

September 29, 2010



Stellar Biotechnologies Announces CDN\$ 1.05M Financing and Retires 1.66M Shares

PORT HUENEME, CA -- (MARKET WIRE) -- 09/29/10 -- (TSX-V: KLH) (PINKSHEETS: SBOTF) -- *Stellar Biotechnologies, Inc. (Stellar)* is pleased to announce that it has agreed to complete a CDN\$ 1.05M private placement subject to acceptance by the TSX Venture Exchange, and, also, the cancellation of 1,661,241 shares of the Company's outstanding common stock.

Stellar Agrees to Complete Financing

Subject to acceptance by the TSX Venture Exchange, Stellar has agreed to complete its non-brokered, private placement of 3,000,000 Units at CDN\$ 0.35 per Unit for CDN\$ 1,050,000, with a single, long-term, strategic investor for the specific purpose of advancing a new product line, sought after by our customers and potential customers, that was not envisioned in the previous budget.

Each Unit is composed of one common share and one 1/2 warrant, each warrant for purchase of a common share at \$0.50 until eighteen months from the issuing of the shares upon completion. The shares issued in the Private Placement are subject to a 4 month and 1 day hold period from that date, and a finder's fee will be payable subject to the regulations of the TSX Venture Exchange.

Stellar Cancels 1,661,241 of Outstanding Shares

In a pre-arranged deal, Stellar cancelled 1,661,241 common shares on payment by the Company of approximately US\$ 0.075 (7.5 cents)/share. Stellar believes the retirement of these shares benefits the Company and all shareholders by reducing the number of outstanding shares and lowering dilution.

Darrell Brookstein, Director & Executive VP, Business Development & Finance of Stellar, said, "We were able to retire shares to our treasury at a steep discount to the market, and, pending acceptance by the Exchange, sell Units to a long-term, significant shareholder with strong coastal development experience in an area that is complementary to our southern California location. We view the ability to raise this additional capital now as significant -- advancing and building on our new market opportunity, while forging a strong relationship with a committed financier and shareholder."

About Stellar Biotechnologies, Inc. (TSX-V: KLH) (PINKSHEETS: SBOTF) (www.StellarBiotechnologies.com) is a world leader in sustainable manufacturing of

pharmaceutical grade immune carrier proteins (ICP), particularly with regard to the present most important pharmaceutical protein in this class, KLH (Keyhole Limpet Hemocyanin). This ancient evolutionary protein has a highly complex structure that makes it ideal for use in human and animal vaccines and diagnostic products. With partners and customers, its flagship Stellar KLH products are in the clinic, and on the way to being established as the only sustainable, long-term pharmaceutical source.

Statements in this press release other than purely historical factual information, including statements relating to revenues or profits, or the Company's future plans and objectives, or expected sales, cash flows, and capital expenditures constitute forward-looking statements. Forward-looking statements are based on numerous assumptions and are subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in the technology history. There can be no assurance that such forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. This news release does not constitute an offer to sell, or a solicitation of an offer to buy any of the Company's securities set out herein in the United States, or to, or for the benefit or account of, a U.S. person or person in the United States. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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