of 10,000,000 shares of common stock which vests over two years. The term of employment under the agreement is for two years with a year to year renewal option thereafter.

In October 2014, the Company, issued two convertible debentures to two separate investors, each in the face amount of $500,000. The Company also issued a third convertible debenture to a third investor in the face amount of $250,000 for total investment proceeds to the Company of $1,250,000. Each debenture accrues interest at the rate of 10% per annum. The debentures are convertible into common shares of the Company at the rate of $0.0125 per share. Each debenture recipient also received warrants for the purchase common shares of the Company at the exercise price of $0.02 per share. The two investors acquiring the $500,000 debentures each received warrants to purchase up to 40,000,000 common shares. The investor who acquired the $250,000 debenture received warrants to purchase up to 20,000,000 common shares.

On November 19, 2014, Kenneth Eaton resigned his positions as Chief Executive Officer and Board member. On the same day, the Board of Directors elected Anthony J. Cataldo as the Company's new Chief Executive Officer, in which capacity he will serve concurrently with his position of Board Chairman. Also the same day, Steven Weldon was elected President, in which position he will serve concurrently with his position as Chief Financial Officer.

Oxis International, Inc. has engaged Gulfstream Business Group to provide public relations/investor relations services to Oxis for a six month period beginning on November 1, 2014. The scope of the engagement includes providing exposure and communications of Oxis corporate plans and developments to current and potential investors.

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into by and between OXIS International Inc. (the "Company") and Anthony J Cataldo ("Executive") as of July 1, 2014 (the "Effective Date").

WHEREAS, the EMPLOYER is desirous of employing Executive, and Executive wishes to be employed by EMPLOYER in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND PROMISES AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Position and Duties: Executive shall be employed by the Company as it's Chief Executive Officer ("CEO") reporting to the Company's Board of Directors. CEO agrees to devote the necessary business time, energy and skill to his duties at the Company, and will be permitted engage in outside consulting and/or employment provided said services do not interfere with Executive's obligations to Company under the terms of this Agreement. Executive agrees to advise the Board of any outside Services, and further agrees that the Company's Board of Directors shall make the sole determination of whether a proposed consulting or employment activity would interfere with Executive's obligations under this Agreement. These duties of Executive under this Agreement shall include all those duties customarily performed by a CEO as well as providing advice and consultation on general corporate matters, particularly related to shareholder and investor relations, assisting the Company with respect to raising equity and other financing for the Company, and other projects as may be assigned by the Company's Board of Directors on an as needed basis. During the term of Executive's employment, Executive shall be permitted to serve on boards of directors of for-profit or not-for-profit entities provided such service does not adversely affect the performance of Executive's duties to the Company under this Agreement, and are not in conflict with the interests of the Company.

In addition to Executive's appointment as Chief Executive Officer of the Company, Executive shall be nominated to stand for election to the Board of Directors at the next scheduled shareholders meeting. As a member of the Company's Board, Executive shall continue to be subject to the provisions of the Company's bylaws and all applicable general corporation laws relative to his position on the Board. In addition to the Company's bylaws, as a member of the Board, Executive shall also be subject to the statement of powers, both specific and general, set forth in the Company's Articles of Incorporation.

2. Term of Employment: This Agreement shall remain in effect for a period of three years from the Effective Date, and thereafter will automatically renew for successive one year periods unless either party provides ninety days' prior notice of termination. In the event the Company elects to terminate the Agreement, such termination shall be considered to be an Involuntary Termination, and Executive shall be provided benefits as provided in this Agreement. Upon the termination of Executive's employment for any reason, neither Executive nor Company shall have any further obligation or liability under this Agreement to the other, except as set forth below.

3. Compensation: Executive shall be compensated by the Company for his services as follows:

(a) Base Salary: CEO, Executive shall be paid a monthly Base Salary of $18,000.00 per month ($216,000.00 on an annualized basis), of which $6,000.00 will be accrued, monthly and converted to shares at $0.01. This accrual will be reviewed periodically by the board of directors as the company’s cash position improves. The monthly cash payment will be subject to applicable withholding, in accordance with the Company's normal payroll procedures. Executive's salary shall be reviewed on at least an annual basis and may be adjusted as appropriate, but in no event shall it be less. In the event of such an adjustment, that amount shall become Executive's Base Salary. Furthermore, during the term of this Agreement, in no event shall Executive's compensation be less than any other officer or employee of the Company or any subsidiary.

(b) Benefits: Executive shall have the right, on the same basis as other senior executives of the Company, to participate in and to receive benefits under any of the Company's employee benefit plans, medical insurance, as such plans may be modified from time to time, and provided that in no event shall Executive receive less than (4) four weeks paid vacation per annum and (6) six paid sick/five paid personal days per annum.

(c) Performance Bonus: Executive shall have the opportunity to earn a performance bonus in accordance with the Company's Performance Bonus Plan if in effect; if the Company does not have a Bonus Plan in effect at any given time during the term of this Agreement, then the Company’s Compensation Committee or Board of Directors shall have discretion as to determining bonus compensation for Executive.

(d) Stock and Options: Provided this Agreement is in force and effect, the Company shall grant Executive 5% of the companies fully diluted shares as of the date of the execution of Executives agreement. Further, Executive shall receive an equal amount in stock options (the “Options”) as of July 1st, 2014 that gives Executive the right to exercise options the equivalent of a minimum of 5% percent of the companies fully diluted shares (as of the date of this agreement) of Class A Common Stock (“Common Stock”). The Options will vest over three years with the first year at $0.01 with cashless exercise provisions with one third of the total amount of the options vesting on July 1, 2014, one third at $0.02 on July 1, 2015 and at $0.03 on July 1, 2016. The Company will issue the Options to Executive pursuant to this provision within ten (10) days of the end of its current fiscal year.

Additionally, the Options are subject to a cashless exercise provision whereby these options may be exercised (once vested) by the Executive either anytime up to 5 years from the date of this agreement; or a change in control or termination/resignation. The company's Common Stock will be issuable upon exercise of the Options in accordance with Section (A) below ("Cashless Exercise") or (iii) by a combination of any of the foregoing methods (in accord with Section (A) below), for the number of shares of Common Stock specified in such form (as such exercise number shall be adjusted to reflect any adjustment in the total number of shares of Common Stock issuable to the Executive per the terms of the Options) and the Executive shall thereupon be entitled to receive the number of duly authorized, validly issued, fully paid and nonassessable shares of Common Stock determined as provided herein.

(A) If the Fair Market Value of one share of Common Stock is greater than the exercise price (at the date of calculation as set forth below) and no Registration Statement relating to the shares of Common Stock underlying the Options is in effect, in lieu of exercising the Options for cash, the Executive may elect to receive shares equal to the value (as determined below) of the Option (or the portion thereof being cancelled) by surrender of the Option at the principal office of the Company together with the properly endorsed notice of cashless exercise in which event the Company shall issue to the Executive a number of shares of Common Stock computed using the following formula:

$$X = \frac{Y\,(A-B)}{A}$$

Where X= the number of shares of Common Stock to be issued to the Executive

Y= the number of shares of Common Stock purchasable under the Option or, if only a portion of the Option is being exercised, the portion of the Option being exercised (at the date of such calculation)

A= the Fair Market Value of one share of the Company's Common Stock (at the date of such calculation)

B= Exercise Price (as adjusted to the date of such calculation)

The Company grants Executive cost free piggyback registration rights for the shares underlying the Options and will use its best efforts to first include the options in an existing approved option benefits plan and register the underlying shares in a Form S-8 Registration statement, or thereafter in the next registration statement filed by the Company.

(e) Expenses: Company shall reimburse Executive for reasonable travel, lodging, entertainment and meal expenses incurred in connection the performance of services within this Agreement.

(f) Travel: Executive shall travel as necessary from time to time to satisfy his performance and responsibilities under this Agreement.

4. Effect of Termination of Employment:

(**a) Voluntary Termination, Death or Disability:** In the event of Executive's voluntary termination from employment with the Company, Executive shall be entitled to no compensation or benefits from the Company other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that Executive's employment terminates as a result of his death or disability, Executive shall be entitled to a pro-rata share of the Target Bonus (presuming performance meeting, but not exceeding, target performance goals) in addition to all compensation and benefits earned under Section 3 through the date of termination.

(b) Termination for Cause: If Executive's employment is terminated by the Company for Cause, Executive shall be entitled to no compensation or benefits from the Company other than those earned under Section 3 through the date of his termination and, in the case of each stock option, restricted stock award or other Company stock-based award granted to Executive, the extent to which such awards are vested through the date of his termination. In the event that the Company terminates Executive's employment for Cause, the Company shall provide written notice to Executive of that fact prior to, or concurrently with, the termination of employment. Failure to provide written notice that the Company contends that the termination is for Cause shall constitute a waiver of any contention that the termination was for Cause, and the termination shall be irrebuttably presumed to be an Involuntary Termination.

(c) Involuntary Termination During Change in Control Period: If Executive's employment with the Company terminates as a result of a Change in Control Period Involuntary Termination, then, in addition to any other benefits described in this Agreement, Executive shall receive the following:

(i) all compensation and benefits earned under Section 3 through the date of Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid under the Performance Bonus Plan for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or six (6) months Base Salary, whichever is the greater; and

(iv) reimbursement for the cost of medical, life, disability insurance coverage at a level equivalent to that provided by the Company for a period expiring upon the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Company that new employment has been obtained.

Unless otherwise agreed to by Executive at the time of Involuntary Termination, the amount payable to Executive under subsections (i) through (iii), above, shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(d) Termination Without Cause in the Absence of Change in Control: In the event that Executive's employment terminates as a result of a Non Change in Control Period Involuntary Termination, then Executive shall receive the following benefits:

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid under the Performance Bonus Plan for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive to the end of the term of this Agreement or six (6) months Base Salary, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Company for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Company that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(e) Resignation with Good Reason During Change in Control Period: If Executive resigns his employment with the Company as a result of a Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid under the Performance Bonus Plan for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs ;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or six (6) months Base Salary, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Company for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Company that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the
Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(f) Resignation with Good Reason in the Absence of Change in Control: If Executive resigns his employment with the Company as a result of a Non Change in Control Period Good Reason, then, in addition to any other benefits described in this Agreement, Executive shall receive the following.

(i) all compensation and benefits earned under Section 3 through the date of the Executive's termination of employment;

(ii) a lump sum payment equivalent to the greater of (a) the bonus paid under the Performance Bonus Plan for the year immediately prior to the year in which the Change in Control occurred and (b) the Target Bonus under the Performance Bonus Plan in effect immediately prior to the year in which the Change in Control occurs;

(iii) a lump sum payment equivalent to the remaining Base Salary (as it was in effect immediately prior to the Change in Control) due Executive from the date of Involuntary Termination to the end of the term of this Agreement or six (6) months Base Salary, whichever is the greater; and

(iv) reimbursement for the cost of medical, life and disability insurance coverage at a level equivalent to that provided by the Company for a period of the earlier of: (a) one year; or (b) the time Executive begins alternative employment wherein said insurance coverage is available and offered to Executive. It shall be the obligation of Executive to inform the Company that new employment has been obtained.

Unless otherwise agreed to by Executive, the amount payable to Executive under subsections (i) through (iii) above shall be paid to Executive in a lump sum within thirty (30) days following the
Executive's termination of employment. The amounts payable under subsection (iv) shall be paid monthly during the reimbursement period.

(g) Resignation from Positions: In the event that Executive's employment with the Company is terminated for any reason, on the effective date of the termination Executive shall simultaneously resign from each position he holds on the Board and/or the Board of Directors of any of the Company's affiliated entities and any position Executive holds as an officer of the Company or any of the Company's affiliated entities.

5. Certain Definitions: For the purpose of this Agreement, the following capitalized terms shall have the meanings set forth below:

(a) "Cause" shall mean any of the following occurring on or after the date of this Agreement :

(i) Executive's theft, dishonesty, breach of fiduciary duty for personal profit, or falsification of any employment or Company record;

(ii) Executive's willful violation of any law, rule, or regulation (other than traffic violations, misdemeanors or similar offenses) or final cease-and-desist order, in each case that involves moral turpitude;

(iii) Executive's intentional failure to perform stated duties, provided Executive has not cured such failure following 20 days prior written notice of such failure;

(iv) Executive's improper disclosure of the Company's confidential or proprietary information;

(v) any material breach by Executive of the Company's Code of Professional Conduct, which breach shall be deemed "material" if it results from an intentional act by Executive and has a material detrimental effect on the Company's reputation or business; or

(vi) any material breach by Executive of this Agreement, which breach, if curable, is not cured within thirty (30) days following written notice of such breach from the Company.

(b) "Change in Control" shall mean the occurrence of any of the following events:

(i) the Company is party to a merger or consolidation which results in the holders of the voting securities of the Company outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than fifty percent (50%) of the total combined voting power of the securities entitled to vote generally in the election of directors of the Company or the surviving entity outstanding immediately after such merger of consolidation.

(ii) a change in the composition of the Board occurring within a period of twenty-four (24) consecutive months, as a result of which fewer than a majority of the directors are Incumbent Directors;

(iii) effectiveness of an agreement for the sale, lease or disposition by the Company of all or substantially all of the Company's assets; or

(iv) a liquidation or dissolution of the Company.

(c) "Change in Control Period" shall mean the period commencing on the date sixty (60) days prior to the date of consummation of the Change of Control and ending sixty (60) days following of same date of consummation of the Change of Control.

(d) "Change in Control Period Good Reason" shall mean Executive's resignation for any of the following conditions, first occurring during a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's Base Salary and/or a decrease in Executive's Target Bonus (as a multiple of Executive's Base Salary) under the Performance Bonus Plan or employee benefits other than as part of any across-the-board reduction applying to all senior executives and not resulting in those senior executives receiving lesser benefits than similarly situated executives of an acquirer;

(ii) a material, adverse change in Executive's title, authority, responsibilities, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change.

(iii) a change in the Executive's ability to maintain his principal workplace at multiple or satellite offices;

(iv) any material breach by the Company of any provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(v) any failure of the Company to obtain the assumption of this Agreement by any of the Company's successors or assigns by purchase, merger, consolidation, sale of assets or otherwise.

(vi) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 6 (a)(iii) or (vi), above.

The effective date of any Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Company or the date of notification to the Company of the resignation from employment by the Executive for Change in Control Period Good Reason.

(e) "Non Change in Control Period Good Reason" shall mean the Executive's resignation within six months of any of the following conditions first occurring outside of a Change in Control Period and occurring without Executive's written consent:

(i) a decrease in Executive's total cash compensation opportunity (adding Base Salary and Target Bonus) of greater than ten percent (10%);

(ii) a material, adverse change in Executive's title, authority, responsibilities or duties, as measured against Executive's title, authority, responsibilities or duties immediately prior to such change;

(iii) any material breach by the Company of a provision of this Agreement, which breach is not cured within thirty (30) days following written notice of such breach from Executive;

(iv) any change in the Executive's ability to maintain his principal workplace at multiple or satellite offices;

(v) any purported termination of Executive's employment for "material breach of contract" which is purportedly effected without providing the "cure" period, if applicable, described in Section 6 (a) (iii) or (vi), above.

The effective date of any Non Change in Control Period Involuntary Termination shall be the date of notification to the Executive of the termination of employment by the Company or the date of notification to the Company of the resignation from employment by the Executive for Non Change in Control Period Good Reason.

(f) "Incumbent Directors" shall mean members of the Board who either (a) are members of the Board as of the date hereof, or (b) are elected, or nominated for election, to the Board with the affirmative vote of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board).

(g) "Change in Control Period Involuntary Termination" shall mean during a Change in Control Period the termination by the Company of Executive's employment with the Company for any reason other than Cause, Executive's death or Executive's Disability; or

(h) "Non Change in Control Period Involuntary Termination" shall mean outside a Change in Control Period the termination by the Company of Executive's employment with the Company for any reason other than Cause, Executive's death or Executive's disability.

6. Dispute Resolution: In the event of any dispute or claim relating to or arising out of this Agreement (including, but not limited to, any claims of breach of contract, wrongful termination or age, sex, race or other discrimination), Executive and the Company agree that all such disputes shall be fully addressed and finally resolved by (1) binding arbitration conducted by the American Arbitration Association in New York City, in the State of New York in accordance with its National Employment Dispute Resolution rules or (2) in any federal or state court located in New York, New York. In connection with any such arbitration, the Company shall bear all costs not otherwise born by a plaintiff in a court proceeding. The Company agrees that any decisions of the Arbitration Panel will be binding and enforceable in any state that the Company conducts the operation of its business.

7. Attorneys' Fees: The prevailing party shall be entitled to recover from the losing party its attorneys' fees and costs incurred in any action brought to enforce any right arising out of this Agreement.

8. Restrictive Covenants:

(a) Nondisclosure. During the Term and following termination of the Executive's employment with the Company, Executive shall not divulge, communicate, use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any Confidential Information (as hereinafter defined) pertaining to the business of the Company. Any Confidential Information or data now or hereafter acquired by the Executive with respect to the business of the Company (which shall include, but not be limited to, confidential information concerning the Company's financial condition, prospects, technology, customers, suppliers, methods of doing business and promotion of the Company's products and services) shall be deemed a valuable, special and unique asset of the Company that is received by the Executive in confidence and as a fiduciary. For purposes of this Agreement "Confidential Information" means information disclosed to the Executive or known by the Executive as a consequence of or through his employment by the Company (including information conceived, originated, discovered or developed by the Executive) prior to or after the date hereof and not generally known or in the public domain, about the Company or its business. Notwithstanding the foregoing, nothing herein shall be deemed to restrict the Executive from disclosing Confidential Information to the extent required by law or by any court.

(b) Non-Competition. The Executive shall not, while employed by the Company and for a period of one year following the Date of Termination for Cause, or Resignation without Good Reason, engage or participate, directly or indirectly (whether as an officer, director, employee, partner, consultant, or otherwise), in any business that manufactures, markets or sells products that directly competes with any product of the Company that is significant to the Company's business based on sales and/or profitability of any such product as of the date of termination of Executive's employment with the Company. Nothing herein shall prohibit Executive from being a passive owner of less than 5 % stock of any entity directly engaged in a competing business.

(c) Property Rights; Assignment of Inventions. With respect to information, inventions and discoveries or any interest in any copyright and/or other property right developed, made or conceived of by Executive, either alone or with others, during his employment by Employer arising out of such employment or pertinent to any field of business or research in which, during such employment, Employer is engaged or (if such is known to or ascertainable by Executive) is considering engaging, Executive hereby agrees:

(i) that all such information, inventions and discoveries or any interest in any copyright and/or other property right, whether or not patented or patentable, shall be and remain the exclusive property of the Employer;

(ii) to disclose promptly to an authorized representative of Employer all such information, inventions and discoveries or any copyright and/or other property right and all information in Executive's possession as to possible applications and uses thereof;

(iii) not to file any patent application relating to any such invention or discovery except with the prior written consent of an authorized officer of Employer (other than Executive);

(iv) that Executive hereby waives and releases any and all rights Executive may have in and to such information, inventions and discoveries, and hereby assigns to Executive and/or its nominees all of Executive's right, title and interest in them, and all Executive's right, title and interest in any patent, patent application, copyright or other property right based thereon. Executive hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as his agent and attorney-in-fact to act for him and on his behalf and in his stead to execute and file any document and to do all other lawfully permitted acts to further the prosecution, issuance and enforcement of any such patent, patent application, copyright or other property right with the same force and effect as if executed and delivered by Executive; and

(v) at the request of the Company, and without expense to Executive, to execute such documents and perform such other acts as Employer deems necessary or appropriate, for Employer to obtain patents on such inventions in a jurisdiction or jurisdictions designated by Employer, and to assign to Employer or its designee such inventions and any and all patent applications and patents relating thereto.

9. General:

(a) Successors and Assigns: The provisions of this Agreement shall inure to the benefit of and be binding upon the Company, Executive and each and all of their respective heirs, legal representatives, successors and assigns. The duties, responsibilities and obligations of Executive under this Agreement shall be personal and not assignable or delegable by Executive in any manner whatsoever to any person, corporation, partnership, firm, company, joint venture or other entity. Executive may not assign, transfer, convey, mortgage, pledge or in any other manner encumber the compensation or other benefits to be received by him or any rights which he may have pursuant to the terms and provisions of this Agreement.

(b) Amendments; Waivers: No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Notices: Any notices to be given pursuant to this Agreement by either party may be effected by personal delivery or by overnight delivery with receipt requested. Mailed notices shall be addressed to the parties at the addresses stated below, but each party may change its or his/her address by written notice to the other in accordance with this subsection (c).Mailed notices to Executive shall be addressed as follows:

Anthony J. Cataldo
[ ]
[ ]

Mailed notices to the Company shall be addressed as follows:

CEO
OXIS International Inc..
[ ]
[ ]

(d) Entire Agreement: This Agreement constitutes the entire employment agreement between Executive and the Company regarding the terms and conditions of his employment, with the exception of (a) the agreement described in Section 7 and (b) any stock option, restricted stock or other Company stock-based award agreements between Executive and the Company to the extent not modified by this Agreement. This Agreement (including the documents described in (a) and (b) herein) supersedes all prior negotiations, representations or agreements between Executive and the Company, whether written or oral, concerning Executive's employment by the Company.

(e) Withholding Taxes: All payments made under this Agreement shall be subject to reduction to reflect taxes required to be withheld by law.

(f) Counterparts: This Agreement may be executed by the Company and Executive in counterparts, each of which shall be deemed an original and which together shall constitute one instrument.

(g) Headings: Each and all of the headings contained in this Agreement are for reference purposes only and shall not in any manner whatsoever affect the construction or interpretation of this Agreement or be deemed a part of this Agreement for any purpose whatsoever.

(h) Savings Provision: To the extent that any provision of this Agreement or any paragraph, term, provision, sentence, phrase, clause or word of this Agreement shall be found to be illegal or unenforceable for any reason, such paragraph, term, provision, sentence, phrase, clause or word shall be modified or deleted in such a manner as to make this Agreement, as so modified, legal and enforceable under applicable laws. The remainder of this Agreement shall continue in full force and effect.

(i) Construction: The language of this Agreement and of each and every paragraph, term and provision of this Agreement shall, in all cases, for any and all purposes, and in any and all circumstances whatsoever be construed as a whole, according to its fair meaning, not strictly for or against Executive or the Company, and with no regard whatsoever to the identity or status of any person or persons who drafted all or any portion of this Agreement.

(j) Further Assurances: From time to time, at the Company's request and without further consideration, Executive shall execute and deliver such additional documents and take all such further action as reasonably requested by the Company to be necessary or desirable to make effective, in the most expeditious manner possible, the terms of this Agreement and to provide adequate assurance of Executive's due performance hereunder.

(k) Governing Law: Executive and the Company agree that this Agreement shall be interpreted in accordance with and governed by the laws of the State of New York.

(l) Board Approval: The Company warrants to Executive that the Board of Directors of the Company has ratified and approved the within Agreement, and that the Company will cause the appropriate disclosure filing to be made with the Securities and Exchange Commission in a timely manner.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year written below.

July 1, 2014

____
Anthony J Cataldo, Executive Chairman

July 1, 2014

OXIS International Inc..

By: ______________________________
Kenneth Eaton, CEO

Exhibit 10.3

STEVE WELDON
EXECUTIVE EMPLOYMENT AGREEMENT
AMENDED

This Executive Employment Agreement (this "**Agreement**"), dated January 6, 2015 (the "**Effective Date**"), is made by and between OXIS INTERNATIONAL, INC., a Delaware corporation, its subsidiaries, successors and assigns (the "**Company**"), and STEVE WELDON ("**Executive**").

RECITAL

WHEREAS, the Company wishes to employ Executive, and Executive wishes to accept such offer, on the terms set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the parties agree as follows:

1. Employment

The Company will employ Executive and Executive will accept employment by the Company as the Chief Financial Officer (the "**CFO**"). While serving as CFO of the Company, Executive will have the authority consistent with the terms of this Agreement and as may be granted from time to time by the Company's Chief Executive Officer ("**CEO**") and/or the Company's board of directors (the "**Board**"). Executive shall comply with any conflicts of interest policy and code of conduct as and when adopted in writing by the Company.

2. Attention and Effort

Executive will devote his full professional time, attention and effort to the Company's business and will use his best efforts to serve the interests of the Company during the term of this Agreement; *provided, however,* that Executive may devote reasonable periods of time to engage in other activities that (i) are permitted by the CEO, in his or her sole discretion, (ii) do not interfere with Executive's performance of his duties to the Company hereunder and (iii) do not violate Section 8 hereof. The obligations in this Section 2 shall not prevent Executive from (x) participating in charitable, civic, educational, professional, community or industry affairs or, with prior written approval of the CEO, serving on the board of directors or advisory boards of other companies and (y) managing Executive's and Executive's family's personal investments, in the case of each of clauses (x) and (y), so long as such activities do not materially interfere with the performance of Executive's duties hereunder or create a potential business conflict or the appearance thereof. The prior written approval of the CEO has been provided with respect to those boards of directors that Executive currently serves on as of the Effective Date that are disclosed to Company in writing, pursuant to the provisions of Section 16 herein.

3. Term

Unless otherwise terminated pursuant to Section 6 of this Agreement, Executive's initial term of employment under this Agreement shall continue from the Effective Date and shall expire twenty-four (24) months following the Effective Date (the "**Initial Expiration Date**"); *provided* that such initial term shall automatically renew for consecutive one year periods commencing on the Initial Expiration Date, unless terminated by the Company or Executive upon one hundred twenty (120) days notice prior to the expiration of the then-current term or otherwise in accordance with the terms of this Agreement (such term and all renewals thereof being the "**Term**").

4. Compensation

During the Term (or until Executive's employment is otherwise terminated in accordance with Section 6), the Company agrees to pay or cause to be paid to Executive, and Executive agrees to accept in exchange for the services rendered hereunder by him, the following compensation:

4.1 Base Salary

The Company agrees and acknowledges that Executive is entitled to compensation that includes not less than $168,000.00 as an initial base salary before applicable payroll deductions ("**Annual Base Salary**"). Such Annual Base Salary shall be subject to adjustment by the Board, but in no case shall it be adjusted lower. The Annual Base Salary shall be paid in installments consistent with the Company's normal payroll schedule, subject to applicable withholding and other taxes.

4.2 Performance Bonus

Executive will be eligible to participate in an annual bonus program (the "**Bonus Plan**"), as established and approved by the CEO and the Board for the Company's senior executives based upon the achievement of annual performance goals ("**Annual Performance Goals**") set by Executive and the CEO and/or the Board. Executive's annual performance bonus, if any, shall be paid within thirty (30) days following completion of the Company's audited financial statements for the applicable fiscal year.

4.3 Stock Grants

(a) General Grant. Executive (or an entity controlled by Executive) shall be granted 20,000,000 shares of common stock in the Company (the "**Stock Grant**"), valued at the trading price as of the Effective Date, as consideration for entering into this Agreement and remaining an executive for the entire Term. Such stock shall vest and be delivered to Executive on the following schedule, at his direction, but no earlier than the initial one-third (1/3) vesting and deliverable within thirty (30) days following the Effective Date; the second one-third (1/3) vesting and deliverable within thirty (30) days following the one-year anniversary of the Effective Date, and the final one-third (1/3) vesting and deliverable within thirty (30) days following the two-year anniversary of the Effective Date.

(b) Termination of Employment or Change of Control. Subject to Section 7, if Executive ceases to be employed by the Company, the shares discussed in Section 4.3 (a) shall be forfeited without payment upon the termination date to the extent that such shares rights, after taking into account any accelerated vesting occurring in connection with the termination of employment, have not become vested as of such termination date. Any shares that are forfeited in accordance with this subsection (c) shall be forfeited without payment and Executive shall have no further rights with respect to such forfeited Shares. Upon the occurrence of a "**Change of Control**" (as such term is defined herein) the then-unvested portion of the shares described in Section 4.3 (a) shall become fully vested as long as Executive remains an executive of the Company on the date of such event.

(c) Change of Control. For purposes of this Agreement, Change of Control shall mean:

(i) The acquisition (other than by or from the Company), at any time after the Effective Date, by any person, entity or "group", within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding voting securities entitled to vote generally in the election of directors; or

(ii) Approval by the stockholders of the Company of (A) a reorganization, merger or consolidation with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated company's then outstanding voting securities, (B) a liquidation or dissolution of the Company, or (C) the sale of all or substantially all of the assets of the Company, unless the approved reorganization, merger, consolidation, liquidation, dissolution or sale is subsequently abandoned.

5. Benefits

5.1 General

During the Term, Executive will be entitled to participate, subject to and in accordance with applicable law and eligibility requirements, in retirement plans, welfare plans and fringe benefit programs as shall be provided from time to time by, and on the same basis as other senior executives of, the Company. The Company agrees that Executive's health benefits (including any medical, vision or dental benefits) under the Company's health plans and programs shall continue in uninterrupted coverage from Executive's previous employment with the Company before the Effective Date.

5.2 Paid Time Off

Executive shall be entitled to no fewer than twenty (20) days of paid time off per year, in addition to holidays recognized and observed by Company as paid holidays for regular employees, and Executive may carry over ten (10) days of unused paid time off into the following year. Such paid time off shall accrue in accordance with Company's time off accrual policy as may be modified from time to time at the Company's sole discretion. In calculation of Executive's paid time off, the Company shall base such calculation upon the assumption that Executive's employment commenced on October 13, 2014.

5.3 Expenses

The Company shall pay or reimburse Executive for all ordinary and reasonable out-of-pocket expenses actually incurred or, in the case of reimbursement, actually paid by Executive during the Term of this Agreement in the performance of Executive's services under this Agreement, in accordance with the reimbursement policy implemented by the Company for its executive officers and employees, as applicable; provided that Executive shall submit such expenses in accordance with the policies applicable to senior executives of the Company, generally.

6. Termination

Employment of Executive pursuant to this Agreement may be terminated as follows, but in any case, the provisions of Section 8 hereof shall survive the termination of this Agreement and the termination of Executive's employment hereunder.

6.1 By the Company

The Company may terminate the employment of Executive with or without Cause (as defined in Section 7.6) at any time during the Term upon giving Notice of Termination (as defined below).

6.2 By Executive

Executive may terminate his employment at any time, for any reason, upon giving Notice of Termination.

6.3 Notice

The term "**Notice of Termination** " shall mean at least thirty (30) days' written notice of termination of Executive's employment with the Company, during which period Executive's employment and performance of services will continue; *provided, however,* that the Company may, upon notice to Executive and without reducing Executive's compensation during such period, excuse Executive from any or all of his duties during such period. The effective date of the termination of Executive's employment hereunder shall be the date on which such 30-day period expires.

7. Termination Payments

In the event of termination of the employment of Executive, all compensation and benefits set forth in this Agreement shall terminate except as specifically provided in this Section 7.

7.1 Termination by the Company

(a) If the Company terminates Executive's employment without Cause prior to the expiration of the Term, Executive shall not be entitled to any payments or benefits hereunder except for (i) Executive's accrued and unpaid Annual Base Salary and accrued and unpaid vacation through the date of employment termination (payable the earlier of any required time period under applicable state law or within ten (10) days following termination, reimbursement under this Agreement for expenses incurred prior to the date of such termination (payable in accordance with applicable Company policy), and all accrued and vested benefits in accordance with applicable Company Executive benefit plans in which Executive participates immediately prior to such termination (payable in accordance with the terms of such plans) (all amounts under this clause (i) are the "**Accrued Obligations**"), (ii) Executive's accrued and unpaid bonus, if any, pursuant to the Bonus Plan for the fiscal year ended prior to the date of termination, solely to the extent that the Annual Performance Goals for such year have been achieved ("**Prior Year Bonus**") and (iii) the payment of the Severance Package provided in Section 7.5 below.

(b) If the Company terminates Executive's employment for Cause at any time, Executive shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment, except that Executive shall be entitled to receive the Accrued Obligations and any other earned and vested compensation to which he is entitled under applicable law. This Agreement shall otherwise terminate and there shall be no further rights with respect to Executive hereunder except for the surviving provisions of this Agreement as provided in Section 12.

7.2 Termination by Executive

(a) If Executive terminates his employment for Good Reason (as defined in Section 7.7) prior to the end of the term of this Agreement, Executive shall not be entitled to any payments or benefits hereunder except for (i) the Accrued Obligations, (ii) the Prior Year Bonus, if any, and (iii) the payment of the Severance Package provided in Section 7.5 below.

(b) If Executive terminates Executive's employment without Good Reason prior to the end of the term of this Agreement, Executive shall not be entitled to any payments or benefits hereunder except for (i) the Accrued Obligations and (ii) the Prior Year Bonus, if any. This Agreement shall otherwise terminate upon such termination of employment and Executive shall have no further rights or obligations hereunder except for the surviving provisions of this Agreement as described in Section 12.

7.3 Termination upon Executive's Death or Disability

(a) If Executive dies during the term of this Agreement, the obligations of the Company to or with respect to Executive shall terminate in their entirety except as otherwise provided in this Section 7.3.

(b) If Executive becomes eligible for disability benefits under the Company's long-term disability plans and arrangements (or, if none apply, would have been so eligible under the most recent plan or arrangement) ("**Disability**"), the Company shall have the right, to the extent permitted by law, to terminate the employment of Executive upon at least thirty (30) days' written notice to Executive, *provided* that the Company shall not have the right to terminate Executive's employment if, in the opinion of a qualified physician reasonably acceptable to both parties, it is reasonably certain that Executive will be able to resume his duties on a regular full-time basis within ninety (90) days of the date that the notice of such termination is delivered.

(c) Upon Executive's death or the termination of Executive's employment by virtue of Disability, all of the following shall apply:

(i) Executive, or Executive's estate or beneficiaries in the case of the death of Executive, shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment, except that Executive, or Executive's estate or beneficiaries in the case of the death of Executive, shall be entitled to receive (A) the Accrued Obligations, (B) the Prior Year Bonus, if any, and (C) any death or disability benefit payable to Executive in accordance with applicable Company plans or agreements covering Executive; or an amount equal to six (6) month's Annual Base Salary, whichever is greater, and this Agreement shall otherwise terminate and there shall be no further rights with respect to Executive hereunder except for the surviving provisions of this Agreement as provided in Section 12. The payments to be made in this Section 7.3 shall be in addition to, rather than in lieu of, the entitlement of Executive or his estate to any other insurance or benefit proceeds as a result of his death or disability.

7.4 Expiration of Term

If Executive's employment terminates as a result of the expiration of the term of this Agreement, Executive shall not be entitled to any payments or benefits hereunder except for (a) the Accrued Obligations and (b) the Prior Year bonus, if any.

7.5 Severance Payments

For purposes of this Agreement, the "**Severance Package**" shall consist of the rights set forth in this Section 7.5. Other than as set forth in this Section 7.5, Executive shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment, except that Executive shall be entitled to receive:

(a) The amounts set forth in Section 7.1 (a) or Section 7.2 (a), as the case may be, to the extent applicable (without duplication);

(b) For a period of four (4) months after Executive's employment with the Company is terminated, the continuation of the payment of Executive's Annual Base Salary (as in effect on the effective date of such termination, without regard for any reduction constituting Good Reason) paid in substantially equal installments and at the same intervals as other senior executives of Company are paid;

(c) A bonus for the period beginning on the first day of the fiscal year in which Executive's employment is terminated and ending on the date of such termination (the "**Termination Bonus**"), with such pro-rata amount determined by multiplying (i) the fraction equal to the portion of such fiscal year ending on the date of such termination by (ii) the bonus paid (or to be paid, if as a Prior Year Bonus) to Executive for the fiscal year immediately preceding the year in which termination of employment occurs;

(d) For a period of four (4) months after Executive's employment with the Company is terminated, such continuing health benefits (including any medical, vision or dental benefits), under the Company's health plans and programs applicable to senior executives of the Company generally as Executive would have received under this Agreement (and at such costs to Executive as would have applied) in the absence of such termination (but not taking into account any post-termination increases in Annual Base Salary that may otherwise have occurred without regard to such termination and that may have favorably affected such benefits), it being expressly understood and agreed that nothing in this subsection (d) shall restrict the ability of the Company to amend or terminate such plans and programs from time to time in its sole discretion; *provided, however,* that the Company shall in no event be required to provide such coverage after such time as Executive becomes entitled to receive comparable or more favorable health benefits from another employer or recipient of Executive's services (and *provided, further,* that such entitlement shall be determined without regard to any individual waivers or other arrangements);

(e) The accelerated vesting of Executive's shares described in Section 4.3 (a) for the period of time from the Effective Date and continuing for four (4) months following the date of termination; and

(f) Except as provided herein, this Agreement shall otherwise terminate upon such termination of employment and Executive shall have no further rights hereunder except for surviving provisions of this Agreement as provided in Section 12.

7.6 Cause

Wherever reference is made in this Agreement to termination being with or without Cause, "**Cause**" shall include, but not be limited to, the occurrence of one or more of the following events:

(a) Failure or refusal to substantially perform the lawful duties of Executive described in Section 1 hereof or any reasonable directions of the CEO and/or the Board, which directions are consistent with the duties herein set forth to be performed by Executive after the CEO and/or Board has made a written demand for performance that specifically identifies the manner in which he or she believes that Executive has not substantially performed his duties and Executive, after receipt of such notice and after fifteen (15) days, fails to correct the deficiency indicated in the notice;

(b) Conviction of a crime that is materially injurious to the Company or any of its affiliates or Executives or conviction of any felony, unless such felony would not be a crime under the laws of the state relating to Cannabis;

(c) Gross misconduct by Executive (including, without limitation, substance abuse, violation of the policy regarding sexual harassment, or violation of the Company's code of conduct) that materially injures, monetarily or otherwise, the reputation or business of the Company;

(d) Failure by Executive of a background check required under state law in any state where application is made for Company to obtain a license relative to cannabis; or

(e) Any other material violation of any provision of this Agreement, to the extent that it is not cured within fifteen (15) days after receipt by Executive of notice thereof.

7.7 Good Reason

Wherever reference is made in this Agreement to termination being with or without Good Reason, "**Good Reason**" shall mean, without Executive's prior written consent, the occurrence of any of the following events:

(a) Any material reduction in Executive's position or duties as CFO, to the extent such material reduction is not cured within fifteen (15) days after receipt by the Company of notice thereof;

(b) Any reduction in Executive's Annual Base Salary or bonus opportunity percentages, to the extent such reduction is not cured within fifteen (15) days after receipt by the Company of notice thereof;

(c) The failure of the Company to obtain a satisfactory agreement from any successor to all or substantially all of the assets or business of the Company to assume and agree to perform this Agreement within fifteen (15) days after a merger, consolidation, sale or similar transaction; or

(d) Any material violation of any material provision of this Agreement, to the extent that it is not cured within fifteen (15) days after receipt by the Company of notice thereof.

7.8 Forfeiture or Sale of Non-Vested Stock and Purchase Rights

Subject to the provisions of this Section 7, upon the expiration of the Term of this Agreement, or the termination of Executive's employment with the Company for any reason by the Company, including the Executive's death or disability, the Executive shall forfeit all unvested shares or rights described in Section 4.3 (a) and/or (b).

7.9 General Release of Claims

Notwithstanding anything to the contrary contained herein, Executive's receipt of any payments or benefits under this Section 7 (other than the Accrued Obligations) shall be subject to the execution by Executive of a general release of claims substantially in the form set forth on Exhibit A attached hereto and the non-revocation of such release by Executive pursuant to any revocation rights afforded by applicable law.

8. Protection of Trade Secrets and Confidential Information

8.1 Definition of Confidential Information

(a) "**Confidential Information**" means all nonpublic information (whether in paper or electronic form, or contained in Executive's memory, or otherwise stored or recorded) relating to or arising from Company's business, including, without limitation, trade secrets and/or proprietary information used, developed or acquired by Company in connection with its business. Without limiting the generality of the foregoing, "Confidential Information" shall specifically include: (i) all information concerning the manner and details of Company's operation, organization and management, joint ventures and strategic alliances; (ii) all development or design information relating to products of the Company or relating to products under development or planned by the Company or on its behalf, including, but not limited to, the information contained in formulae, recipes, schematics and drawings, parts designed by the Company or on its behalf, descriptions of product problems or limitations, technical and scientific information, information relating to key research and development areas, consulting source's documents, appraisals, reports, notes and correspondence, descriptions of product development efforts, whether successful or not, flow charts, and source code listings; (iii) all manufacturing information of existing products and products or projects under development or planned by the Company or on its behalf including, but not limited to, materials sources, vendors, subcontractors, costs, and manufacturing and purchasing sources; (iv) all business, marketing and financial information of the Company including but not limited to research and development strategies, employee responsibilities other than generic titles, development schedules, business forecasts, client and customer lists, past, present and future financial information about the Company or its joint ventures, strategic alliances, consultant and subcontractor identities and capabilities, materials and component supplies, and Company opportunity lists or items; (v) all other information which is or may be subject to trade secret, copyright, mask, or other proprietary protection whether or not registration has been sought for such; (vi) all information relative to patents either issued, pending, or contemplated by the Company; (vii) documents and nonpublic policies, procedures and other printed, written or electronic material generated or used in connection with Company's business; (viii) the identities of Company's customers and the specific individual customer representatives with whom Company works; (ix) the details of Company's relationship with such customers and customer representatives; (x) the identities of distributors, contractors, subcontractors and vendors utilized in Company's business; (xi) the details of Company's relationships with such distributors, contractors, subcontractors and vendors; (xii) the nature of fees and charges made to Company's customers; (xiii) nonpublic forms, contracts and other documents used in Company's business; (xiv) all information concerning Company's employees, agents, contractors and subcontractors including without limitation such persons' or entities' compensation, benefits, skills, abilities, experience, knowledge and shortcomings, if any; (xv) the nature and content of computer software used in Company's business, whether proprietary to Company or used by Company under license from a third party; (xvi) any proposed or existing land acquisitions, building and development projects, cost sheets, plans, or construction methods; and (xvii) all other information concerning Company's concepts, prospects, customers, employees, agents, contractors, subcontractors, earnings, products, services, equipment, systems, and/or prospective and executed contracts and other business arrangements. "Confidential Information" does not include information that is in the public domain through no wrongful act on the part of Executive.

(b) Executive's Use of Confidential Information. Except in connection with and in furtherance of Executive's work on Company's behalf, Executive shall not, without Company's prior written consent, at any time, directly or indirectly: (i) use any Confidential Information for any purpose; (ii) disclose or otherwise communicate any Confidential Information to any person or entity; or (iii) accept or participate in any employment, consulting engagement or other business opportunity that inevitably will result in the disclosure or use of any Confidential Information.

(c) Acknowledgement. Executive acknowledges that during his engagement with Company, Executive will have access to Confidential Information, all of which shall be made accessible to Executive only in strict confidence; that unauthorized disclosure of Confidential Information will damage Company's business; that Confidential Information would be susceptible to immediate competitive application by a competitor of Company's; that Company's business is substantially dependent on access to and the continuing secrecy of Confidential Information; that Confidential Information is novel, unique to Company and known only to Executive, Company and certain key employees and contractors of Company; that Company shall at all times retain ownership and control of all Confidential Information; and that the restrictions contained in this Agreement are reasonable and necessary for the protection of Company's legitimate business interests.

(d) Records Containing Confidential Information. "**Confidential Records**" means all documents and other records, whether in paper, electronic or other form, that contain or reflect any Confidential Information. All Confidential Records prepared by or provided to Executive are and shall remain Company's property. Except with Company's prior written consent, Executive shall not, at any time, directly or indirectly: (i) copy or use any Confidential Record for any purpose not relating directly to Executive's work on Company's behalf; or (ii) show, give, sell, disclose or otherwise communicate any Confidential Record or the contents of any Confidential Record to any person or entity other than Company or a person or entity authorized by Company to have access to the Confidential Record in question. Upon the termination of Executive's engagement with Company, or upon Company's request, Executive shall immediately deliver to Company or its designee (and shall not keep in Executive's possession or deliver to any other person or entity) all Confidential Records and all other Company property in Executive's possession or control. Executive understands and agrees that compliance with this subsection (d) may require that data be removed from Executive's personal computer equipment. Consequently, upon reasonable prior notice, Executive agrees to permit the qualified personnel of Company and/or its contractors access to such computer equipment for that purpose. This Agreement shall not prohibit Executive from complying with any subpoena or court order, provided that Executive shall at the earliest practicable date provide a copy of the subpoena or court order to Company's CEO or other designee, it being the parties' intention to give Company a fair opportunity to take appropriate steps to prevent the unnecessary and/or improper use or disclosure of Confidential Information and Confidential Records, as determined by Company in its sole discretion.

(e) Third Parties' Confidential Information. Executive acknowledges that Company has received and in the future will receive from third parties confidential or proprietary information, and that Company must maintain the confidentiality of such information and use it only for authorized purposes. Executive shall not use or disclose any such information except as authorized by Company or the third party to whom the information belongs.

(f) Executive's Former Employers' Confidential Information. Executive acknowledges and agrees that Executive is not a party to any agreement that limits Executive's right or ability to perform services for Company, except as disclosed in a writing delivered to Company contemporaneous with the execution and delivery of this Agreement and that Executive otherwise is free to assume the duties with Company contemplated by this Agreement. Executive shall not, during Executive's engagement with Company, improperly use or disclose to Company or any Company employee, agent or contractor any proprietary information or trade secret belonging to any former customer or employer of Executive or any other person or entity to which Executive owes a duty of nondisclosure.

9. Assignment of Inventions

9.1 Executive hereby agrees to assign to Company all interest in all ideas, work, work product, and inventions, whether patentable or not, made or conceived by Executive, solely or jointly with others during the term of this Agreement with Company, except for any idea or invention for which no equipment, supplies, facility, Confidential Information, or trade secret information of the Company was used and which was developed entirely on Executive's own time, and

(a) which does not relate either to the business of Company or Company's clients, or to Company's or Company's client's actual or demonstrably anticipated research or development, or

(b) which does not result from any work performed by Executive for Company.

All ideas and inventions assigned under this Agreement are hereinafter referred to as "**Assigned Inventions**".

9.2 Executive hereby agrees to disclose all Assigned Inventions in writing to Company, to assist Company in preparing patent applications for Assigned Inventions, and to execute said applications and all documents required to obtain patents for those inventions and to vest title thereto to Company, all at Company's expense, but for no consideration to Executive in addition to Executive's compensation as set forth in this Agreement. If Company requires Executive's assistance under this Section after this Agreement has terminated, Executive will be compensated for Executive's time actually spent in providing that assistance at an hourly rate equivalent to that which was paid under terms of this Agreement.

9.3 Executive acknowledges that all original works of authorship which are made by Executive (solely or jointly with others), within the scope of Executive's work for Company and which are protectable by copyright, are "works made for hire", as that term is defined in the U. S. Copyright Act (17 USCA, Section 101).

9.4 Executive agrees that upon request or upon termination of this Agreement, it will deliver to Company any and all data, drawings, notes, documents, and materials received from Company or originating from the Executive's services.

9.5 Company shall have the sole right to determine the treatment of information received from Executive, including the right to keep the same a trade secret, to use and disclose the same without prior patent application, to file and prosecute United States and foreign applications thereon, to file copyright registrations in its own name, or to follow any other procedure which Company may deem appropriate.

10. Non Solicitation

During Executive's work for Company and for a period of twelve (12) months after termination of that work, Executive shall not, without Company's prior written consent, directly or indirectly:

10.1 cause or attempt to cause any employee, agent or contractor of Company or any Company affiliate to terminate his or her employment, agency or contractor relationship with Company or any affiliate; or interfere or attempt to interfere with the relationship between Company and any employee, agent or contractor; or hire or attempt to hire any employee, agent or contractor of Company, or affiliate; or conduct business of any kind with any Company employee, agent or contractor; or

10.2 solicit business from or conduct business with any customer or client served by Company at any point during Executive's work for Company; or solicit business from or conduct any business with any person or entity that was, during Executive's work for Company, solicited or identified as a business prospect by Executive or any other Company employee, agent or contractor; or interfere or attempt to interfere with any transaction, agreement, prospective agreement, business opportunity or business relationship in which Company or any affiliate was involved at any point during Executive's work for Company.

11. Covenant of Non-Disparagement

Executive shall not make any oral or written statement (including via any Internet blog, social network or other media outlet) that disparages or reflects negatively upon the Company or its clients, including, without limitation, statements concerning work performance, business practices or personnel decisions, unless required by applicable law. Executive covenants never to harass or behave unprofessionally toward any past, present or future Company customer, employee, officer, manager or director.

12. Survival

Executive's obligations under Sections 8, 9, 10 and 11 of this Agreement shall survive the termination of this Agreement and shall thereafter be enforceable whether or not such termination is claimed or found to be wrongful or to constitute or result in a breach of any contract or of any other duty owed or claimed to be owed to Executive by Company or any Company employee, agent or contractor.

13. Remedies

Executive acknowledges that if Executive breaches any obligation under Sections 8, 9, 10 and/or 11 of this Agreement, Company or its client will suffer immediate and irreparable harm and damage for which money alone cannot fully compensate Company or its client. Executive therefore agrees that upon such breach or threatened breach of any such obligation, Company or its client shall be entitled to a temporary restraining order, preliminary injunction, permanent injunction or other injunctive relief, without posting any bond or other security, compelling Executive to comply with any or all such provisions. This Section shall not be construed as an election of any remedy, or as a waiver of any right available to Company or its client under this Agreement or the law, including the right to seek damages from Executive for a breach of any provision of this Agreement, nor shall this Section be construed to limit the rights or remedies available under applicable law for any violation of any provision of this Agreement.

14. Disputes

14.1 With respect to all disputes and other matters arising under or in connection with this Agreement, Executive consents to the jurisdiction and venue of all state and federal courts located in the City and County of Tampa, Florida, and Executive irrevocably consents to the jurisdiction of such courts for purposes of all such actions (after the parties have satisfied the mediation and arbitration requirements described in Section 14.2 herein).

14.2 In the event of any controversy or claim arising out of or relating to this Agreement, or a breach thereof, the parties hereto shall first attempt to settle the dispute by mediation. If settlement is not reached within sixty (60) days after service of a written demand for mediation, any unresolved controversy or claim shall be settled by binding arbitration. The number of arbitrators shall be three. The place of arbitration shall be in Tampa, FL. Florida law shall apply. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

14.3 In any action relating to or arising from this Agreement, the substantially prevailing party shall be entitled to recover from the other party or parties all costs and expenses, including reasonable attorneys' fees, incurred by the substantially prevailing party or parties in connection with such arbitration, mediation or other legal proceeding.

15. Representations and Warranties of Executive and Company

In order to induce the Company to enter into this Agreement, Executive represents and warrants to the Company that neither the execution nor the performance of this Agreement by Executive will violate or conflict in any way with any other agreement by which Executive may be bound, or with any other duties imposed upon Executive by statutory or common law.

16. Form of Notice

All notices given hereunder shall be given in writing, shall specifically refer to this Agreement and shall be personally delivered or sent by telecopy, confirmed e-mail or other electronic facsimile transmission or by registered or certified mail, return receipt requested, or overnight courier that may be tracked at the address set forth below or at such other address as may hereafter be designated by notice given in compliance with the terms hereof:

If to Executive:

Mr. Steve Weldon

If to the Company:

OXIS INTERNATIONAL, INC.

Attention: Mr. Anthony Cataldo

With a copy to:

Gary Henrie

If notice is mailed, such notice shall be effective three (3) business days after mailing, or if notice is personally delivered or sent by telecopy, confirmed e-mail or other electronic facsimile transmission, it shall be effective upon receipt.

17. Assignment

This Agreement is personal to Executive and shall not be assignable by Executive. Company may assign its rights hereunder to (a) any company resulting from any merger, consolidation or other reorganization to which the Company is a party or (b) any corporation, partnership, association, company or other person to which the Company may transfer all or substantially all of the assets and business of the Company existing at such time. All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

18. Waivers

No delay or failure by any party hereto in exercising, protecting or enforcing any of its rights, titles, interests or remedies hereunder, and no course of dealing or performance with respect thereto, shall constitute a waiver thereof. The express waiver by a party hereto of any right, title, interest or remedy in a particular instance or circumstance shall not constitute a waiver thereof in any other instance or circumstance. All rights and remedies shall be cumulative and not exclusive of any other rights or remedies.

19. Amendments in Writing

No amendment, modification, waiver, termination or discharge of any provision of this Agreement, nor consent to any departure therefrom by either party hereto, shall in any event be effective unless the same shall be in writing, specifically identifying this Agreement and the provision intended to be amended, modified, waived, terminated or discharged and signed by the Company and Executive, and each such amendment, modification, waiver, termination or discharge shall be effective only in the specific instance and for the specific purpose for which given. No provision of this Agreement shall be varied, contradicted or explained by any oral agreement, course of dealing or performance or any other matter not set forth in an agreement in writing and signed by Company and Executive.

20. Applicable Law

This Agreement shall, in all respects, including all matters of construction, validity and performance, be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to any rules governing conflicts of laws.

21. Severability

If any provision of this Agreement shall be held invalid, illegal or unenforceable in any jurisdiction, for any reason, including, without limitation, the duration of such provision, its geographical scope or the extent of the activities prohibited or required by it, then, to the full extent permitted by law (a) all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intent of the parties hereto as nearly as may be possible, (b) such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision hereof, and (c) any court or arbitrator having jurisdiction shall have the power to reform such provision to the extent necessary for such provision to be enforceable under applicable law.

22. Headings

All headings used herein are for convenience only and shall not in any way affect the construction of, or be taken into consideration in interpreting, this Agreement.

23. Counterparts

This Agreement, and any amendment or modification entered into pursuant to Section 19 hereof, may be executed in any number of counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same instrument. Signing and delivery of this Agreement may be evidenced by facsimile transmission.

24. Withholding

Company shall be entitled to withhold from any payments or deemed payments any amount of withholding required by law. No other taxes, fees, impositions, duties or other charges or offsets of any kind shall be deducted or withheld from amounts payable hereunder, unless otherwise required by law.

25. No Duty to Mitigate

Executive shall not be required to mitigate damages or the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor will any payments hereunder be subject to offset for any reason not expressly provided herein.

26. Entire Agreement

This Agreement on and as of the date hereof constitutes the entire agreement between Company and Executive with respect to the subject matter hereof and all prior or contemporaneous oral or written communications, understandings or agreements between Company and Executive with respect to such subject matter are hereby superseded and nullified in their entireties. In the event of any inconsistency between this Agreement and any other plan, program or agreement in which Executive is a participant or a party, the terms of this Agreement shall control, unless such other plan, program or agreement states otherwise by specific reference to this Section 27.

27. Notice of Subsequent Employment or Service

During the period beginning at Executive's termination and ending [twelve (12)] months after the termination, Executive shall notify the Company of his acceptance of employment with, or agreement to provide substantial services to, any entity unrelated to the Company. Such notice shall be provided promptly, but in any event within seven (7) days after each event giving rise to such notice.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement on the date set forth above.

EMPLOYEE

By:
Name: Steve Weldon

OXIS INTERNATIONAL, INC.

By:
Name: Anthony Cataldo
Its: CEO

[Signature Page to Executive Employment Agreement]

Exhibit A

FORM OF RELEASE AGREEMENT

1 . Release. Steve Weldon ("**Executive**"), on his own behalf, on behalf of any entities he controls and on behalf of his descendants, dependents, heirs, executors, administrators, assigns and successors, and each of them, hereby acknowledges full and complete satisfaction of and releases and discharges and covenants not to sue OXIS INTERNATIONAL, INC., a Delaware corporation (the "**Company**"), its divisions, subsidiaries, parents, or affiliated entities, past and present, and each of them, as well as its and their assignees and successors (individually and collectively, "**Company Releasees**"), from and with respect to any and all claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, arising out of or in any way connected with Executive's employment, the termination thereof, or any other relationship with or interest in the Company, including without limiting the generality of the foregoing, any claim for severance pay, profit sharing, bonus or similar benefit, pension, retirement, life insurance, health or medical insurance or any other fringe benefit, or disability, or any other claims, agreements, obligations, demands and causes of action, known or unknown, suspected or unsuspected, resulting from or arising out of any act or omission by or on the part of Company Releasees committed or omitted prior to the date of this Agreement, including, without limiting the generality of the foregoing, any claim under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act, or any other federal, state or local law, regulation or ordinance; *provided, however,* that the foregoing release does not apply to (1) Executive's right to enforce any obligation of the Company to Executive pursuant to Section 7 of the Employment Agreement dated as of [October __, 2014] by and between the Company and Executive.

2. Unknown Future Claims. Executive acknowledges that he later may discover claims, demands, causes of action or facts in addition to or different from those which Executive now knows or believes to exist with respect to the subject matter of this Agreement and which, if known or suspected at the time of executing this Agreement, may have materially affected its terms. Nevertheless, Executive hereby waives, as to the Claims, any claims, demands, and causes of action that might arise as a result of such different or additional claims, demands, causes of action or facts.

3 . Additional Release by Executive. In addition to the release set forth in Section 1 above, Executive, on his own behalf and behalf of his descendants, dependents, heirs, executors, administrators, assigns and successors, and each of them, hereby acknowledges full and complete satisfaction of and releases and discharges and covenants not to sue any director, officer, shareholder, partner, representative, attorney, agent or executive, past or present, of any Company Releasee (individually and collectively, "**Individual Releasees**"), from and with respect to any and all claims, agreements, obligations, demands and causes of action (collectively, "**Known Claims**"), arising out of or in any way connected with Executive's employment or any other relationship with or interest in the Company. Executive represents and agrees that he has no knowledge of any facts or circumstances that may reasonably constitute or lead to any such Known Claim.

4 . ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Agreement, he is waiving any and all rights or claims that he may have arising under the Age Discrimination in Employment Act of 1967, as amended, which have arisen on or before the date of execution of this Agreement. Executive further expressly acknowledges and agrees that, in return for this Agreement, he will receive consideration beyond that which he was already entitled to receive before entering into this Agreement;

(a) He is hereby advised in writing by this Agreement to consult with an attorney before signing this Agreement;

(b) He was given a copy of this Agreement on **[__________, 20__]** and informed that he had [twenty-one (21)] days within which to consider the Agreement; and

(c) He was informed that he has [seven (7)] days following the date of execution of the Agreement in which to revoke the Agreement.

5 . No Transferred Claims. Each party hereto represents and warrants to the other that he or it, as applicable, has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof.

The undersigned have read and understand the consequences of this Agreement and voluntarily sign it. The undersigned declare under penalty of perjury under the laws of the State of Colorado that the foregoing is true and correct.

EXECUTED this ________ day of ________ 20__, at ______________________ County, State of _.

Steve Weldon

With a copy to:

OXIS INTERNATIONAL, INC.

Exhibit 14.1

CODE OF CONDUCT AND ETHICS
FOR
OXIS INTERNATIONAL, INC.
(a Delaware corporation, the "Company")

Introduction.

Oxis International, Inc. (the "Company") will conduct its business honestly and ethically wherever we operate. This Code of Business Conduct and Ethics (this "Code") covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers and employees of the Company. All of our directors, officers and employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. This Code should also be provided to and followed by the Company's other agents and representatives, including consultants.

In accordance with applicable law and stock exchange regulations, this Code will be filed with the Securities and Exchange Commission (the "SEC"), posted on the Company's website and/or otherwise made available for examination by our stockholders.

Honesty and Integrity.

Our business is based on mutual trust, honesty and integrity in all of our affairs, both internally and externally. This philosophy must be respected at all times. Each of us must be truthful in our business dealings with each other, and with our auditors, legal counsel, regulators and loan review and compliance staffs. Illegal, dishonest and fraudulent acts are grounds for termination. Making false statements or otherwise misleading internal or external auditors, attorneys, regulators or loan review and compliance personnel is prohibited. You must never withhold or fail to communicate fully information that is requested in connection with an appropriately authorized investigation or review. Any concealment of information is a violation of your employment agreement, which may result in termination of your employment with the Company and could constitute a criminal act.

Protecting Corporate Assets

You are responsible for safeguarding the assets of the Company. Company assets must not be used for personal benefit. The Company's assets include, but are not limited to, all of its properties, including intellectual properties, business information, cash, and securities. Misappropriation of Company assets is a violation of your employment agreement, which may result in termination of your employment with the Company and could constitute a criminal act.

Accuracy of Company Records and Reports

The Company is committed to maintaining records, data and information that are accurate and complete so as to permit the Company to make timely and accurate disclosures to its regulators and to its stockholders. You are personally responsible for the integrity of the information, reports and records under your control. Records must be maintained in sufficient detail so as to reflect accurately the Company's transactions and activities. Our financial statements must be prepared in accordance with generally accepted accounting principles ("GAAP") and fairly present, in all material respects, the financial condition and results of the Company. To accomplish full, fair, and accurate reporting, you must ensure that financial reports issued by the Company are timely, accurate, understandable, and complete.

Compliance With Laws

The Company's activities shall always be in full compliance with applicable laws and regulations. When such laws or regulations are ambiguous or difficult to interpret, you should seek advice from the Company's outside legal counsel.

Conflicts Of Interest

You must conduct your private, business, and personal activities in a manner that avoids conflict with, or even the appearance of conflict with, your ability to act solely in the interests of the Company. A conflict of interest arises if you have interests of any nature that compromise your ability to act objectively and in the best interests of the Company. Conflicts can arise directly or through your family members or through business or other entities in which you or your family members have an interest. At no time may you, on behalf of the Company, transact personal business, the business of an immediate family member, or the business of a for profit entity in which you or a member of your immediate family has an interest (other than an interest not exceeding 1% in a publicly traded company (a "Permitted Public Company Interest")), with the Company. In all such situations, you must disqualify yourself from involvement with any transaction or relationship between that person and the Company.

Business Ventures with Customers

You may not enter into or participate with the Company's customers in business ventures without the approval of a majority of the Board of Directors of the Company, or an applicable committee thereof.

Acting as a Fiduciary

Officers may not assume the responsibility of executor, administrator, trustee, guardian, custodian, attorney-in-fact under a power of attorney, or any other fiduciary capacity (except with respect to matters involving direct family relationships) without the approval of a majority of the Board of Directors of the Company, or an applicable committee thereof.

Company Opportunities

You must not take for yourself any opportunity that belongs to the Company. Whenever the Company has been seeking a particular business opportunity, or the opportunity has been offered to the Company, or the Company's funds, facilities or personnel have been used in developing the opportunity, that opportunity rightfully belongs to the Company and not to its employees.

Investments in Customers or Suppliers

Because investments are an area in which conflicts of interest can very easily develop, you should obtain prior approval from a majority of the Board of Directors of the Company, or an applicable committee thereof, before investing directly or indirectly in the business of a customer or supplier of the Company, other than a Permitted Public Company Interest, as defined above. Under no circumstances should you acquire an equity interest in a company that is a customer or supplier at a price, which is more favorable than the price offered to the general public. If you own a direct or indirect interest in a business or other entity that becomes a customer or supplier, you should notify a majority of the Board of Directors of the Company, or an applicable committee thereof, as soon as the underlying facts are known to you.

Business Expenses

You must have all business-related expenses approved by the Chairman of the Board of Directors and the Chief Financial Officer of the Company. You must carefully observe expense account regulations and guidelines. Falsification of an expense account is considered to be a misappropriation of corporate funds and constitutes grounds for dismissal.

Gifts from Customers

You shall not solicit or accept for yourself, or for a third party, anything of value in return for, or in connection with, any business, service, or activity of the Company. You shall not accept a gift in circumstances in which it could appear that his or her business judgment was influenced by such gift. You shall not allow an immediate family member or business associate to accept a gift, services, loans or preferential treatment in exchange for a past, current, or future business relationship with the Company.

Disclosure of Potential Conflicts of Interest

You shall immediately disclose to a majority of disinterested members of the Board of Directors of the Company, or an applicable committee thereof, all situations that possess a potential for conflict of interest.

Political Donations

You are prohibited from making any contribution to political candidates on behalf of the Company. You also may not make any contributions of anything of value in connection with any federal, state or local candidate's election. The Company makes, and discloses fully, contributions in state and local elections for the purpose of supporting ballot propositions that are in the interests of the Company and its several constituencies. Any proposal for political contributions on behalf of the Company or a group of Company employees should be referred for approval to a majority of disinterested members of the Board of Directors of the Company, or an applicable committee thereof.

Confidential Information

You shall not use the Company's confidential and nonpublic information in any manner for personal advantage or to provide advantage to others.

Insider Trading

You must at all times comply with all laws and regulations concerning insider trading. In general, you are prohibited by applicable law from trading in the securities of any company while in possession of material, nonpublic information (also known as "inside information") regarding that company. This prohibition applies to the Company's securities as well as to the securities of other companies, including the Company's customers and suppliers, and to transactions for any account of the Company, client account or personal account. It is also illegal to "tip" or pass on inside information to any other person if you know or reasonably suspect that the person receiving such information from you will misuse such information by trading in securities or passing such information on further, even if you do not receive any monetary benefit.

Investment Prudence

You must not use your position at the Company to obtain leverage with respect to any investment, including investments in publicly traded securities, and should not accept preferential treatment of any kind based on your position with the Company in connection with your investments.

Cross - Selling Services/Tying Restrictions.

"Tying" arrangements, whereby customers are required to purchase or provide one product or service as a condition for another being made available, are unlawful in certain instances. You should consult the Company's outside legal counsel for advice on tying restrictions. The Company prohibits any such unlawful requirements.

Anti - Competitive Practices.

The Company is subject to complex laws (known as "antitrust laws") designed to preserve competition among enterprises and to protect consumers from unfair business arrangements and practices. You should avoid discussion of competitively sensitive topics, such as prices, pricing policies, costs and marketing strategies (except as reasonably required by your job duties).

Anti – Money Laundering Compliance.

Money laundering is the process of converting illegal proceeds so that funds are made to appear legitimate, and it is not limited to cash transactions. The Company is obligated by law to join with governments, international organizations and members of the financial services industry to help prevent money laundering. You must follow all of anti-money laundering policies and procedures.

Nondiscrimination.

The Company endeavors to make all decisions responsibly, constructively and equitably without bias as to race, color, creed, religion, national origin, sex, marital status, age, veteran's status or membership in any other protected class or receipt of public assistance. Failure to do so is against Company policy.

Misleading Statements.

You should make every effort not to make false or misleading remarks about suppliers, customers, or competitors, or their products and services.

Corporate Gifts to Others.

You must use care in connection with gifts to others. If a gift could be viewed as consideration for business, you should not make the gift.

Entertainment.

Legitimate entertainment of reasonable value is an accepted practice to the extent that it meets all standards of ethical business conduct and involves no element of concealment.

Other Remuneration.

In the conduct of the Company's business, no bribes, kickbacks or similar remuneration or consideration of any kind are to be given or offered to any individual or organization for any reason whatsoever.

Equal Employment Opportunity.

The Company is an equal opportunity employer and expects and you are expected to comply with all laws concerning discriminatory employment practices. Advancement at the Company is based on talent and performance. In addition, retaliation against individuals for raising claims of discrimination is prohibited.

Harassment and Intimidation.

The Company prohibits sexual or any other kind of harassment or intimidation by any employee or Director of the Company. Harassment, whether based on a person's race, gender, religion, national origin, disability, sexual orientation, or socioeconomic status, is completely inconsistent with our tradition of providing a respectful, professional workplace. You must never use company systems to transmit or receive electronic images or text of a sexual nature or containing ethnic slurs, racial epithets or any other material of a harassing.

Exhibit 21.1

SUBSIDIARIES OF OXIS INTERNATIONAL, INC.

As of December 31, 2013, the Company’s subsidiaries were as follows:

Name	Jurisdiction of incorporation
OXIS Therapeutics, Inc.	Delaware
OXIS Isle of Man Limited	Isle of Man
Oxis Consumer Products, LLC	Delaware

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT.

I, Tony Cataldo, certify that:

1. I have reviewed this report on Form 10-K of OXIS International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 8, 2014

By: /s/ Tony Cataldo
Name: Tony Cataldo
Title: Chief Executive Officer, Chairman and Director (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT.

I, Steven Weldon, certify that:

1. I have reviewed this report on Form 10-K of OXIS International, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 8, 2015

By: /s/ Steven Weldon
Name: Steven Weldon
Title: Chief Financial Officer and Director
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, I, Tony Cataldo, Chief Executive Officer of OXIS International, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

(i) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: January 8, 2015

By: /s/ KennTony Cataldo
Name: Tony Cataldo
Title: Chief Executive Officer, Chairman and Director (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, I, Steven Weldon, Chief Financial Officer of OXIS International, Inc. (the "Company"), hereby certify that, to the best of my knowledge:

(i) the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: January 8, 2015

By: /s/ Steven Weldon
Name: Steven Weldon
Title: Chief Financial Officer and
Director (Principal Financial Officer)