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## **Stellar Biotech Begins Scale-Up and Expansion Project at Port Facility**

### **- Renovated site to provide greater capacity to produce its medical-grade protein**

LOS ANGELES, March 29, 2018 /PRNewswire/ -- Stellar Biotechnologies, Inc. (Nasdaq: SBOT), a leading manufacturer of a key protein utilized in multiple immunotherapy development pipelines targeting Alzheimer's, lupus and cancers, among other diseases, initiated the second phase of an expansion project at the Port of Hueneme, north of Los Angeles, California.

The construction project will allow the company to expand production of a medical-grade protein, called KLH, which Stellar produces in aquaculture from a marine mollusk. The plan includes 10,000 square feet of renovated Pacific ocean-front space for aquaculture production and related activities as well as new protective structures and aesthetic improvements. The company currently maintains an animal population to produce KLH to support multiple pre-commercial clinical trials. Once key infrastructure is in place, the company plans to incrementally add to its production capacity, including the installation of more aquaculture tanks. The planned upgrades will allow a multifold expansion of the company's current site capacity.

The first phase of Stellar's expansion project, which was completed in 2016, included improvements to the company's extraction and manufacturing suites, expanded hatchery space and the temporary relocation of its aquaculture production tanks to allow the permitting and development of its water-front site. The company currently leases 37,000 square feet of oceanfront property at the Port.

Stellar President and Chief Executive Officer Frank Oakes said that the company plans to incrementally increase production capacity in line with customers' clinical milestones and market opportunities for KLH. "We are preparing our infrastructure to support pharmaceutical industry standards for commercial drugs, including purity, controls and traceability," he said. "By staging these investments, we can prepare the business for growth while minimizing upfront costs."

Stellar Biotechnologies has operated since 1999 at the aquaculture business park, where it pioneered complex methods for the culture of the source animal, the Giant Keyhole Limpet, a previously undomesticated mollusk that is native to the California coastline. Today, Stellar supports limpets from embryo to protein-producing adult, and has multiple generations grown entirely within its land-based aquaculture facility. It is the only known facility that has accomplished this.

"As a science-based company, our business requires flexibility as we grow, and we have appreciated the support we have received from both the City and the Port over the years in upgrading our facilities," said Gregory T. Baxter, PhD, Stellar Executive Vice President of Corporate Development. "In addition to greater operational flexibility, our current expansion project will allow us to continue our research of this important marine species to ensure that future immunotherapies will have ample supplies of KLH."

In addition to the company's plans to expand its U.S production capacity, Stellar also plans to establish additional aquaculture capabilities in Baja California, including the development of regional marine resources, aquaculture and raw material processing. The company, which is currently conducting feasibility analyses in Mexico, believes that two production locations will allow it to better meet the anticipated long-term industry demand for KLH protein.

### **About Stellar Biotechnologies**

[Stellar Biotechnologies, Inc.](#) (Nasdaq: SBOT) is the leader in sustainable manufacture of [Keyhole Limpet Hemocyanin \(KLH\)](#), an important immune-stimulating protein used in wide-ranging therapeutic and diagnostic markets. KLH is both a key pharmaceutical ingredient in many new immunotherapies (targeting cancer, immune disorders, Alzheimer's and inflammatory diseases) as well as a finished product for measuring immune status. Stellar is unique in its proprietary methods, facilities, and KLH technology. The company is committed to meeting the growing demand for commercial-scale supplies of GMP grade KLH, ensuring environmentally sound KLH production, and developing KLH-based active immunotherapies. Stellar KLH is a trademark of Stellar Biotechnologies.

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