



OxySure (OXYs) Reports First Quarter 2015 Results with Robust Growth

Revenues Up 75%; Growth Plan on Track

Frisco, Texas, May 19, 2015 – OxySure Systems, Inc. (OTCQB: OXYs) (“OxySure,” or the “Company”), a global leader and medical device innovator of life-saving, easy-to-use emergency oxygen solutions with its “oxygen from powder” technology, today announced financial and operating results for the first quarter ended March 31, 2015.

First Quarter 2015 Highlights:

- Revenues were \$624,514, up 75%
- Eleventh consecutive quarter of sales growth
- Gross profit up 92%
- Gross margin increased by 4%
- Selling, general & administrative expense was \$1.3 million
- Total assets was \$2.2 million
- Capital leases completely extinguished
- Long term debt completely extinguished
- Net loss per share was \$0.05
- Total replacement cartridges as a percentage of the Model 615 installed base was 45%

Julian T. Ross, Chairman of the Board and Chief Executive Officer of OxySure stated, “We ended the quarter with a robust 75% growth rate, and our growth plan for 2015 remains on track. We have also kicked our awareness building process into high gear, and early results have been remarkable. We believe our strategy, as well as our continued focus, tenacity, and hard work are paying dividends, and there is a new and exciting momentum building.”

For the three months ended March 31, 2015, revenues increased by 75% to \$624,514 from \$356,229 for the three months ended March 31, 2014. The fully burdened gross margin on the revenues was 46.2%, up approximately 4% from 42.3% during the prior period.

Total cartridges as a percentage of the Model 615 installed base as at March 31, 2015 was 45%, up from 39% as at March 31, 2014.

Gross profit was \$288,657 for the three months ended March 31, 2015, an increase of 92% from \$150,639 for the three months ended March 31, 2014. Selling, general and administrative expenses for the three months ended March 31, 2015 were \$1,300,375 compared to \$435,247 for the three months ended March 31, 2014. One of the Company’s stated goals for 2015 was to start the process of increasing awareness about the Company, its technologies and products. To that end, the Company implemented some significant television and online marketing campaigns. Sales and

marketing expenses increased to \$464,746 during the three months ended March 31, 2015, up from \$87,949 during the three months ended March 31, 2014, as the Company significantly expanded its sales and marketing, branding and investor relations efforts.

Other general and administrative expenses increased by approximately 80% to \$622,284 for the three months ended March 31, 2015 primarily as a result of the previously announced increases in staffing in the sales department, as well as staffing additions in supporting areas such as regulatory and quality control, manufacturing and engineering. Other contributing factors to the increase in general and administrative expense include an increase in employee stock option expense, an increase in professional fees, and a significant increase in consulting fees. Consulting fees increased to \$69,041 for the three months ended March 31, 2015, up from just \$2,086 for the three months ended March 31, 2014.

Interest expense increased to approximately \$331,154 for the three months ended March 31, 2015, as compared to \$107,607 for the three months ended March 31, 2014, primarily as a result of an increase in the amortization of debt discounts and beneficial conversion features (BCF). The Company recorded approximately \$288,556 in non-cash interest related to debt discount amortization during the three months ended March 31, 2015, as compared to \$71,740 during the three months ended March 31, 2014.

Net loss during the three months ended March 31, 2015 was \$1,340,103, or \$0.05 per share, as compared to \$376,320 or \$0.01 per share during the three months ended March 31, 2014. The weighted average shares outstanding were 28,951,882 and 25,889,334 for three months ended March 31, 2015 and 2014, respectively.

Business updates

OxySure continues to gather momentum and develop its reputation as an emerging medical device leader with global aspirations. During the past quarter, the Company:

- Hired territory managers in several key markets across the country, including Michigan, Arizona, Texas, Georgia, Colorado and Pennsylvania;
- Welcomed Tom Cox, the former EVP of Sales for MSC Industrial and an advisor to leading private equity firms, to its Board of Directors;
- Appointed several new US distributors, including Stop Heart Attack, Team Life, Health Education Services, Chris Gardner & Associates and Cardio Partner Resources;
- Announced a \$1.575 million institutional financing; and
- Made significant progress in various corporate and business development initiatives, including operational, financial, regulatory, product development and international distribution.

The Company remains on track with its focus on growth by expanding its direct sales force and its global distribution channel. The Company also plans to continue to ramp up its sales and marketing activities to drive sales, raise market awareness and grow its brand, while simultaneously making

product and operational improvements. Management also expects to add new products to the Company's catalog during 2015, with an emphasis on innovative and unique products that are complimentary with the existing portfolio of products targeting the emergency/short-duration oxygen market and the pre-hospital medical emergency market in general.

"We expect each quarter to get progressively better as the headcount of territory managers increases and their productivity becomes optimized," said Mr. Ross. "We intend to carry our first quarter momentum into the second quarter, and look forward to some exciting developments."

Earnings Conference Call

OxySure's CEO Julian Ross will host the conference call to discuss the Company's first quarter 2015 results. To join the Audio Conference, please dial the phone number at least ten minutes prior to the start of the conference call and enter your passcode as follows:

Date: Tuesday, May 18, 2015
Time: 4:15 pm ET
US Dial-In: 1 (800) 697-5978 Audience US Toll Free
International Dial-In: 1 (630) 691-2750 Audience US Toll
Passcode: 8254 782#

A PowerPoint presentation to be used during the call will be made available under "Investor Events" at the following link prior to the call:

For webcast link/: <http://www.oxysure.com/aed/index.php/investors-home>
PowerPoint slide
Deck

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, 2014.

**OXYSURE SYSTEMS INC.
BALANCE SHEETS**

	March 31, 2015	December 31, 2014
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 98,351	\$ 647,093
Accounts receivable, net	429,610	369,575
Inventories	372,121	277,346
License fee receivable	448,308	463,308
Prepaid expenses and other current assets	86,747	53,588
Total current assets	1,435,137	1,810,910
Property and equipment, net	92,095	91,537
Intangible assets, net	355,207	362,764
Other assets	306,893	246,237
TOTAL ASSETS	\$ 2,189,332	\$ 2,511,448
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 557,942	\$ 558,338
Related party payable	255,000	154,850
Capital leases - current	-	149
Notes payable - current, net of discount	88,484	40,897
Convertible notes payable, net of discount	702,505	606,932
Derivative liability	28,359	31,010
Total current liabilities	1,632,290	1,392,176
Long-term liabilities		
Notes payable, net of discount	-	44,484
Total long-term liabilities	-	44,484
TOTAL LIABILITIES	1,632,290	1,436,661
COMMITMENTS AND CONTINGENCY (NOTE 9)		
<u>STOCKHOLDERS' EQUITY</u>		
Preferred stock, par value \$0.0005 per share; 25,000,000 shares authorized; 518,750 Series A convertible preferred shares issued and outstanding as of March 31, 2015 and 593,750 shares issued and outstanding as of December 31, 2014.	258	296
975 Series B convertible preferred shares issued and outstanding as of March 31, 2015 and 1,145 shares issued and outstanding as of December 31, 2014.	-	-
Common stock, par value \$0.0004 per share; 100,000,000 shares authorized; 29,630,026 shares of voting common stock issued and outstanding as of March 31, 2015 and 28,438,631 shares issued and outstanding as of December 31, 2014	11,855	11,377
Additional Paid-in Capital	19,926,240	19,104,322
Accumulated deficit	(19,381,311)	(18,041,208)
TOTAL STOCKHOLDERS' EQUITY	557,042	1,074,787
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,189,332	\$ 2,511,448

OXYSURE SYSTEMS INC.
STATEMENTS OF OPERATIONS

For the three months ended March 31,

	<u>2015</u>	<u>2014</u>
Revenues, net	\$ 624,514	\$ 356,229
Cost of goods sold	<u>335,856</u>	<u>205,590</u>
Gross profit	288,657	150,639
Operating expenses		
Research and development	213,345	1,541
Sales and marketing	464,746	87,949
Other general and administrative	<u>622,284</u>	<u>345,757</u>
Total operating expenses	1,300,375	435,247
Loss from operations	(1,011,717)	(284,608)
Other income (expenses)		
Gain on settlement of debt	-	16,226
Other income (expense)	117	(331)
Change in value of derivative liabilities	2,651	-
Interest expense	(331,154)	(107,607)
Total other expenses	(328,386)	(91,712)
Net loss	<u>\$ (1,340,103)</u>	<u>\$ (376,320)</u>
Basic and Diluted net income (loss) per common share	\$ (0.05)	\$ (0.01)
Weighted average common shares outstanding:		
Basic and Diluted	28,951,882	25,889,334

OXSURE SYSTEMS INC.
STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (1,340,103)	\$ (376,320)
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization expense	10,899	12,141
Amortization of debt discount and beneficial conversion features	288,556	95,776
Expenses paid by related parties	135,000	4,374
Stock based compensation	48,300	17,588
Forbearance expense	7,046	(16,226)
(Gain)/Loss on derivative revaluation	(2,651)	-
Stock issued for services	62,670	-
Common stock warrants issued for services	4,433	-
Changes in operating assets and liabilities:		
Accounts receivable	(60,035)	(272,816)
Inventories	(94,775)	10,407
License fees receivable	15,000	36,692
Prepaid expenses and other current assets	(33,159)	40,173
Accounts payable and accrued liabilities	(60,656)	212,259
Other assets	14,632	(2,976)
NET CASH USED IN OPERATING ACTIVITIES	(1,004,843)	(238,928)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,900)	(64,000)
NET CASH USED IN INVESTING ACTIVITIES	(3,900)	(64,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments made to related parties	(34,850)	(93,500)
Cash received from convertible notes payable	495,000	-
Payments made on convertible notes payable	-	(110,000)
Payments on capital leases	(149)	(576)
Exercising of warrants	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	460,001	(204,076)
Net change in cash and cash equivalents	(548,742)	(507,004)
Cash and cash equivalents, at beginning of period	647,093	657,673
Cash and cash equivalents, at end of period	<u>\$ 98,351</u>	<u>\$ 150,669</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ 272</u>	<u>\$ 7,492</u>
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Supplemental non-cash investing and financing activities:		
Conversion of convertible notes payable	\$ 298,619	\$ 25,000
Conversion of Series A preferred stock to common stock	38	25
Conversion of Series B preferred stock to common stock	127	-
Beneficial conversion feature	408,336	-

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