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Oncolytics Biotech Inc. Announces Positive Clinical Data from U.S. Phase I REOLYSIN(R) Trial

CALGARY, June 5 /PRNewswire-FirstCall/ - Oncolytics Biotech Inc. ("Oncolytics") (TSX:ONC, NASDAQ:ONCY) announced today positive results from its U.S. Phase I clinical trial examining the systemic administration of REOLYSIN(R) in patients with advanced cancers. The results indicate that REOLYSIN(R) can be delivered systemically to patients with advanced and metastatic cancers and cause anti-tumour activity.

"REOLYSIN(R) administered as a one-hour infusion on a monthly schedule is safe and well-tolerated even in multiple doses," said Principal Investigator Dr. Sanjay Goel of the Montefiore Medical Center and Albert Einstein College of Medicine, New York. "This preliminary data suggests there is anti-tumour activity of REOLYSIN(R) administered as a single agent, and warrants further studies either alone or in combination with cytotoxic chemotherapy, which are currently being planned."

A total of 18 patients were treated in the escalating dosage trial to a maximum daily dose of 3x10(10) TCID(50) in a one-hour infusion. Of the 18 patients treated, eight demonstrated stable disease as measured by RECIST (Response Evaluation Criteria in Solid Tumours) including a patient with progressive breast cancer who experienced a 28.5% shrinkage in tumour volume. The trial was originally designed to demonstrate the safety of a single, one-hour infusion of REOLYSIN(R). During the treatment of the 4th cohort of patients however, Oncolytics applied for and was granted approval to allow subsequent patients to receive repeat monthly treatments of REOLYSIN(R). Of the patients eligible for retreatment, three patients received a range of two to seven one-hour infusions of REOLYSIN(R).

Toxicities possibly related to REOLYSIN(R) treatment in this trial were generally mild (grade 1 or 2) and included chills, fever and fatigue.

The primary objective of the Company's U.S. Phase I trial is to determine the maximum tolerated dose, (MTD), dose limiting toxicity (DLT), and safety profile of REOLYSIN(R) when administered systemically to patients. A secondary objective is to examine any evidence of anti-tumour activity. Eligible patients included those who had been diagnosed with advanced or metastatic solid tumours that are refractory (have not responded) to standard therapy or for which no curative standard therapy exists.

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 Company's expectations related to the results of the Phase I US Systemic Administration clinical trial investigating delivery of REOLYSIN(R) for advanced cancers, 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, actual patient tolerance, 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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