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## **Stellar International Inc Moves Its Manufacturing To Dalton Chemical Laboratories Inc**

LONDON--(BUSINESS WIRE)--May 25, 2004--Stellar International Inc (OTCBB:SLRXF) (TSX VENTURE:SLX), a Canadian pharmaceutical developer and marketer of low-cost therapeutics for aging populations, reported that it has signed agreements with privately-owned, Toronto-based Dalton Chemical Laboratories Inc to manufacture Stellar's NeoVisc(R) and Uracyst(R) products for domestic and international distribution. The Company's move of its entire manufacturing process for its proprietary products NeoVisc(R) and Uracyst(R) to Dalton's Toronto, Ontario facility is scheduled to occur by the end of May.

"Working with some of the world's leading pharmaceutical companies to create new drugs and optimize the synthesis, production and sterile fill of their therapeutic candidates, Dalton is pleased to add our relationship with Stellar to our growing list of innovative customers," stated Dalton President and CEO Peter Pekos.

"Our business has grown substantially over the past few years and out-licensing agreements will push our current facility over its capacity. Dalton has the ability to meet this increased demand, as well as future demand, as our product sales increase according to our projections. In addition Dalton's state-of-the-art facilities will also allow Stellar to meet the quality standards of our growing global customer base. This is a great opportunity for two maturing Canadian companies to enhance their presence in domestic and international markets," said Peter Riehl, Stellar President and CEO.

### About Dalton Chemical Laboratories Inc

Dalton Chemical Laboratories Inc is a contract pharmaceutical manufacturer that supplies chemistry and analytical services to the biotechnology and pharmaceutical industries in the areas of medicinal chemistry, fine chemical manufacture, custom peptides and antisense oligo production. Dalton has a site Establishment License and is registered with Health Canada as a drug testing lab. Dalton provides cGMP manufacturing and sterile filling capabilities to its customers at any stage of the regulatory process (Phase I, II, III or commercial). In its state-of-the-art cGMP facilities, Dalton can produce active pharmaceutical ingredients (API), at the gram or kilogram scale. Dalton can carry out sterile fills to produce batches of finished drug product in vials or syringes, either aseptically filled or terminally sterilized, under fully validated conditions.

### About Stellar International Inc

Stellar International Inc has developed and is marketing three products in Canada based on its core polysaccharide technology: NeoVisc(R), for the treatment of osteoarthritis, Uracyst(R)-S and the Uracyst Test Kit, Stellar's patented technology for the diagnosis and treatment of Interstitial Cystitis (IC), an inflammatory disease of the urinary bladder wall. The Uracyst treatment for IC costs less than competing products and has shown a good symptomatic response rate. Stellar also has in-licensing agreements for Skelite(TM), a proprietary synthetic bone-grafting product, as well as NMP22(R) BladderChek(TM), a proteomics-based diagnostic test for the diagnosis and monitoring of bladder cancer, both of which are expected to positively impact sales in 2004.

This press release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by these forward-looking statements as a result of risks and uncertainties impacting the Company's business including increased competition; the ability of the Company to expand its operations, to attract and retain qualified professionals, technological obsolescence; general economic conditions; and other risks detailed time to time in the Company's filings.