

ASX ANNOUNCEMENT

RELEASE OF SECURITIES FROM ESCROW

PALO ALTO, United States, 2 June 2017: AirXpanders Inc., (ASX:AXP) (**AirXpanders** or **Company**) a medical device company focused on the design, manufacture, sale and distribution of the AeroForm® tissue expander, advises that in connection with the Company's quotation on the Australian Securities Exchange on 22 June 2015, particular security holders of the Company were required to enter into voluntary and ASX-imposed escrow agreements. The voluntary and ASX-imposed escrow agreements provided that the relevant security holders would be restricted from dealing in their securities for variable escrow periods of up to 24 months from the date of quotation of the Company's CHESS Depositary Interests (**CDIs**) on the ASX.

Pursuant to ASX Listing Rule 3.10A, the Company advises that the following securities of the Company are due for release from ASX imposed escrow on 22 June 2017:

- 827,758 fully paid shares of Class A common stock of the Company (**Shares**) (equivalent to 2,483,274 CDIs); and
- 2,856,452 options to subscribe for Shares (equivalent to 8,569,356 CDIs).

Pursuant to ASX Listing Rule 3.10A, the Company advises that the following securities of the Company are due for release from voluntary escrow on 22 June 2017:

- 10,774,730 fully paid Shares (equivalent to 32,324,190 CDIs);
- 693,039 CDIs (equivalent to 231,013 Shares);
- 114,441 options to subscribe for Shares (equivalent to 343,323 CDIs); and
- 37,039 warrants to subscribe for Shares (equivalent to 111,117 CDIs).

There are no further securities of the Company subject to escrow. .

-ENDS-

For more information:

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About AirXpanders

Founded in 2005, AirXpanders, Inc. (www.airxpanders.com) designs, manufactures and markets innovative medical devices to improve breast reconstruction. The Company's AeroForm Tissue Expander System, is used in patients undergoing two-stage breast reconstruction following mastectomy. Headquartered in Palo Alto, California, AirXpanders' vision is to be the global leader in reconstructive surgery products and to become the standard of care in two-stage breast reconstruction. AirXpanders is listed on the Australian Securities Exchange under the symbol "AXP", but its listed securities may not be purchased by U.S. Persons because they bear a special designation on the ASX that precludes such purchase. AeroForm was granted U.S. FDA *de novo* marketing authorization in 2016, first CE mark in Europe in 2012 and is currently licensed for sale in Australia.

Foreign Ownership Restriction

AirXpanders' CHES Depositary Interests (CDIs) are issued in reliance on the exemption from registration contained in Regulation S of the US Securities Act of 1933 (Securities Act) for offers or sales which are made outside the US. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the US. The holders of AirXpanders' CDIs are unable to sell the CDIs into the US or to a US person unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. Hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.

For more information, refer to the Company's website at www.airxpanders.com.