

OXYSURE SYSTEMS (OXYS) REPORTS FOURTH QUARTER AND FULL-YEAR 2013 RESULTS

Conference Call at 9:00 am ET on April 16, 2014

Frisco, Texas, April 16, 2014 – OxySure Systems, Inc. (OTCQB: OXYS) (“OxySure,” or the “Company”), today announced financial and operating results for the fourth quarter and year ended December 31, 2013.

Fiscal Year 2013 Highlights:

- Revenues were \$1.8 million, up 566%, led by a 787% increase in revenues in the United States
- Gross profit increased 55.4%; gross margins up to 72.8% from 46.8%
- General & administrative expenses down 3%
- Cash up to \$657,673
- Notes payable down 26.3% to \$349,975
- Working capital increased \$2,173,647 to a surplus of \$747,473
- Current ratio up to a healthy 1.88
- Stockholder equity increased by \$2,339,709
- Total assets increased by \$1,472,960 to \$2,352,354
- Cash flows increased by \$695,765
- Net loss per share for the year down to \$.03 from \$.06 the prior year

Julian T. Ross, Chairman of the Board and Chief Executive Officer of OxySure stated, “We finished the year strong, and our fundamentals continue to improve. We are pleased to have delivered on a number of our sales and business goals for the year, including growing our international distribution footprint, building our brand, diversifying our revenue streams and strengthening our balance sheet. I'm also very excited about the way our products are continuing to save or improve people's lives.”

For the fiscal year ended December 31, 2013, revenues increased by 566% to \$1,800,327 from \$270,387 in the comparable period last year. The increase was primarily driven by a 787% surge in revenues in the United States. Revenues from international markets also increased 305% to \$498,286 for the year ended December 31, 2013, up from \$122,900 during 2012. Sales from products for the military in connection with a teaming agreement also increased significantly to \$627,200 for the twelve months ended December 31, 2013.

For the Company's Model 615 portable emergency oxygen product, unit cartridge reorder rates continued to increase as the installed base of Model 615 increases, indicating the development of a very “sticky” customer relationship with the product upon adoption. Unit cartridge shipments for the first time exceeded unit shipments of Model 615: during fiscal year ended December 31, 2013 unit cartridge shipments represented 126% of Model 615 units shipped, up from 63% during 2012. As of December 31, 2013, replacement cartridges shipped represented 39.3% of the Model 615 installed base, up from 34.9% as at December 31, 2012. This is consistent with

historical trends of rising reorders as customers become more accustomed to OxySure's products.

Gross profit was \$1,310,008 for the twelve months ended December 31, 2013, an increase of \$1,183,371 or 934%, primarily due to the combined effect of an increase in service revenues and license fees, and an increase in product gross margins. Gross margin was 72.8%, up significantly from 46.8% in 2012.

Selling, general and administrative expenses for 2013 were \$1,798,306 compared to \$1,264,825 for fiscal year 2012. The Company increased sales and marketing expenses by 168% to \$353,156 as it expanded its sales and marketing, branding and investor relations efforts. General and administrative expenses fell by 3% to \$1,089,135 primarily as a result of decreases in employee stock option expense and salaries and wages, offset by increases in professional fees and rent expense.

Interest expense increased 15% from \$217,018 during 2012 to \$249,703 during 2013. The increase was primarily attributable to an increase of \$57,637 in interest accrued on promissory notes, offset by a decrease of \$25,911 in interest related to debt discount and amortization of warrant fair values.

Net loss during fiscal year ended December 31, 2013 decreased to \$712,452, or \$0.03 per share, as compared to \$1,144,799 or \$0.06 per share for fiscal year ended December 31, 2012. The weighted average shares outstanding were 23,754,402 and 19,880,342 for fiscal year 2013 and 2012, respectively.

The Company achieved significant improvements to its balance sheet. Cash was up to \$657,673 at December 31, 2013 from just \$13,513 at the end of 2012. Working capital increased \$2,173,647 to a surplus of \$747,473 from a deficit of \$1,426,174 at the prior year end. The Company's current ratio was up significantly to a healthy 1.88, up from just .17 at the prior year end.

The Company converted \$462,448 of notes payable into common stock during 2013 at an aggregate conversion price of \$.96 per share. Stockholder equity increased by \$2,339,709 to a surplus of \$1,423,374 at December 31, 2013, from a deficit of \$916,335 at the end of December 31, 2012. Total assets increased by \$1,472,960 to \$2,352,354 at December 31, 2013, as compared to \$879,394 at December 31, 2012.

Business updates

OxySure enters 2014 in a strong competitive position. Over the past twelve months, the Company has:

- Expanded its international distribution footprint significantly by adding new distributors such as Medizon B.V. for the Netherlands, Belgium and Luxembourg; Aero Healthcare

in Australia and the United Kingdom; Pacific Medical Systems in Hong Kong and Macau; and Python in Chile;

- Added a comprehensive group of Automated External Defibrillators (AEDs) offerings and other complimentary products to provide its customers, distributors and agents a single source solution for medical emergency preparedness;
- Opportunistically invested in operational efficiencies; and
- Significantly improved its balance sheet to allow for more financial flexibility.

The Company plans to continue its focus on enhancing its competitive position across three areas: sales and marketing, regulatory approvals and product costs. These initiatives and investments will result in higher sales for OxySure in the future by allowing deeper and wider penetration of its existing markets, and by developing new markets, including international markets. At the same time, they will expand OxySure's leadership position in the emergency/short duration oxygen market and the pre-hospital medical emergency market in general.

“We are excited about 2014 as we anticipate continued growth, new opportunities and even the possibility of a catalytic event,” said Mr. Ross. “We plan to continue to work hard to improve our products, our competitive position, and our category leadership, while striving to maintain our culture of innovation as we grow.”

Conference Call

OxySure's CEO Julian Ross will host the conference call to discuss the Company's fiscal year 2013 results.

Date: Wednesday, April 16, 2014
Time: 9:00 am ET
US Dial-In: 1 (866) 352-2112 US Toll Free
International Dial-In: 1 (630) 691-2779
Passcode: 7064 119#
For webcast link: <http://www.oxysure.com/aed/index.php/investors-home>

Please dial in at least 10-minutes before the call to ensure timely participation.

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 December 31, 2013.

OXYSURE SYSTEMS INC.

BALANCE SHEETS

	December 31,	
	2013	2012
		Restated
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 657,673	\$ 13,513
Accounts receivable, net of allowances for sales returns and allowance for doubtful accounts	47,183	18,486
Inventories	287,666	221,345
License fees receivable	500,000	-
Prepaid expenses and other current assets	107,305	36,903
	<hr/>	<hr/>
Total current assets	1,599,827	290,247
Property and equipment, net	70,249	46,489
Intangible assets, net	392,746	418,478
Other assets	289,532	124,180
	<hr/>	<hr/>
TOTAL ASSETS	\$ 2,352,354	\$ 879,394
	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 147,719	\$ 302,433
Related party payable	118,627	207,472
Deferred revenue	2,976	499,226
Capital leases - current	309,129	308,701
Notes payable - current, net of discount	44,000	31,588
Convertible notes payable, net of discount	229,903	367,001
	<hr/>	<hr/>
Total current liabilities	852,354	1,716,421
Long-term liabilities		
Capital leases	554	3,236
Notes payable, net of discount	76,072	76,072
	<hr/>	<hr/>
Total long-term liabilities	76,626	79,308

TOTAL LIABILITIES	928,980	1,795,729
<hr/>		
COMMITMENTS AND CONTINGENCY (NOTE 9)		
<u>STOCKHOLDERS' EQUITY</u>		
Preferred stock, par value \$0.0005 per share; 25,000,000 shares authorized;		
743,750 Series A convertible preferred shares issued and outstanding as of December 31, 2013 and 818,750 shares issued and outstanding as of December 31, 2012.	371	409
750 Series B convertible preferred shares issued and outstanding as of December 31, 2013 and 0 shares issued and outstanding as of December 31, 2012.	-	-
Common stock, par value \$0.0004 per share; 100,000,000 shares authorized;		
25,854,307 shares of voting common stock issued and outstanding as of December 31, 2013 and 22,548,678 shares issued and outstanding as of December 31, 2012	10,343	9,020
Additional Paid-in Capital	16,700,307	13,649,431
Accumulated deficit	(15,287,647)	(14,575,195)
	<hr/>	
TOTAL STOCKHOLDERS' EQUITY	1,423,374	(916,335)
	<hr/>	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,352,354	\$ 879,394
	<hr/> <hr/>	

OXYSURE SYSTEMS INC.
STATEMENTS OF OPERATIONS

	For the year ended December 31,	
	2013	2012
		Restated
Revenues, net	\$ 1,800,327	\$ 270,387
Cost of goods sold		
	490,319	143,750
Gross profit	1,310,008	126,637
Operating expenses		
Research and development	356,015	25,816
Sales and marketing	353,156	131,933
Other general and administrative	1,089,135	1,107,076
Loss from operations	(488,298)	(1,138,188)
Other income (expenses)		
Other income (expense)	25,825	210,407
Interest expense	(249,979)	(217,018)
Total other income (expenses)	(224,154)	(6,611)
Net loss	\$ (712,452)	\$ (1,144,799)
Basic net income (loss) per common share	\$ (0.03)	\$ (0.06)
Diluted net income (loss) per common share	\$ (0.03)	\$ (0.06)
Weighted average common shares outstanding:		
Basic	23,754,402	19,880,342
Diluted	23,754,402	19,880,342

OXYSURE SYSTEMS INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2013	2012
		Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (712,452)	\$ (1,144,799)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization expense	53,159	166,072
Amortization of debt discount and beneficial conversion features	207,239	202,023
Expenses paid by related parties	37,335	21,358
Gain on forgiveness of debt by related parties	-	(163,570)
Stock based compensation	61,480	134,257
Stock issued for services	126,756	76,376
Changes in operating assets and liabilities:		
Accounts receivable	(28,697)	(15,728)
Inventories	(66,321)	26,611
Deferred license fees	(500,000)	-
Other assets	106,148	107,530
Accounts payable and accrued liabilities	(72,601)	134,969
Deferred revenue	(72,837)	77,513
	(860,791)	(377,388)
NET CASH USED IN OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(12,105)	(32,876)
Purchase of intangible assets	(4,262)	(3,172)
	(16,367)	(36,048)
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Common stock issued for cash	347,364	41,250
Series B preferred stock issued for cash and warrants	750,000	-
Common stock issued for cash and warrants	216,800	-
Cash received from related parties	42,470	555,599
Payments made to related parties	(268,950)	(264,665)
Cash received notes payable	-	-
Payments made on notes payable	-	-
Cash received from convertible notes payable	431,500	125,000

Payments made on convertible notes payable	-	(85,998)
Payments on capital leases	(2,254)	(18,634)
Exercising of warrants	4,388	9,279
	<u>4,388</u>	<u>9,279</u>
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 1,521,318	 361,831
 Net change in cash and cash equivalents	 644,160	 (51,605)
 Cash and cash equivalents, at beginning of period	 <u>13,513</u>	 <u>65,118</u>
Cash and cash equivalents, at end of period	<u>\$ 657,673</u>	<u>\$ 13,513</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ 18,792</u>	<u>\$ 679</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Supplemental non-cash investing and financing activities:		
Capitalization of deferred loan costs	\$ 48,012	\$ 144,433
Common stock issued for services and rent extension	179,710	-
Common stock issued for capitalized website development costs	114,180	37,840
Common stock issued for capitalized URL's	-	33,066
Cashless exercise of warrants for forgiveness of debt	14,700	95,000
Conversion of notes payable	-	20,000
Conversion of convertible notes payable	447,748	2,413,841
Beneficial conversion feature	317,609	-
Conversion of Series A preferred stock to common stock	38	1,154
Conversion of accrued rent to common stock	423,413	-

Contacts:

Investor Contact:
Stonegate Securities, Inc.
214-987-4121 / 972-294-6461
investors@oxysure.com

Media Contact:
media@oxysure.com