

March 4, 2014



Xenetic Biosciences Announces Opening of Corporate Headquarters and R&D Facility in Lexington, MA

LEXINGTON, Mass., March 4, 2014 (GLOBE NEWSWIRE) -- Xenetic Biosciences, Inc. (OTCBB:XBIO), a biopharmaceutical company focused on developing next-generation biologic drugs and novel oncology therapeutics, today announced the opening of its new corporate headquarters and research and development facility in Lexington, MA. Xenetic, in collaboration with the Massachusetts Life Sciences Center (MLSC) and the Massachusetts Biotechnology Council (MassBio), will host a grand opening and ribbon cutting ceremony today to celebrate the completion of the Company's relocation of its global headquarters to Lexington from London, UK.

The relocation decision follows the March 2011 visit to the UK by Governor Deval Patrick and a delegation of state leaders from industry, academia and government to promote mutually beneficial collaborations. The first discussion with Xenetic took place during that trade mission. The company currently has 7 employees in Lexington with plans to grow to 14 by the end of 2014.

Scott Maguire, CEO of Xenetic said, "The opening of Xenetic's new corporate headquarters in Lexington marks an important new phase in the Company's 17 year history. Moving our development operations to the Massachusetts biotech corridor is an important step in our transition to becoming an innovative biopharmaceutical company based and publicly listed in the U.S. We believe that we are much more strongly positioned to execute on our mission to develop and commercialize leading next-generation biologic drugs and novel oncology therapeutics."

Ceremony attendees included local officials and legislators, including MLSC President & CEO Susan Windham-Bannister, Ph.D., MassBio Director of Economic Development & Global Affairs Peter Abair, Massachusetts State Representative Jay Kaufman and Lexington Town Manager Carl Valente.

"Thanks to our growth strategy of investing in education, innovation and infrastructure, Massachusetts continues to lead the world in life sciences," said Governor Patrick. "We welcome Xenetic to Massachusetts and look forward to their contributions to our thriving life sciences community."

MLSC President & CEO Susan Windham-Bannister, Ph.D. said, "On behalf of the Center, I would like to welcome Xenetic to the Massachusetts life sciences community. Xenetic is focused on developing a pipeline of therapeutics for the treatment of rare diseases and Massachusetts is the perfect home for the Company's innovative technology. We've worked closely with Xenetic on the company's location decision since our first interaction with the

management team during the Governor's UK trade mission in 2011. I'm confident that they will find the partners and talent they need to thrive right here in Massachusetts. It's a great outcome of the Governor's visit to the UK!"

Robert Coughlin, President & CEO of MassBio said, "We are very excited by Xenetic's decision to relocate to Massachusetts. We look forward to working with Xenetic in the years ahead as the Company continues its growth as a U.S.-listed company."

"I'm thrilled that Xenetic has chosen Lexington to base their US operations. Lexington continues to grow a strong bio-tech & bio-pharmaceutical cluster, thanks in large part to the aggressive efforts of the Patrick administration. I wish them all the success and look forward to working with them in the future," stated Representative Jay Kaufman, (D-Lexington).

The company's new corporate headquarters is located at 99 Hayden Avenue, Suite 230, Lexington, MA 02421.

About the Massachusetts Life Sciences Center

The Massachusetts Life Sciences Center (MLSC) is an investment agency that supports life sciences innovation, research, development and commercialization. The MLSC is charged with implementing a 10-year, \$1-billion, state-funded investment initiative. These investments create jobs and support advances that improve health and well-being. The MLSC offers the nation's most comprehensive set of incentives and collaborative programs targeted to the life sciences ecosystem. These programs propel the growth that has made Massachusetts the global leader in life sciences. The MLSC creates new models for collaboration and partners with organizations, both public and private, around the world to promote innovation in the life sciences. For more information, visit www.masslifesciences.com.

About Xenetic Biosciences

Xenetic Biosciences is a biopharmaceutical company developing next-generation biologic drugs and novel oncology therapeutics. Xenetic's proprietary drug technology platforms include PolyXen® for creating next generation biologic drugs by extending the efficacy, safety and half-life of biologic drugs and OncoHist® for the development of novel oncology drugs focused on orphan indications. Xenetic's lead product candidates include ErepoXen®, an improved, polysialylated form of erythropoietin (EPO) for the treatment of anemia in pre-dialysis patients with chronic kidney disease and OncoHist®, a recombinant human histone H1.3 molecule which Xenetic is developing for the treatment of refractory Acute Myeloid Leukemia (AML). Xenetic is developing a novel series of polysialylated blood coagulation factors through its license agreement with Baxter International Inc. Xenetic is also developing a broad pipeline of clinical candidates for next generation biologics and novel oncology therapeutics in a number of orphan disease indications. For more information, please visit the Company's website at www.xeneticbio.com.

Forward-Looking Statements

Certain statements in this press release are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking words such as "anticipate," "believe," "forecast," "estimate" and

"intend," among others. These forward-looking statements are based on Xenetic's current expectations and actual results could differ materially. There are a number of factors that could cause actual events to differ materially from those indicated by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, uncertainties associated with completing preclinical and clinical trials for our technologies; the early stage of product development; the significant costs to develop our products as all of our products are currently in development, preclinical studies or clinical trials; obtaining additional financing to support our operations and the development of our products; obtaining regulatory approval for our technologies; anticipated timing of regulatory filings and the potential success in gaining regulatory approval and complying with governmental regulations applicable to our business. Xenetic does not undertake an obligation to update or revise any forward-looking statement. The information set forth herein speaks only as of the date hereof.

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Source: Xenetic Biosciences, Inc.