

19 September 2016

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 26.3 Million CHES Depositary Interests (**CDIs**) (placement announced by AirXpanders on 8 June 2016) on the holdings of Prolog Capital II, L.P. in AirXpanders in which it did not participate.

***Previous notification***

Prolog Capital II, L.P. last advised AirXpanders of its holdings of CDIs in AirXpanders on 24 June 2015. 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	Shares of Class A common stock ( <b>Shares</b> ): 6,778,169 (equivalent to 20,334,507 CDIs)	9.62%

***Present relevant interests***

26,315,790 CDIs were allotted on 15 June 2016 in accordance with announcements by AirXpanders to the ASX on 8 June 2016. The allotment of CDIs diluted the holdings of Prolog Capital II, L.P. 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	Shares of Class A common stock ( <b>Shares</b> ): 6,778,169 (equivalent to 20,334,507 CDIs)	8.56%

Yours sincerely



Gregory R Johnson  
Managing Director  
Prolog Ventures