

13 February 2017

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 26.5 Million CHESS Depository Interests (CDIs) (Tranche 1 of a 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.

***Previous notification***

Prolog Capital II, L.P. last advised AirXpanders of its stockholdings in AirXpanders on 19 September 2016. 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 6,778,169 Shares of Class A common stock (Shares))	8.56%

***Present relevant interests***

26,536,500 CDIs were allotted on 3 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. 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 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%

Yours sincerely



Brian Clevinger  
Managing Director  
Prolog Ventures