

September 13, 2010



# **Stellar Biotechnologies Announces Achievement of Milestone in Cooperation With Bayer Innovation**

PORT HUENEME, CA -- (MARKET WIRE) -- 09/13/10 -- (TSX-V: KLH) (PINKSHEETS: SBOTF) -- Stellar Biotechnologies, Inc. is collaborating with Bayer Innovation GmbH (BIG) in the development of biopharmaceuticals. Bayer's personalized idiotypic vaccine for the treatment of Non-Hodgkin's-Lymphoma (NHL) is currently in Phase I clinical trials, and the cooperation is related to the development of a personalized Non-Hodgkin's-Lymphoma vaccine. The vaccine antigen is produced in tobacco plants based on Bayer's proprietary magnICON® technology. Bayer Innovation GmbH is a wholly-owned subsidiary of Bayer AG (PINKSHEETS: BAYRY) (XETRA: BAYGN) (LSE: BYRB).

A critical project feasibility milestone in the "Joint Development Agreement" has been achieved. Under terms of the agreement, Stellar Biotechnologies supplies Keyhole Limpet Hemocyanin (KLH) which is coupled to the idiotypic protein produced in tobacco plants. KLH is a highly potent immuno-stimulatory protein, which stimulates the lymphocytes to recognize even familiar proteins attached to it as foreign. During the immune response that ensues, the lymphocytes mainly focus on the peptide sequence of the attached tumor idiotypic. This so-called immunogenic carrier molecule comes solely from the rare keyhole limpet, and Stellar has technology for the maintenance of the animal, the non-lethal extraction of the critical molecule and a profitable refinement process of KLH.

By consent of both parties, Stellar will receive a milestone payment from BIG, and the co-development agreement is being expanded and continued to achieve important new endpoints that may prove critical to Bayer's interest in therapeutic vaccines based on its plant-based protein expression system, the magnICON® technology.

Dr. John Butler, Global Project Leader of Plant Made Pharmaceuticals (PMP) for Bayer, said, "We are happy to have achieved this important milestone, and appreciate working with Stellar's talented scientific team, led by Professor Daniel Morse. Together with Bayer's scientists and engineers, we believe we have made a significant impact on the potential cost structure as well as efficiency and sustainability of our vaccine production. Securing a long-term sustainable KLH supply is a key element in our efforts to enable a new therapy that could significantly benefit disease outcomes and quality of life of NHL patients."

Frank Oakes, CEO of Stellar, said, "Stellar has been honored by the opportunity to partner with the cutting-edge team at Bayer Innovation, and now, to grow this new relationship to the next level. Bayer Innovation is among the highest regarded participants in the PMP

field, and we believe the credibility that comes from working with an internationally recognized biotechnology, materials science, and pharmaceutical powerhouse is incalculable. We are excited by the opportunity for growth in this relationship, and the potential for exploring future business development opportunities with Bayer Innovation."

*About Bayer Innovation GmbH* (BIG -- <http://www.bayer-innovation.com/en/homepage.aspx>) is part of Bayer's innovation strategy and complements the innovation activities of the different subgroups in the fields of health care, nutrition and high-quality materials. Its objective is to identify and develop new growth opportunities, preparing entry into new and expanding markets. Currently the focus is on medical technology and the production of plant-made pharmaceuticals.

*About Stellar Biotechnologies, Inc.* (TSX-V: KLH) (PINKSHEETS: SBOTF) ([www.StellarBiotechnologies.com](http://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. Accordingly, readers should not place undue reliance on such statements. Except in accordance with applicable securities laws, the Company expressly disclaims any obligation to update any forward-looking statements or forward-looking statements that are incorporated by reference herein. 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.

Contact:  
Darrell Brookstein  
Executive VP, Business Development & Finance  
[DBrookstein@StellarBiotech.com](mailto:DBrookstein@StellarBiotech.com)