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Oncolytics Biotech Inc. Research Collaborators to Present Reovirus Treatment in Melanoma Animal Models at International Oncolytic Virus Conference

CALGARY, March 16 /PRNewswire-FirstCall/ - Oncolytics Biotech Inc. ("Oncolytics") (TSX:ONC, NASDAQ:ONCY) announces that Dr. Alan Melcher of St. James's University Hospital in Leeds, U.K. is scheduled to present a poster today entitled "Inflammatory Tumour Cell Killing by Oncolytic Reovirus for the Treatment of Melanoma" at the 4th International Conference on Oncolytic Viruses as Cancer Therapeutics in Carefree, Arizona. The conference runs from March 14 through 17, 2007.

The results of the preclinical study showed that the reovirus effectively replicated in and killed a range of human melanomas in vitro, and intratumoural injection of reovirus significantly delayed tumour growth in a mouse implanted with a human melanoma tumour. In addition, the melanoma cell death caused by reovirus also triggered an immune response which led to additional anti-tumour activity.

The investigators concluded that the reovirus is a promising agent for the treatment of melanoma, causing an inflammatory cell death that is potentially immunogenic as well as directly cytotoxic.

"This latest study is one of several that indicate there is a relationship between the reovirus and the immune system," said Dr. Matt Coffey, Chief Scientific Officer of Oncolytics. "Recording immune system effects on cancer following reovirus infection continues to be an important objective in our ongoing clinical program for REOLYSIN(R)."

The research will be posted on the Oncolytics website at www.oncolyticbiotech.com as soon as it is available.

About Oncolytics Biotech Inc.

Oncolytics is a Calgary-based biotechnology company focused on the development of oncolytic viruses as potential cancer therapeutics. Oncolytics' clinical program includes a variety of Phase I and Phase II human trials using REOLYSIN(R), its proprietary formulation of the human reovirus, alone and in combination with radiation or chemotherapy. For further information about Oncolytics, please visit www.oncolyticsbiotech.com.

This press release contains forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements, including the implication of the materials presented at this conference with respect to REOLYSIN(R), the Company's expectations related to the results of trials investigating delivery of

REOLYSIN(R), and the Company's belief as to the potential of REOLYSIN(R) as a cancer therapeutic, involve known and unknown risks and uncertainties, which could cause the Company's actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, among others, the availability of funds and resources to pursue research and development projects, the efficacy of REOLYSIN(R) as a cancer treatment, the success and timely completion of clinical studies and trials, the Company's ability to successfully commercialize REOLYSIN(R), uncertainties related to the research and development of pharmaceuticals and uncertainties related to the regulatory process. Investors should consult the Company's quarterly and annual filings with the Canadian and U.S. securities commissions for additional information on risks and uncertainties relating to the forward-looking statements. Investors are cautioned against placing undue reliance on forward-looking statements. The Company does not undertake to update these forward-looking statements.

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