



## NEWS

### **Oncolys BioPharma and Medigen Biotechnology Enters Strategic Alliance and License Agreement to Develop and Commercialize Telomelysin® (OBP-301) for a Potential New Treatment for Solid Tumors**

**Tokyo, Japan and Taipei, Taiwan – March 06, 2008 – Oncolys BioPharma, Inc. (Headquarters Tokyo, Japan, President & CEO: Yasuo Urata) and Medigen Biotechnology Corp. (Headquarters Taipei, Taiwan, Chairman: Stanley Chang)** today signed a strategic alliance and license agreement to develop and potentially commercialize Telomelysin® (OBP-301), Oncolys' lead oncology clinical program, currently phase-I in the US. Under this agreement, Medigen has been granted rights to develop Telomelysin® for liver cancers or an alternative indication. Upon completion of phase-II, Medigen will have the option to acquire regional rights for Asian countries for Telomelysin® for all indications under this strategic alliance. Further, under this agreement, Oncolys committed to develop esophageal cancers, head & neck cancers or alternative indications, until the completion of phase-II, and have the option to continue development through commercialization. This strategic alliance aims to create and increase Telomelysin® value, where both companies, upon successful completion of the phase-II will share future potential revenues at pre-set Revenue-Sharing-Ratio. Both companies, under Oncolys leadership, will seek a global alliance with a major pharma partner to maximize the value of Telomelysin®.

For this agreement with Medigen, Oncolys will receive an up-front payment and potential future milestones. Total financial terms for this agreement, including up-front and milestones, may reach a total of US\$198.9 million for combined strategic alliance and regional license for Asia and Japan region. This total amount is inclusive of a portion to be shared by the parties based on a pre-set Revenue-Sharing-Ratio.

“We are delighted and happy about forming this strategic alliance with Medigen, a leading Biotechnology company in Taiwan. Medigen has a proven track record and expertise in the field of liver diseases, and we strongly believe in Medigen to add-value and speed up the development of Telomelysin®. In addition, we believe on Medigen's future potential as a commercial partner in Taiwan, China and Asian markets” said Yasuo Urata, President and Chief Executive Officer of Oncolys.

“With our prior experience and track records in successfully conducting liver cancer trials under the auspice of US FDA, we believe the collaboration between Medigen and

Oncolys on OBP-301 is truly synergistic and value-added. Other than being a strategic collaborator in drug development, Medigen looks forward to a further partnership in licensing the Asian rights to bring Oncolys and its OBP-301 product into China and other Asian countries where Medigen has already had its business connections.” said Dr. Stanley Chang, Chairman of Medigen Biotech Corporation.

**About Telomelysin®:**

Telomelysin® is a therapeutic modality derived from adenovirus. Telomelysin® is generated by replacing the normal transcriptional regulatory element of the E1A gene in the human adenovirus type 5 with the human telomerase reverse transcriptase (hTERT) promoter. Telomerase is an enzyme expressed in approximately 90% of all types of cancer cells. The hTERT promoter is the key for the expression of telomerase, as well as for the complete replication of chromosomal ends. Telomelysin® is able to achieve a high replication rate, due to the internal ribosome entry site (IRES) gene inserted between the E1A and E1B genes. Telomelysin® is currently in phase-I clinical development in the US targeting solid tumors and is expected to complete in the 1<sup>st</sup> half of 2008.

**About Oncolys BioPharma Inc.**

Oncolys BioPharma is a privately held biopharmaceutical company focused on the development of novel biologics for the treatment of cancer and infectious disease. The company’s lead product for the treatment of cancer, Telomelysin® (OBP-301), is based on replication-competent oncolytic virus, and is being tested in Phase-I clinical trial in the U.S. for various solid tumors. A novel cancer diagnostic product, Telomescan® (OBP-401), is at validation stage (feasibility studies) and is expected to be effective in detecting various types of cancer. The company also has a major program for infectious disease, FESTINAVIR(OBP-601), in late pre-clinical stage (Pre-IND) for HIV/AIDS therapy. FESTINAVIR is a novel NRTI with highly promising safety and resistance profiles. In addition, Oncolys has the 1<sup>st</sup> negotiation rights for OBP-701 (TT-033), a novel therapeutic product containing three separate RNAi elements entrapped in an AAV protein coat, for the Asian territory, targeting HCV. For additional information, please visit [www.oncolys.com](http://www.oncolys.com)

**About Medigen Biotechnology Corp.**

Medigen Biotechnology Corp. (hereinafter as MBC) is a public company in Taiwan, MBC was founded in 1999, focusing on the development of biopharmaceuticals for liver diseases and cancers in particular. With core competencies in molecular biology and clinical trials, MBC has 2 business platforms - New Drug Development (NDD), and Nucleic Acid Testing (NAT), respectively. NDD has a good track record in drug development, including PI-88 phase II trial for liver cancer in collaboration with Progen Pharmaceuticals of Australia, and many others in MBC’s pipeline. With the successful launch of a series of innovative HLA typing kits, followed by highly sensitive pathogen detection products, NAT aims to provide automated and cost effective solutions in the field of molecular diagnostics. Combining the strength of both business platforms,

Medigen is well poised to become one of the leading biotech companies in Asia. For additional information, please visit [www.medigen.com.tw](http://www.medigen.com.tw)

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