VIRALYTICS LTD

ONCOLYTIC VIRUSES
A NEW HOPE FOR CANCER TREATMENT

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Subject First patient enrolled in Viralytics' Phase I melanoma cancer trial with CAVATAK™

Viralytics is very pleased to announce that the first patient in the Company's Phase I, intratumour administration, dose escalation melanoma cancer trial in late stage Melanoma patients has received the first dose of CAVATAK™.

The trial aims to recruit 3 groups of 3 patients each. The dose escalation schedule is 10^7, 10^8, with the final group to receive 10^9 $tcid_{50}$, of CAVATAK™ injected twice into a superficial melanoma tumour 48 hours apart.

The Primary end point for this trial is to assess the safety and tolerability of two doses of CAVATAK™.

Secondary end points include assessment of changes in tumour size of the injected tumour and non-injected remote tumours using RECIST criteria of tumour response, as well as viremia levels produced and time to clearance of CAVATAK™ after 2 such doses have been injected intratumourally.

The trial site is the Princess Alexandra Hospital in Brisbane, Australia. The Principal Investigators are Associate Professor Mark Smithers and Dr. Damien Thomson.

It is difficult to predict recruitment rates for Phase I clinical trials such as this, however Viralytics will inform the markets as to when each group has completed enrollment.

Bryan Dulhunty
Executive Chairman

About Melanoma: Melanoma is a form of skin cancer that begins in melanocytes (the cells that make the pigment melanin). Melanoma usually begins in a mole. Although early detection and surgical removal may result in cure, once melanoma has spread to distant sites it becomes difficult to manage, with current treatments often proving inadequate. There is an urgent need for new treatments of late stage melanoma. The National Cancer Institute in the USA predicts almost 60,000 new cases of melanoma will be diagnosed in the USA in 2007. The Cancer Council of Australia states that melanoma incidence is 4 times greater in Australia and New Zealand than it is in the USA.

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