

FOR IMMEDIATE RELEASE

Oncolytics Biotech Inc. Collaborators Present Positive Phase I/II Combination REOLYSIN[®] and Paclitaxel/Carboplatin Results at iSBTc Annual Meeting

CALGARY, AB, --- November 3, 2008 –Oncolytics Biotech Inc. (TSX: ONC, NASDAQ: ONCY) announced today that it has achieved positive interim results in its Phase I and Phase II U.K. combination REOLYSIN[®] and paclitaxel/carboplatin clinical trials for patients with advanced cancers. The principal investigator for the trial is Dr. Kevin Harrington of The Institute of Cancer Research and The Royal Marsden NHS Foundation Trust.

The results were presented at the International Society for Biological Therapy of Cancer (iSBTC) annual meeting on November 1, 2008. The meeting was held in San Diego, California from October 31-November 2, 2008.

"The most striking finding," said George M. Gill, MD, Oncolytic's Senior VP of Clinical and Regulatory Affairs, "is that in nine evaluable late-stage head and neck cancer patients, eight of whom have refractory disease, four had durable partial responses and four others showed stable disease for periods of two, five plus, and eight cycles."

Four of the responding patients continue on study, while a fifth patient is too early to evaluate for response. These results appear to confirm preclinical evidence of synergy for REOLYSIN[®] and platinum/taxane combinations. A U.S. Phase 2 trial has now been opened in this patient population utilizing this regimen.

Fourteen patients have been treated to date in the Phase I and Phase II (REO 011) trials. The detailed results are summarized in the following table:

Primary Tumour	REOLYSIN Dose TCID ₅₀	Cycles	Best Response
Phase I patients			
Melanoma	3x10 ⁹	2	PD
Squamous cell carcinoma (SCC) head & neck	3x10 ⁹	8	Clinical CR, SD per CT scan
Peritoneal	3x10 ⁹	3	PD
Melanoma (eye)	1x10 ¹⁰	2	PD
Head & neck	1x10 ¹⁰	8	PR
Nasopharynx	1x10 ¹⁰	8	PR
Endometrial	3x10 ¹⁰	8	SD
SCC nasopharynx	3x10 ¹⁰	1	PD
Head & neck (laryngeal carcinoma)	3x10 ¹⁰	2	SD
Phase II patients			
Nasopharynx	3x10 ¹⁰	8*	SD
Nasopharynx with liver mets	3x10 ¹⁰	7*	PR

SCC nasolabial fold	3x10 ¹⁰	5*	SD
SCC nasopharynx	3x10 ¹⁰	4*	PR
SCC nasopharynx	3x10 ¹⁰	2*	Too early to evaluate

*still on study. CR=complete response, PR=partial response, SD=stable disease, PD=progressive disease

The Phase I trial has two components. The first is an open-label, dose-escalating, non-randomized study of REOLYSIN[®] given intravenously to patients with paclitaxel and carboplatin every three weeks. In this portion of the trial, standard dosages of paclitaxel and carboplatin are delivered to patients with escalating dosages of REOLYSIN[®] intravenously. The second component of the trial includes the enrolment of a further nine patients at the top dose of REOLYSIN[®] in combination with a standard dosage of paclitaxel and carboplatin. Eligible patients include those who have been diagnosed with advanced or metastatic solid tumours such as melanoma, lung and ovarian that are refractory (have not responded) to standard therapy or for which no curative standard therapy exists.

The Phase II trial is a 14-patient, single arm, open-label, dose-targeted, non-randomized trial of REOLYSIN[®] given intravenously in combination with a standard dosage of paclitaxel and carboplatin. Eligible patients include those with advanced or metastatic head and neck cancers that are refractory to standard therapy or for which no curative standard therapy exists.

The poster will be available today on the Oncolytics website at www.oncolyticsbiotech.com.

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.

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 meeting with respect to REOLYSIN[®], the Company's expectations related to the results of trials investigating delivery of REOLYSIN[®], the Company's analysis of the results of the Phase I/II trials 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, uncertainties related to the regulatory process and general changes to the economic environment. 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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