



NEWS

ONCOLYS BIOPHARMA DISCLOSED THE INTERIM CLINICAL RESULT OF A PHASE I CLINICAL TRIAL OF TELOMELYSIN™ (OBP-301) AT ASCO 2008 (AMERICAN SOCIETY OF CLINICAL ONCOLOGY), IN CHICAGO

Tokyo, Japan —May 29th, 2008 — Oncolys BioPharma Inc. (Tokyo, Japan) announced today that the interim clinical results of a Phase I clinical trial of Telomelysin™ (OBP-301) would be presented at the 44th annual meeting of the American Society of Clinical Oncology (ASCO) ,which will be held in Chicago, Illinois from May 30th to June 3rd 2008. The presentation (Abstract #3572) on 1st of June is entitled “Phase I Trial of Intratumoral Administration of OBP-301, a Novel Telomerase-Specific Oncolytic Virus, in Patients with Advanced Solid Cancer: Evaluation of Biodistribution and Immune Response.”

The Phase I study has been conducted in the Mary Crowley Cancer Research Center in Dallas, TX. Twelve patients with histologically confirmed advanced solid tumors were enrolled in the study, and received single intratumoral injection of Telomelysin™ at three dose level of 1×10^{10} to 1×10^{12} virus particles [vp]/tumor as monotherapy to primarily evaluate the safety for all 12 patients and to additionally evaluate the tumor response for 9 patients. All twelve patients received a single intratumoral injection of Telomelysin™ were well-tolerated without dose-limiting toxicity. All adverse events reported categorized as mild to moderate severity. The most commonly reported adverse events were flu-like symptoms, as well as pain and swelling at injection site. No hematological adverse events were observed except transient lymphopenia-like condition. All nine patients evaluable for tumor response had stable disease, although six out of nine patients showed tumor size reduction from 6.6% to 34% at the assessment of day 28 later.

Oncolys BioPharma Inc is preparing a multiple dose trial of Telomelysin™ for evaluating safety and tumor response.

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 1st 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 Festinavir (OBP-601) for infectious disease, which is in Phase-Ia/Ib clinical trial in the U.S. for HIV/AIDS therapy. Festinavir is a novel NRTI with highly promising safety and resistance profiles. In addition, Oncolys has the exclusive license rights for 45 countries in Asia for OBP-701 (TT-033), a novel therapeutic product containing three separate short hairpin RNAi elements entrapped in an AAV protein coat, targeting HCV. For more additional information, please visit www.oncolys.com

About ASCO.

The American Society of Clinical Oncology (ASCO) is a non-profit organization, founded in 1964, with overarching goals of improving cancer care and prevention and ensuring that all patients with cancer receive care of the highest quality. More than 25,000 oncology practitioners belong to ASCO, representing all oncology disciplines (medical, radiological, and surgical oncology) and subspecialties.

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