

ASX Compliance Pty Limited
Level 4, North Tower
525 Collins Street
Melbourne VIC 3000

Dear ASX,

Prolog Capital II, L.P. – Change in Substantial Holding - AirXpanders, Inc. (AXP) ('AirXpanders' or 'the Company')

The purpose of this notice is to confirm the:

- dilutive impact of the issue by AirXpanders of 22.4 Million CHESS Depositary Interests (CDIs) (Tranche 2 of a security placement announced by AirXpanders on 27 January 2017) on the holdings of Prolog Capital II, L.P. in AirXpanders in which it did not participate; and
- the sale of 1,121,042 CDIs over the period 13 February – 7 August 2017.

Previous notification

Prolog Capital II, L.P. last advised AirXpanders of its stockholdings in AirXpanders on 13 February 2017. A summary follows below:

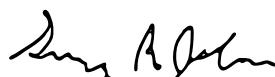
Name	Nature of interest	Class & number of equity securities	Percentage of voting power
Prolog Capital II, L.P.	Power to control disposal and voting of the securities held	Total holding: equivalent to 20,334,507 CDIs. (Comprised of: 15,381,618 CDIs (representing 5,127,206 Shares) and 1,650,963 Shares (equivalent to 4,952,889 CDIs))	7.70%

Present relevant interests

22,376,544 CDIs were allotted on 24 February 2017 in accordance with an announcement by AirXpanders to the ASX on 27 January 2017. The allotment of CDIs diluted the holdings of Prolog Capital II, L.P. In addition, 1,121,042 CDIs were sold over the period 14 February – 7 August 2017. The table below shows the revised percentage changes in voting power resulting from this issue.

Name	Nature of interest	Class & number of equity securities	Percentage of voting power
Prolog Capital II, L.P.	Power to control disposal and voting of the securities held	Total holding: equivalent to 19,213,465 CDIs. (Comprised of: 14,260,576 CDIs (representing 4,753,525 Shares) and 1,650,963 Shares (equivalent to 4,952,889 CDIs))	6.68%

Yours sincerely,



Gregory Johnson
Managing Director
Prolog Ventures