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Oncolytics Biotech(R) Inc. Completes Lyophilization Process for REOLYSIN(R)

CALGARY, July 20 /PRNewswire-FirstCall/ - Oncolytics Biotech Inc. ("Oncolytics") (TSX:ONC, NASDAQ:ONCY) announced today that it has successfully completed its lyophilization (freeze-drying) formulation development program for REOLYSIN(R).

"This is the final step in the development of our manufacturing process for REOLYSIN," said Dr. Matt Coffey, Chief Operating Officer for Oncolytics. "Lyophilized product is the standard end use formulation for commercial use of the product."

The lyophilization program was completed in cooperation with the National Research Council Biotechnology Research Institute (NRC-BRI) of Montreal, Canada and Lyophilization Technology, Inc. of Ivyland, Pennsylvania.

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/II and Phase II human trials using REOLYSIN, 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.

About Lyophilization

Lyophilization (or freeze-drying) is a dehydration process typically used to preserve a perishable material or make the material more convenient for transport and storage. Pharmaceutical companies often use lyophilization to increase the shelf life of products, such as vaccines and other injectables. By removing the water from the material and sealing the material in a vial, the material can be easily stored, shipped, and later reconstituted to its original form for injection.

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 Company's expectations related to the lyophilization process, and the Company's belief as to the potential of REOLYSIN 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 as a cancer treatment, the success and timely completion of clinical studies and trials, the Company's ability to successfully commercialize REOLYSIN, 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, except as required by applicable laws.

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