

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

| | |
|-----------------------|--------------------------|
| Name of entity | AirXpanders, Inc. |
| ABN | 28 604 398 423 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|----------------------|
| Name of Director | Dennis Edward Condon |
| Date of last notice | 26 June 2015 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

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| Direct or indirect interest | Direct |
| Nature of direct interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | Issue of options to Mr Condon with an exercise price of US\$1.9235 per share of Class A common stock and an expiry date of 16 May 2026 (following stockholder approval on 17 May 2016) |
| Date of change | 17 May 2016 |
| No. of securities held prior to change | 48,481 options with an exercise price of US\$0.30 per share of Class A common stock and an expiry date of 31 July 2022 65,580 options with an exercise price of US\$0.30 per share of Class A common stock and an expiry date of 30 May 2023 Total: 114,061 options over shares of Class A common stock (exercisable into an equivalent of 342,183 CDIs) |
| Class | Options over shares of Class A common stock (not quoted) |
| Number acquired | 11,400 options (exercisable into an equivalent of 34,200 CDIs) |
| Number disposed | Nil |

+ See chapter 19 for defined terms.

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| Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation | Nil |
| No. of securities held after change | <p>48,481 options with an exercise price of US\$0.30 per share of Class A common stock and an expiry date of 31 July 2022</p> <p>65,580 options with an exercise price of US\$0.30 per share of Class A common stock and an expiry date of 30 May 2023</p> <p>11,400 options with an exercise price of US\$1.9235 per share of Class A common stock and an expiry date of 16 May 2026</p> <p>Total: 125,461 options over shares of Class A common stock (exercisable into an equivalent of 376,383 CDIs)</p> |
| Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | The issue of options to Mr Condon was in accordance with the AirXpanders' 2015 Equity Incentive Plan. The grant of options was approved by stockholders on 17 May 2016 at the Company's Annual Stockholder meeting. |

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

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| Detail of contract | N/A |
| Nature of interest | N/A |
| Name of registered holder (if issued securities) | N/A |
| Date of change | N/A |
| No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed | N/A |
| Interest acquired | N/A |
| Interest disposed | N/A |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | N/A |
| Interest after change | N/A |

+ See chapter 19 for defined terms.

Part 3 – ⁺Closed period

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| Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required? | No |
| If so, was prior written clearance provided to allow the trade to proceed during this period? | N/A |
| If prior written clearance was provided, on what date was this provided? | N/A |

⁺ See chapter 19 for defined terms.