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# **Stellar Biotechnologies Advances Strategic Plan to Secure Key Production Region**

LOS ANGELES, CA -- (Marketwired) -- 01/11/17 -- Stellar Biotechnologies, Inc. (NASDAQ: SBOT), a leading manufacturer of a key protein utilized in multiple immunotherapy development pipelines targeting cancers, Alzheimer's and lupus, among other diseases, today announced that the company has completed key steps under its strategic initiative to expand production of its Stellar KLH products.

This week, the company established a wholly owned Mexican subsidiary under the name BioEstelar, S.A. de C.V. The new operating entity, headquartered in Ensenada in the state of Baja California, will support Stellar's plan to establish a second aquaculture facility, including the development of regional marine resources, aquaculture, and raw material processing for Stellar's KLH products.

Stellar's aim is to accelerate scale-up to support anticipated customer demand for the company's KLH protein, which serves as an active pharmaceutical ingredient for therapeutic vaccines. The company's goal is to be in a position to increase production capacity in order to supply multiple commercial-scale therapeutic vaccines under development. A second site could also provide greater flexibility and backup capacity.

In 2015, Stellar entered into an exclusive collaboration agreement with Ostiones Guerrero, S.A. de C.V. to secure a strategic site in Baja California, Mexico, and is currently conducting a multi-year suitability study with Ostiones. Stellar recently placed the source animal for the KLH protein into aquaculture production and initiated quality studies of the KLH protein produced in Mexico -- an important part of confirming its comparability to KLH produced at Stellar's primary facility located north of Los Angeles, California.

"Baja California offers a unique combination of marine resources, academic excellence in marine biology and commercial aquaculture experience. It is well suited for our expansion and an important region to protect the native source for KLH," said Frank Oakes, Stellar President and CEO.

"Immunotherapies using KLH are in clinical trials around the world, yet the only known source for KLH exists in a limited stretch of Pacific coastline. We now have two organizations operating within this vital zone -- Stellar's headquarters in California and BioEstelar in Ensenada," said Mr. Oakes.

## **About Stellar Biotechnologies**

Based north of Los Angeles at the Port of Hueneme, [Stellar Biotechnologies, Inc.](http://www.stellarbiotech.com)

(NASDAQ: SBOT) is the leader in sustainable manufacture of [Keyhole Limpet Hemocyanin \(KLH\)](#), an important immune-stimulating protein used in wide-ranging therapeutic and diagnostic markets. KLH is both an active pharmaceutical ingredient (API) in many new immunotherapies (targeting cancer, immune disorders, Alzheimer's and inflammatory diseases) as well as a finished product for measuring immune status. Stellar is unique in its proprietary methods, facilities, and KLH technology. The company is committed to meeting the growing demand for commercial-scale supplies of GMP grade KLH, ensuring environmentally sound KLH production, and developing KLH-based active immunotherapies. Stellar KLH is a trademark of Stellar Biotechnologies.

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### **Stellar Forward-Looking Statements**

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Source: Stellar Biotechnologies, Inc.