

January 10, 2007



Oncolytics Biotech Inc. Research Collaborators to Present Reovirus Data at Society of Academic & Research Surgery Conference

CALGARY, Jan. 10 /PRNewswire-FirstCall/ - Oncolytics Biotech Inc. ("Oncolytics") (TSX:ONC, NASDAQ:ONCY) announces that an oral presentation by Dr. Sheila Fraser of St. James's University Hospital in Leeds, U.K. entitled "Reovirus as a Potentially Immunogenic as well as Cytotoxic Therapy for Metastatic Colorectal Cancer" will be presented today at the Society of Academic & Research Surgery Conference in Cambridge, U.K.

The investigators tested reovirus in vitro against recently resected colorectal cancer liver metastases. The results showed that a significant proportion of tumour cell cultures showed susceptibility to death following reovirus infection, and also demonstrated effective replication of reovirus within these cells. In addition, dendritic cells that prime the immune system to fight cancer cells were activated by exposure to the reovirus.

The investigators concluded that the data supports the development of reovirus as a novel therapy for colorectal cancer, with the potential to direct the immune system to target cancer cells.

"These results reinforce the results of previous studies that investigated the interaction 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 abstract will be posted on the Oncolytics website at www.oncolyticsbiotech.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.

SOURCE Oncolytics Biotech Inc.