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iBio Proprietary Technology Advances Neonatal Respiratory Distress Syndrome Drug Development for South African Biotech Company AzarGen Biotechnologies (Pty) Ltd

NEW YORK, NY -- (Marketwired) -- 09/29/16 -- **iBio, Inc.** (NYSE MKT: IBIO), a leading provider of plant-based biotechnology for developing and manufacturing biological products announced the successful application of its proprietary technologies to achieve the first milestone in its commercial development agreement with AzarGen Biotechnologies (Pty) Ltd (AzarGen) of South Africa for the development and manufacture of an improved surfactant protein for the treatment of neonatal respiratory distress syndrome (RDS).

The application of iBio technology to AzarGen's human surfactant protein (based on rh-SPB) in iBio CMO LLC's development and manufacturing facility in Bryan, Texas enabled AzarGen to obtain the pilot scale quantities and purity of a recombinant human surfactant protein needed to complete its first commercial development milestone in the development of its novel treatment for RDS. The next phase of the agreement between the companies focuses on further refinement and documentation of potential advantages of AzarGen's plant-made surfactant product over currently marketed products, including enhanced efficacy, safety, increased production speed, reduced production costs, and more efficient process scalability.

"We focus on addressing the consequences of preterm birth with special emphasis on surfactant replacement therapy in low-income countries. This successful milestone result has set the pace for scale-up production and elevated the sense of urgency for pre-clinical development," said Dr. Mauritz Venter, CEO of AzarGen. "We are supported by an experienced team of advisors at AzarGen and iBio. We expect that our product will be clinically superior to current animal-derived and synthetic peptide surfactants. We believe collaboration with iBio, will advance AzarGen's product development significantly."

RDS occurs in infants whose lungs have not fully developed and therefore often produce inadequate natural lung surfactant, a substance which helps with lung inflation and oxygen transfer. The disease is a complication of approximately 1% of pregnancies and according to Medscape is estimated to occur in 20,000 to 30,000 newborn infants each year in the U.S. By extrapolation, Cure.com estimates that there are approximately 6,500 cases each year in South Africa and up to 50,000 cases each year in the African continent.

"We are pleased to apply our technology and experience to advance AzarGen's important

human surfactant protein product into practical use," said Dr. Barry Holtz, iBio CMO's president. "Making this type of therapeutic product is a difficult challenge but very much within iBio's expertise. We expect steady progress in the next phase of development and look forward to assisting South Africa's first plant-made pharmaceutical company achieve product success."

About AzarGen Biotechnologies (Pty) Ltd

AzarGen is a biotechnology company focused on developing human therapeutic proteins using advanced genetic engineering and synthetic biology techniques in plants. The company's lead product is a recombinant human surfactant protein (based on rh-SPB), expected to increase the survivability of premature-born infants in the developed and developing world with equivalent or higher clinical efficiency and at lower cost than currently used products. The AzarGen management team is supported by an experienced advisory board for strategic guidance and intellectual property management. Based in Stellenbosch, South Africa, AzarGen has made great progress to move a portfolio of proprietary biopharmaceutical products forward with support from South Africa's Industrial Development Corporation (IDC). Further information is available at www.azargen.com

About iBio, Inc.

iBio is developing proprietary products for the treatment of a range of fibrotic diseases including idiopathic pulmonary fibrosis, systemic sclerosis, and scleroderma. IBIO-CFB03, produced using the Company's proprietary gene expression technology, is the first product candidate from this program being advanced for IND development. The Company also offers proprietary products and product licenses to others based on its proprietary technologies, including its advanced plant-based gene expression and protein production platforms, providing collaborators full support for turn-key implementation of its technology for protein therapeutics and vaccines.

iBio CMO LLC is a 70 percent subsidiary of iBio, jointly owned with affiliates of Eastern Capital Limited for development and large-scale manufacture of plant-made pharmaceuticals. The iBio CMO multiproduct facility includes laboratory and pilot-scale operations as well as large-scale automated hydroponic systems capable of growing over 4 million plants as "in process inventory" and producing over 300 kilograms of finished therapeutic protein per year. This translates into more than a half million doses per year of a typical therapeutic antibody and approximately 50 million vaccine doses every three weeks. Facility capacity can be doubled by adding additional plant growth equipment in a space already reserved for that purpose. iBio CMO's lease includes the right to develop another facility on the balance of the leased property that would have the effect of quadrupling capacity from the current level. iBio CMO offers a range of pharmaceutical product and process development, analytical, and manufacturing services.

In Brazil, iBio has formed a subsidiary company, iBio do Brasil Biofarmaceutical Ltda., and has been collaborating with the Oswaldo Cruz Foundation (Fiocruz) to develop a recombinant yellow fever vaccine based on iBio technology. Further information is available at: www.ibioinc.com.

FORWARD-LOOKING STATEMENTS

STATEMENTS INCLUDED IN THIS NEWS RELEASE RELATED TO IBIO, INC. MAY CONSTITUTE FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. SUCH STATEMENTS INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES SUCH AS COMPETITIVE FACTORS, TECHNOLOGICAL DEVELOPMENT, MARKET DEMAND, AND THE COMPANY'S ABILITY TO OBTAIN NEW CONTRACTS AND ACCURATELY ESTIMATE NET REVENUES DUE TO VARIABILITY IN SIZE, SCOPE AND DURATION OF PROJECTS. FURTHER INFORMATION ON POTENTIAL RISK FACTORS THAT COULD AFFECT THE COMPANY'S FINANCIAL RESULTS CAN BE FOUND IN THE COMPANY'S REPORTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION.

Source: iBio, Inc.