

ONCOLYTICS BIOTECH INC

Form 6-K

March 21, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of March 2007

Commission File Number 000-31062

Oncolytics Biotech Inc.

(Translation of registrant's name into English)

**Suite 210, 1167 Kensington Crescent NW
Calgary, Alberta, Canada T2N 1X7**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 - _____

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Oncolytics Biotech Inc.
(Registrant)

Date: March 21, 2007

By: /s/ Doug Ball

Doug Ball
Chief Financial Officer

210, 1167 Kensington Crescent
N.W.
Calgary, Alberta
Canada T2N 1X7

FOR IMMEDIATE RELEASE

Oncolytics Biotech Inc. Announces Closing of Over-Allotment Option

CALGARY, AB March 21, 2007 Oncolytics Biotech Inc. (Oncolytics or the Company) (TSX:ONC; NASDAQ:ONCY) is pleased to announce that Canaccord Capital Corporation has fully exercised its over-allotment option to purchase an additional 600,000 units in connection with the previously announced public unit offering that closed on February 22, 2007. Each unit is comprised of one common share and one-half of one common share purchase warrant, at a price of Cdn. \$3 per unit for gross proceeds of Cdn. \$1,800,000. Each whole common share purchase warrant entitles the holder to acquire one common share of Oncolytics upon payment of Cdn. \$3.50 at any time until 5:00 p.m. (Calgary time) on February 22, 2010. The full exercise of the over-allotment option increases the gross proceeds of the offering to Cdn. \$13,800,000.

Oncolytics will use the net proceeds from this offering for its clinical trial program, manufacturing activities in support of the clinical trial program and for general corporate purposes.

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[®], 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 shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or province in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or province. A copy of the final short form prospectus relating to the units is available at www.sedar.com or may be obtained from Canaccord Capital Corporation in Canada, call 416-869-3290 in the U.S. call 1-617-788-1554, or send requests to: Attention: Lee Ward, P.O. Box 516, 161 Bay Street, Suite 3000, Toronto, Ontario M5J 2S1 (fax requests 416-869-7706).

This press release contains forward-looking statements, within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. Forward-looking statements, including the Company's expectations related to the completion of this offering, progress in the clinical trial program 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, ability of the Company to complete the offering on the terms set forth in its agreements, the Company's ability to maintain regulatory approval for the offering, 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 may be required pursuant to applicable securities laws.

FOR FURTHER INFORMATION PLEASE CONTACT:

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