

October 13, 2010



Stellar Biotechnologies Provides Quarterly Update/Outlook and Comments on CBS News Cancer Vaccine Story

PORT HUENEME, CA -- (MARKET WIRE) -- 10/13/10 -- (TSX-V: KLH) (PINKSHEETS: SBOTF) -- Stellar Biotechnologies, Inc. ("Stellar" or "the Company") has been advancing on several fronts over their first quarter as a public company, and expects to achieve new milestones before year end. The Company would like to comment on the recent, featured CBS Evening News report (see video link below) by Dr. Sanjay Gupta on a KLH-based glioblastoma vaccine in development by Celldex Therapeutics that they have received inquiries about.

On October 4th CBS Evening News with Katie Couric featured Dr. Sanjay Gupta in a story about a KLH-based brain cancer vaccine being tested in patients at Duke University for Celldex Therapeutics (the 3 minute video is available here:

<http://www.cbsnews.com/video/watch/?id=6927121n&tag=related:photovideo>, a short article here: http://www.acsh.org/factsfears/newsID.1920/news_detail.asp).

John S. Sundsmo, Ph.D., Stellar's VP of Research & Intellectual Property Management, said, "Molecular biology is identifying genetic modifications in certain cancer cells that constitute targets for cancer vaccines. Dr. Sanjay Gupta discusses the initial successes observed with glioblastoma multiforme (GBM), normally a rapidly progressing form of brain cancer. The cancer vaccine in the report was produced by Celldex Therapeutics by coupling a cancer-specific protein onto the immune carrier protein KLH. The very early stage results for some patients show signs in MRIs that their tumors may have decreased. While the immune system is highly effective in protecting us against bacteria, cancer cells are extremely difficult to kill and effective killing is mediated by a specialized class of killer T-cells. In this respect, KLH, the hemocyanin protein from the giant keyhole limpet, can be seen as rather unique. KLH stimulates highly effective cell-mediated immunity that results in the production of cancer-killing T-cells. This is offering new hope for patients with previously incurable cancers." Discussions between Celldex and Stellar have been underway.

Quarterly Update/Outlook

- *Achievements*
 - On September 9th Stellar announced that it had filed for patent protection of inventions related to its Immunogenic (IMG) KLH technology platforms. (http://www.stellarbiotechnologies.com/investors/news_releases/index.php?&content_id=43)

- On September 13th the Company announced a milestone payment from Bayer Innovation (a wholly owned subsidiary of international pharmaceutical company, Bayer AG: (PINKSHEETS: BAYRY) and the achievement of a critical milestone in our Joint Development Agreement.
(http://www.stellarbiotechnologies.com/investors/news_releases/index.php?&content_id=44)
- On September 29th Stellar disclosed a CDN \$1.05M private placement with a strategic investor and the retirement of 1.66 million shares to the treasury.
(http://www.stellarbiotechnologies.com/investors/news_releases/index.php?&content_id=45)
- On September 30th the Company announced receipt of \$288,000 from a single biotechnology and immunotherapy products company developing KLH-based therapeutic vaccines for Rheumatoid Arthritis and Lupus for fiscal year ending August 30, 2010.
(http://www.stellarbiotechnologies.com/investors/news_releases/index.php?&content_id=46)
- *2010 Outlook*
 - first Annual General Meeting since public
 - status of grants that have been applied for by Stellar's California subsidiary
 - launch date for sales of immunotox products aimed at the pre-clinical market, related to our ongoing research designed to advance Stellar's immune response diagnostic platform
 - research and regulatory developments related to our new IMG KLH product platform
 - advancements related to our relationships with Bayer Innovation and several new customers
 - in and out-licensing and long-term supply agreements, as well as new KLH orders.

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.

Stellar Corporate Profile: <http://www.stellarbiotechnologies.com/investors/presentation/>

Previous Stellar Press Releases:

http://www.stellarbiotechnologies.com/investors/news_releases/

Statements in these press releases 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. These news releases do 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 these releases.

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