Oncolytics Biotech Inc. Announces Decision to Pursue Phase II/III Pivotal Clinical Trial

CALGARY, Nov. 4 /PRNewswire-FirstCall/ - Oncolytics Biotech Inc. ("Oncolytics") (TSX:ONC, NASDAQ:ONCY) announced today that it has made a decision to pursue a pivotal (Phase II/III) randomized trial using the combination of REOLYSIN(R) with paclitaxel/carboplatin in refractory patients with head and neck cancers. The decision was made following a review of results by the Company's Board of Directors from the Company's ongoing U.K. Phase I and Phase II combination REOLYSIN(R) and paclitaxel/carboplatin clinical trials. The results were presented November 1, 2008 at the International Society for Biological Therapy of Cancer (iSBTc) annual meeting in San Diego, CA.

"Eight out of nine head and neck patients reported on to date from the Phase I and Phase II studies had either a partial response or stabilization of disease," said Dr. Brad Thompson, President and CEO of Oncolytics, "This response rate exceeds that of the current standard of care for this patient group, and more than warrants proceeding to a pivotal program."

Oncolytics is currently convening a group of experts in Europe and the U.S. to design a protocol for the Phase II/III trial, which will then be submitted to the U.S. Food and Drug Administration (FDA), and the European Medicines Agency (EMEA) for review. Following FDA and EMEA review, Oncolytics expects to file for approval for this trial early in 2009.

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(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 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 tolerability of REOLYSIN® outside a controlled test, 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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