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Stellar Biotechnologies Announces Significant Expansion of Keyhole Limpet Hatchery & Sera Production Capability

PORT HUENEME, CA -- (MARKET WIRE) -- 12/06/11 -- Stellar Biotechnologies, Inc. ("Stellar") (TSX VENTURE: KLH) (PINKSHEETS: SBOTF) is pleased to announce the completion of a major expansion of its keyhole limpet (*Megathura crenulata*) hatchery facility in Port Hueneme, CA in anticipation of increases in demand for its keyhole limpet hemocyanin (KLH) products. The hatchery expansion incorporates significant advances in aquaculture technology developed by the Company with support from the National Science Foundation (NSF), including methods for the control of the limpet reproductive cycle and systems for intensive propagation of the complex larval stages.

While estimates put the current total population of *Megathura crenulata* in the ocean available for commercial exploitation at less than 100,000 animals, this new facility has a spawning capacity of 2 million larvae and is designed to produce 50,000 juvenile limpets per year for Stellar.

This expansion will increase the Stellar's future KLH production capacity to in excess of 20,000 grams of KLH annually. Stellar estimates total current worldwide KLH usage at approximately 2,000 grams per year.

The Company's CEO, Frank Oakes, said, "This represents a major milestone in the Company's plan to provide a stable and scalable worldwide supply of KLH to support the commercialization of multiple KLH conjugate vaccines, as well as diagnostic and potential novel therapeutic products. While other KLH suppliers are planning for gram quantities of KLH to support preclinical research, and clinical vaccine development, Stellar is now capable of producing kilogram quantities of KLH to support all successful KLH platforms with GMP and non-GMP grade KLH as required by our customers."

Brandon Lincicum, Stellar's Aquaculture Manager, said, "It is very exciting to see the results of several years of intensive research supported by our NSF-SBIR grant translated into the world's first, fully-integrated keyhole limpet hatchery system with state-of-the-art technology and a dedicated team of well-trained, professional aquaculturists capable of supporting the large-scale commercial production that will be required by any vaccine developer that gets an approved product to the market."

Stellar Biotechnologies, Inc. (TSX VENTURE: KLH) (PINKSHEETS: SBOTF) (www.StellarBiotechnologies.com) is the world leader in sustainable manufacturing of pharmaceutical grade KLH (Keyhole Limpet Hemocyanin). This 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 Biotechnologies was founded to address the growing demand for renewable, commercial-scale supplies of high-quality, GMP-grade KLH. Stellar has developed leading practices, facilities and proprietary capabilities to address this need.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. 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 accepts responsibility for the adequacy or accuracy of these releases.

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