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## **Study Shows DERMACYTE® Oxygen Concentrate Appears to Improve the Appearance of Fine Lines and the Perception of Skin Appearance**

DURHAM, NC, August 31, 2010 — Oxygen Biotherapeutics, Inc. (NASDAQ and SIX Swiss Exchange: OXBT) today announced that results from an 8-week cosmetic study showed that the topical application of DERMACYTE® Oxygen Concentrate, an oxygen-rich skin care lotion, appears to improve the appearance of fine lines and the perception of skin appearance. The study was conducted by Steven H. Dayan, MD, of DeNova Research in Chicago with funding provided by Oxygen Biotherapeutics.

At the conclusion of the study conducted with 36 women ages 39-63 with mild-to-moderate facial wrinkles, 80% of subjects experienced at least one-grade improvement on the Fitzpatrick Wrinkle Assessment Scale (FWAS) ( $P < 0.0001$ ); 97% experienced at least one grade of improvement compared to their baseline photos according to the investigator's Global Improvement Aesthetic Scale (GIAS) ( $P < 0.0001$ ); and 84% has at least a grade of improvement on their self-perception of GIAS ( $P < 0.0001$ ).

“We are pleased that the findings of this study to evaluate the efficacy of our novel oxygen delivery cream, DERMACYTE Oxygen Concentrate, showed promising results for nearly all patients,” said Gerald Klein, MD, Chief Medical Officer at Oxygen Biotherapeutics. “Having at least a one-grade improvement on both FWAS and GIAS is a relevant indicator that our oxygen-based cosmetic can make a noticeable difference in reducing the appearance of fine lines and wrinkles.”

The FWAS is a 9-grade scale to assess the diverse aspects of aging skin. It ranks the depth of the wrinkle (e.g. fine lines or deep wrinkles) and elastosis, the breakdown of elastic tissue leading to a reduction in the elasticity of the skin. It is commonly used in dermatology to determine the effectiveness of a variety of skin care treatments and therapies. The GIAS also is a commonly used scale to assess changes to skin when a treatment is applied. It rates changes on a scale of one-to-five, with one being the most improved and 5 showing the appearance is worse than the original condition.

DERMACYTE Oxygen Concentrate is a scientifically designed, proprietary cream made to enhance oxygen delivery to skin. It is the first product in a broad and diverse cosmetic line currently under development by Oxygen Biotherapeutics. It complements the newly introduced DERMACYTE Oxygenating Eye Complex,

which has several ingredients that target the eye contour area. The DERMACYTE skin care line uses our oxycyte technology (an oxygen carrier) to deliver oxygen to tissues, such as skin.

### **Skin Benefits of Oxygen**

Oxygen is essential for radiant, young-looking skin. It assists in the production of collagen and elastin, as well as with skin repair and regeneration. As we age, the body's ability to deliver oxygen to dermal tissue deteriorates. A lack of oxygen at the cellular level can cause skin to age prematurely, increasing the appearance of fine lines and age spots, making skin look dry and dull. A boost in oxygen may enhance the overall appearance and feel of your skin, leaving it smoother and healthier-looking.

### **About Oxygen Biotherapeutics, Inc.**

Oxygen Biotherapeutics, Inc. is developing medical and cosmetic products that efficiently deliver oxygen to tissues in the body. The Company has developed a proprietary perfluorocarbon (PFC) therapeutic oxygen carrier and liquid ventilation product called Oxycyte® that is being formulated for both intravenous and topical delivery for conditions including but not limited to traumatic brain injury, decompression sickness and topical wounds. This same PFC is included in the Company's full line of personal skin care products. More information is available at [www.oxybiomed.com](http://www.oxybiomed.com).

### **Caution Regarding Forward-Looking Statements**

This news release contains certain forward-looking statements by the company that involve risks and uncertainties and reflect the company's judgment as of the date of this release. These statements include those referring to the plans for the expansion of the DERMACYTE product line and the timing of the introduction of those new products. Matters beyond the company's control could lead to delays in the new product introductions and customer acceptance of these new products. Furthermore, there can be no assurance that such plans will lead to meaningful sales of DERMACYTE or generate any revenue for the company. The company disclaims any intent or obligation to update these forward-looking statements beyond the date of this release. This caution is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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