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Neovacs and Stellar Biotechnologies sign joint venture agreement to create Neostell SAS

Paris and Boston, May 12th, 2016 – Neovacs (Alternext Paris: ALNEV) a leader in active immunotherapy for the treatment of autoimmune diseases, today announced that the Company has finalized the terms of its partnership with US company Stellar Biotechnologies Inc. ("Stellar") (Nasdaq: SBOT), to determine the creation of the production company Neostell SAS under a form of a joint venture, based in the Paris area and owned 70% by Neovacs and 30% by Stellar Biotechnologies.

Under the terms of this joint venture agreement, Neovacs and Stellar Biotechnologies have agreed to combine their skills, to manufacture and sell all types of conjugated vaccines to third party customers worldwide, as well as produce all of Neovacs' Kinoids, including IFN α -Kinoid. Investments for this production unit will start after the results of the Phase IIb study of IFN α -Kinoid in lupus conducted by Neovacs and currently ongoing. Beyond the interest of 30 % held by Stellar Biotechnologies, Neovacs has received € 5 million for this project from the public funding program "PIAVE" set up by Bpifrance.

Miguel Sieler, Chief Executive Officer of Neovacs said: "This joint venture with Stellar Biotechnologies is an important alliance because it further strengthens Neovacs' industrial plan. Neovacs has secured funding to move forward on the manufacturing facility and now this joint venture provides access to a scalable capacity of KLH which is a key component of our Kinoid technology. These steps will support the manufacturing infrastructure as we progress through clinical trials and to potential market launch of our KLH-Kinoid immunotherapy vaccines."

"This partnership is both a natural extension of Stellar's strong relationship with Neovacs and, we believe, a unique opportunity for Stellar. It will position Stellar to benefit from the anticipated manufacturing and sale of finished immunotherapy products and to advance the market for our KLH protein products," stated **Frank Oakes, President, CEO and Chairman of Stellar Biotechnologies, Inc.** "Through this joint venture, Stellar and Neovacs can work together to ensure the success of Neovacs' products like *IFN α -Kinoid* for lupus while we lay the groundwork to offer similar support to other companies developing KLH-based immunotherapies."

About Stellar Biotechnologies, Inc.

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 an active pharmaceutical ingredient (API) in many new immunotherapies (targeting cancer, immune disorders, Alzheimer's and inflammatory diseases) as well as a finished product for measuring immune status. Stellar Biotechnologies is unique in its proprietary methods, facilities, and KLH technology. We are 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.

About Neovacs

Created in 1993, Neovacs is today a leading biotechnology company focused on an active immunotherapy technology platform (Kinoids) with applications in autoimmune and/or inflammatory diseases. On the basis of the company's proprietary technology for inducing a polyclonal immune response (covered by five patent families that potentially run until 2032) Neovacs is focusing its clinical development efforts on IFN α -Kinoid, an immunotherapy being developed for the indication of lupus and dermatomyositis. Neovacs is also conducting preclinical development works on other therapeutic vaccines in the fields of auto-immune diseases, oncology and allergies. The goal of the Kinoid approach is to enable patients to have access to safe treatments with efficacy that is sustained in these life-long diseases. www.neovacs.fr

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