

OXYSURE SYSTEMS REPORTS FIRST QUARTER 2013 RESULTS

Company to Host Investor Webcast at 11:30 am ET on May 16, 2013

Frisco, Texas, May 16, 2013 – OxySure® Systems, Inc. (OXYS: OTCQB) (“OxySure,” or the “Company”), today reported financial and operating results for the first quarter ended March 31, 2013.

First Quarter 2013 Highlights:

- Total revenues increased 762% to \$240,420 from \$27,884
- Recorded \$125,000 license and service revenues from international customers
- Gross profit increased 1133%; gross margins up from 54.4% to 77.9%
- Reduced interest expense by 56%
- Net loss per share for the quarter down from \$.02 to \$.007

Julian T. Ross, Chairman of the Board and Chief Executive Officer of OxySure stated, “Our positive sales momentum continues to gain steam, with record sales, gross profits and gross margin in the first quarter. We are seeing strong interest from existing and new customers in the U.S. and internationally for our life-changing products. Our focus on expanding distribution and adding complimentary products is just beginning to pay off. We will continue to invest in branding, distribution, R&D and sales to drive additional market awareness and penetration.”

For the three months ended March 31, 2013, revenues increased \$212,536 to \$240,420. The increase was driven by a 314% increase in product sales in the United States and \$125,000 of revenues from licensing and service agreements. The Company added a significant new distributor in the AED sector in Australia, New Zealand and the United Kingdom during the first quarter of 2013, expanding its presence in the international “AED companion market.” Revenues from products for the military increased significantly as a result of a teaming agreement.

Gross profit was \$187,239 for the three months ended March 31, 2013, an increase of \$172,057 from \$15,182 in the same period last year, primarily due to significantly higher product and service sales. Gross margin was 77.9%, up significantly from 54.4%, representing the highest quarterly gross margin in the Company’s history.

Selling, general and administrative expenses were \$331,352 compared to \$283,485 for three months 2012. The Company increased sales and marketing expenses from \$2,430 to \$58,347 as it expanded its sales and branding efforts. OxySure increased research and development expenses substantially in connection with products for military markets. These increases are offset by a decrease in other general and administrative expenses, which fell by 16% to \$236,294 primarily as a result of a decrease in depreciation and amortization expense, and a decrease in employee stock option expense, offset by an increase in professional fees.

Interest expense fell 56% from \$57,854 during the first quarter of 2012 to \$25.237 for the first three months of 2013.

Net loss decreased to \$169,349, or \$0.007 per share, compared to \$325,451 or \$0.02 per share for the first quarter of 2012. The weighted average diluted shares outstanding were 22,665,515 and 17,844,462 for first three months 2013 and 2012, respectively.

The total number of derivative securities outstanding reduced by 3,689,293 or 46% from March 31, 2012 to March 31, 2013 as follows:

- Options to purchase common stock reduced by 498,833 or 26% to 1,444,921 from 1,943,754
- Warrants to purchase common stock reduced by 1,235,115 or 45% to 1,519,534 from 2,754,650
- Common shares issuable upon conversion of convertible preferred stock reduced by 671,000 or 42% to 937,875 from 1,608,875
- Common shares issuable upon conversion of convertible notes reduced by 1,284,345 or 76% to 411,985 from 1,696,330

Total assets increased to \$1,316,885 at March 31, 2013 from 1,215,797 at December 31, 2012. The Company reduced its cash burn by 17% in the first quarter of 2013. The Company is opportunistically evaluating various debt and equity options to finance its growth.

Business updates

OxySure continues to execute on its core growth strategy of:

- Expand its distribution footprint in the U.S. and internationally
- Leverage distribution partnerships to enhance market penetration
- Diversify product offerings through additions of complimentary or additive products/services
- Promote market awareness and education through industry partnerships

Key milestones achieved so far in 2013 include:

1. Signed distribution agreements with Aero Health Holdings to distribute products in Australia and New Zealand and Aero Healthcare to distribute products in the U.K.
2. Added six AED brands, including Philips, Zoll, Physio Control, and Cardiac Science to its product offering.
3. Added Jeremy M. Jones, former Chairman and CEO of Apria Healthcare, as a new independent board director.

Conference Call

OxySure's CEO Julian Ross will host the conference call to discuss the Company's growth strategy and recent developments.

Date: Thursday, May 16, 2013
Time: 11:30 am ET
US Dial-In: 1-888-417-8533

International Dial-In: 1-719-325-2308
Conference ID: 9623052
Webcast: <http://public.viaavid.com/index.php?id=104735>

Please register prior to the call using the instructions above. A copy of the presentation accompanying the webcast will be available on the Company's website at www.oxysure.com prior to the call. Please contact Ted Haberfield at MZ Group if you are unable to access the presentation slides.

A playback of the call will be available until 11:59 pm ET on May 30, 2013. To listen, call +1-877-870-5176 within the United States or +1-858-384-5517 when calling internationally. Please use the replay PIN number 9623052. The playback of the call will also be made available on the investor relations section of the Company's website.

About OxySure Systems, Inc.

OxySure Systems, Inc. (OXYS) is a medical technology company that focuses on the design, manufacture and distribution of specialty respiratory and medical solutions. The company pioneered a safe and easy to use solution to produce medically pure (USP) oxygen from inert powders. The company owns numerous issued patents and patents pending on this technology which makes the provision of emergency oxygen safer, more accessible and easier to use than traditional oxygen provision systems. OxySure's products improve access to emergency oxygen that affects the survival, recovery and safety of individuals in several areas of need: (1) Public and private places and settings where medical emergencies can occur; (2) Individuals at risk for cardiac, respiratory or general medical distress needing immediate help prior to emergency medical care arrival; and (3) Those requiring immediate protection and escape from exposure situations or oxygen-deficient situations in industrial, mining, military, or other "Immediately Dangerous to Life or Health" (IDLH) environments. www.OxySure.com

Forward-Looking Statements

Statements in this earnings release that are not historical facts are considered to be forward-looking statements. Such statements include, but are not limited to, statements regarding management beliefs and expectations, based upon information available at the time the statements are made, regarding future plans, objectives and performance. All forward-looking statements are subject to risks and uncertainties, many of which are beyond management's control and actual results and performance may differ significantly from those contained in forward-looking statements. OxySure Systems, Inc. intends any forward-looking statement to be covered by the Litigation Reform Act of 1995 and is including this statement for purposes of said safe harbor provisions. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. OxySure Systems, Inc. undertakes no obligation to update any forward-looking statements to reflect events or circumstances that occur after the date as of which such statements are made. A discussion of certain risks and uncertainties that could cause actual results to differ materially from those contained in forward-looking statements is included in OxySure Systems, Inc.'s Annual Report on Form 10-K for the year ended March 31, 2013.

OXYSURE SYSTEMS INC.
BALANCE SHEETS

	<u>March 31,</u> <u>2013</u>	<u>December</u> <u>31,</u> <u>2012</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 94,905	\$ 13,514
Accounts receivable, net of allowances for sales returns and allowance for doubtful accounts	73,029	18,487
Inventories	221,486	221,345
Prepaid expenses and other current assets	-	-
Total current assets	389,420	253,346
Property and equipment, net	23,339	27,599
Intangible assets, net	410,990	418,479
Other assets	493,136	516,373
TOTAL ASSETS	\$ 1,316,885	\$ 1,215,797
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 687,474	\$ 595,655
Capital leases - current	308,958	296,116
Notes payable - current	448,494	398,589
Deferred revenue	374,226	499,225
Total current liabilities	1,819,152	1,789,585
Long-term liabilities		
Capital leases	\$ 2,304	\$ 2,265
Notes payable	76,072	76,072
Total long-term liabilities	78,375	78,337
TOTAL LIABILITIES	1,897,527	1,867,922
COMMITMENTS AND CONTINGENCY (NOTE 9)		
<u>STOCKHOLDERS' EQUITY</u>		
Preferred stock, par value \$0.0005 per share; 25,000,000 shares authorized; 768,750 Series A convertible preferred shares issued and outstanding as of March 31, 2013 and 818,750 shares issued and outstanding as of December 31, 2012.	384	409
Common stock, par value \$0.0004 per share; 100,000,000 shares authorized; 23,101,496 shares of voting common stock issued and outstanding as of March 31, 2013 and 22,548,678 shares issued and outstanding as of December 31, 2012.	9,237	9,016
Common stock, subscribed but not issued, par value \$0.0004 per share; 100,000,000 shares authorized; 415,850 shares of voting common stock subscribed but not issued as of March 31, 2013 and 0 shares subscribed but not issued as of December 31, 2012.	166	-
Additional paid-in capital	13,838,041	13,597,117

Accumulated deficit	(14,428,471)	(14,258,667)
TOTAL STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME	(580,642)	(652,125)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,316,885	\$ 1,215,797

OXYSURE SYSTEMS INC.
STATEMENTS OF OPERATIONS AND ACCUMULATED DEFICIT

	For the quarter ended March 31,	
	2013	2012
Revenues, net	\$ 240,420	\$ 27,884
Cost of goods sold	53,181	12,703
Gross profit	187,239	15,182
Operating expenses		
Research and development	36,711	60
Sales and marketing	58,347	2,430
Other general and administrative	236,294	280,995
Loss from operating expenses	(144,113)	(268,303)
Other income (expenses)		
Other income (expense)	-	707
Interest expense	(25,236)	(57,855)
Total other income (expenses)	(25,236)	(57,148)
Net loss	<u>(169,349)</u>	<u>(325,451)</u>
Accumulated deficit - beginning of the period	(14,258,667)	(13,430,659)
Prior period adjustments	(455)	-
Accumulated deficit - end of the period	\$ (14,428,471)	\$ (13,756,109)
Basic net income (loss) per common share	\$ (0.007)	\$ (0.02)
Diluted net income (loss) per common share	\$ (0.007)	\$ (0.02)
Weighted average common shares outstanding:		
Basic	22,665,515	17,844,462
Diluted	22,665,515	17,844,462

OXYSURE SYSTEMS INC.
STATEMENTS OF CASH FLOWS

	For the quarter ended March 31,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(169,349)	\$ (325,451)
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation	4,883	41,505
Amortization of intangible assets	30,726	7,441
Prior period adjustment	(455)	-
Amortization of debt discount and warrant fair values related to convertible loans	21,802	52,305
Changes in deferred rent and leasehold improvement allowance	(0)	(5,370)
Issuance of common stock options to employees as compensation	(12,061)	9,514
Issuance of common stock for services	19,023	-
Changes in current assets and liabilities:		
Accounts receivable	(54,542)	(5,125)
Inventory	(142)	(17,473)
Prepaid expenses and other current assets	-	-
Accounts payable and accrued liabilities	91,819	10,536
Deferred revenue	(125,000)	-
NET CASH USED IN OPERATING ACTIVITIES	(193,295)	(232,118)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(623)	-
NET CASH USED IN INVESTING ACTIVITIES	(623)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	28,103	172,103
Payment of capital leases	12,881	(1,619)
Issuance of common stock for cash	15,000	-
Common stock subscribed	215,824	-
Proceeds from exercise of common stock options and warrants	3,500	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	275,308	170,484
Net change in cash and cash equivalents	81,391	(61,634)
Cash and cash equivalents, at beginning of period	13,514	65,118
Cash and cash equivalents, at end of period	\$ 94,905	\$ 3,484
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ 182	\$ 446

Income taxes	\$	-	\$	-
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Supplemental non-cash investing and financing activities:

Promissory subordinated convertible notes converted to common	\$	-	\$	251,407
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