



OXYSURE SYSTEMS (OXYS) REPORTS SECOND QUARTER 2013 RESULTS

Company Posts Second Consecutive Quarter of Triple Digit Revenue Growth Rates

Frisco, Texas, August 13, 2013 – OxySure® Systems, Inc. (OXYS: OTCQB) (“OxySure,” or the “Company”), today reported financial and operating results for the second quarter ended June 30, 2013.

Second Quarter 2013 Highlights:

- Total revenue increased by approximately 657% to \$476,071
- General and administrative expense down by approximately 18% to \$194,803
- Interest expense down by approximately 60% to \$23,254
- Net loss declined by approximately 11.8%
- Working capital deficit improved by approximately \$1,926,481
- Stockholder deficit improved by approximately \$2,359,951
- Gross profit increased 758%; gross margins up to 68% from 60%
- Net loss per share for the quarter stayed flat at \$.01

The Company posted the second consecutive quarter of triple digit revenue growth rates as compared to year earlier quarters.

“We sustained positive momentum in the second quarter, and we are pleased that our financial results continue to show rapidly improving fundamentals,” said Julian T. Ross, Chairman of the Board and Chief Executive Officer of OxySure. “Our growth in the second quarter represents another record as the benefits of prior and current research and development and marketing initiatives have begun to materialize. We are growing stronger, and we intend to continue to build on our positive momentum, while continuing to invest in branding, distribution, R&D and sales to drive our business plan forward.”

For the three months ended June 30, 2013, revenues increased to \$476,071, representing an increase of approximately \$413,180 or 657% as compared to \$62,891 for the three months ended June 30, 2012. The increase was driven by a \$344,731 or 1,906% increase in product sales in the United States and \$112,500 in revenues from licensing and service agreements. The Company added a significant new distributor in the AED sector in the Netherlands, Belgium and Luxembourg during the second quarter of 2013, further 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 \$323,599 for the three months ended June 30, 2013, an increase of \$285,864 or 758% from \$37,735 in the same period last year, primarily due to significantly higher product and service sales. Gross margin was 68%, up from 60%.

Selling, general and administrative expenses were \$511,980 compared to \$256,754 for three months 2012. The Company increased sales and marketing expenses from \$18,134 to \$133,730 as it expanded its sales and branding efforts. OxySure also recorded an increase in research and development expenses primarily attributable to an increase in research and development expense recognized in connection

with products for military markets. These increases are partially offset by a decrease in other general and administrative expenses, which fell by 18% to \$194,803 as compared to \$237,445 for the prior period. The decrease in other general and administrative expense was primarily as a result of a decrease in depreciation and amortization expense, a decrease in employee stock option expense, and a decrease in professional fees.

Interest expense fell 60% to \$23,254 for the second quarter of 2013 from \$57,462 during the second quarter of 2012.

Net loss decreased to \$192,609, or \$0.008 per share, compared to \$218,472 or \$0.01 per share for the second quarter of 2012. The weighted average diluted shares outstanding were 23,167,439 and 19,807,432 for second quarters of 2013 and 2012, respectively.

The total number of derivative securities outstanding reduced by approximately 2,038,455 or 31% from June 30, 2012 to June 30, 2013 as follows:

- Warrants to purchase common stock reduced by 352,500 or 19% to 1,519,534 from 1,872,034;
- Common shares issuable upon conversion of convertible preferred stock reduced by 427,000 or 31% to 937,875 from 1,364,875; and
- Common shares issuable upon conversion of convertible notes reduced by 1,284,346 or 76% to 411,985 from 1,696,331;
- Offset by, options to purchase common stock which increased by 25,391 or 2% to 1,579,921 from 1,554,530

Total assets increased to \$1,366,524 at June 30, 2013 from 1,215,797 at December 31, 2012. The Company continues to opportunistically evaluate various debt and equity options to finance its growth.

Business updates

OxySure continues to execute on its core growth strategy of:

- Expand its sales and 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 a distribution agreement with Dutch conglomerate Medizon B.V. to distribute products in the Netherlands, Belgium and Luxembourg
2. Launched a new product, a double wall cabinet to house a combination AED/OxySure system
3. Added new distributors in the United States to expand distribution footprint

Conference Call

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

Date: Tuesday, August 13, 2013
Time: 9:00 am ET
US Dial-In: 1 (866) 352-2112
International Dial-In: 1 (630) 691-2779
Conference ID: 7064 119
Webcast: <http://web.meetme.net/r.aspx?p=2&a=UhiRhpldemTNlm>

Please register prior to the call using the instructions above. A copy of the presentation accompanying the webcast will be available in the investor relations area on the Company's website at www.oxysure.com prior to the call. Please contact Chris Hagerman at (+1) 208-361-6624 if you are unable to access the presentation slides.

A playback of the call will also be available in the investor relations area on the Company's website at www.oxysure.com.

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, 2012.

OXYSURE SYSTEMS INC.
CONDENSED BALANCE SHEETS

	June 30,	December 31,
	2013	2012
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 96,207	\$ 13,514
Accounts receivable	80,917	18,487
Inventory	288,523	221,345
Total current assets	465,647	253,346
Property and equipment, net	23,516	27,599
Intangible assets, net	407,462	418,479
Other assets	469,899	516,373
TOTAL ASSETS	\$ 1,366,524	\$ 1,215,797
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 724,150	\$ 595,655
Capital leases - current	308,526	296,116
Notes payable - current	462,268	398,589
Deferred revenue	261,726	499,225
Total current liabilities	1,756,670	1,789,585
Long-term liabilities		
Capital leases	2,304	2,265
Notes payable	76,072	76,072
Total long-term liabilities	78,376	78,337
TOTAL LIABILITIES	1,835,046	1,867,922
COMMITMENTS AND CONTINGENCY		
STOCKHOLDERS' DEFICIT		
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 June 30, 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;		
23,685,846 shares of voting common stock issued and outstanding as of June 30, 2013 and 22,548,678 shares issued and outstanding as of December 31, 2012.	9,470	9,016
Common stock, subscribed but not issued, par value \$0.0004 per share; 100,000,000 shares authorized;		
483,529 shares of voting common stock subscribed but not issued as of June 30, 2013 and 0 shares subscribed but not issued as of December 31, 2012.	193	-
Additional paid-in capital	14,142,511	13,597,117
Accumulated deficit	(14,621,080)	(14,258,667)
TOTAL STOCKHOLDERS' DEFICIT	(468,521)	(652,125)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 1,366,524	\$ 1,215,797

OXYSURE SYSTEMS INC.
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Revenues, net	\$ 476,071	\$ 62,891	\$ 716,491	\$ 90,775
Cost of goods sold	152,472	25,156	205,653	37,859
Gross profit	323,599	37,735	510,838	52,916
Operating expenses				
Research and development	183,447	1,175	220,158	1,235
Sales and marketing	133,730	18,134	192,077	20,564
Other general and administrative	194,803	237,445	431,097	518,477
Loss from operating expenses	(188,381)	(219,019)	(332,494)	(487,360)
Other income (expenses)				
Other income (expense)	19,026	58,009	19,026	58,718
Interest expense	(23,254)	(57,462)	(48,489)	(115,316)
Total other income (expenses)	(4,228)	547	(29,464)	(56,599)
Net loss	\$ (192,609)	\$ (218,472)	\$ (361,958)	\$ (543,958)
Basic and diluted net income (loss) per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Weighted average common shares outstanding:				
Basic and diluted	23,167,439	19,807,432	22,917,864	18,825,947

OXYSURE SYSTEMS INC.
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the six months ended June 30,	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (361,958)	\$ (543,958)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	9,554	81,818
Amortization of intangible assets	14,978	14,883
Prior period adjustment	(455)	-
Amortization of debt discount and warrant fair values related to convertible loans	32,472	104,611
Amortization of discount on notes payable	6,206	6,206
Amortization of other assets	46,474	-
Changes in deferred rent and leasehold improvement allowance	20,625	(43,386)
Issuance of common stock options to employees as compensation	(12,060)	17,209
Issuance of common stock for compensation	1,525	-
Issuance of common stock in exchange for services	19,023	-
Issuance of common stock in connection with research & development arrangements	5,550	-
Changes in current assets and liabilities:		
Accounts receivable	(62,430)	(8,370)
Inventory	(67,179)	118
Accounts payable and accrued liabilities	107,870	32,985
Deferred revenue	(237,500)	155,613
NET CASH USED IN OPERATING ACTIVITIES	(477,305)	(182,273)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of intangible assets	(3,961)	-
Other assets	-	-
Purchases of property and equipment	(5,471)	-
NET CASH USED IN INVESTING ACTIVITIES	(9,432)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds, net	25,000	47,953
Payment of capital leases	12,449	(3,871)
Proceeds from issuance of common stock for cash	59,617	-
Proceeds from common stock subscribed	468,864	-
Proceeds from exercise of common stock options and warrants	3,500	95,225
NET CASH PROVIDED BY FINANCING ACTIVITIES	569,430	139,307
Net change in cash and cash equivalents	82,693	(42,966)
Cash and cash equivalents, at beginning of period	13,514	65,118
Cash and cash equivalents, at end of period	<u>\$ 96,207</u>	<u>\$ 22,152</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	\$ 12,583	\$ 721
Income taxes	\$ -	\$ -
Supplemental non-cash investing and financing activities:		
Promissory subordinated convertible notes converted to common stock	\$ -	\$ 354,563
Shareholder loans converted to common stock	\$ -	\$ 25,622
Common stock issued in connection with research & development arrangements	\$ 5,547	\$ -

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