

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MESOBLAST LIMITED

ABN

68 109 431 870

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Ordinary shares (fully paid) and unlisted options to acquire ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 2,480,000 fully paid ordinary shares and 3,590,000 unlisted options to acquire ordinary shares. |

+ See chapter 19 for defined terms.

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- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

Fully paid ordinary shares as per the Company's Constitution, upon the exercise of options.

Fully paid ordinary shares as per the Company's Loan Funded Share Plan. These loan-funded shares* are awarded to employees as part of their overall remuneration package.

*Loan-funded shares

All loan-funded shares have been issued as new equity of Mesoblast Limited to the Mesoblast Employee Share Trust, which holds the shares on behalf of the participants to the plan.

Mesoblast Limited has loaned the participants (via the Trust) a total of \$8,559,250 (1,225,000 x \$4.71, 600,000 x \$4.46 and 25,000 x \$4.54) to purchase shares (Loan).

The participants to the plan will progressively become entitled to the shares over a three year period. If they choose to purchase the shares once vested, the Loan must be repaid to the Company immediately.

The Loans expire 30 June 2019, 23 July 2019 and 8 October 2019, at which point the loan must either be repaid in full, or the entitlement to the shares will lapse and they will be cancelled.

3,210,000 unlisted options to acquire ordinary shares at a price per share of \$4.71, vesting over three years, and expiring 24 August 2019.

170,000 unlisted options to acquire ordinary shares at a price per share of \$4.71, vesting over three years, and expiring 23 July 2019.

210,000 unlisted options to acquire ordinary shares at a price per share of \$4.54, vesting over three years, and expiring 8 October 2019.

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes for the ordinary shares.</p> <p>Shares issued on the exercise of the unlisted options will rank equally with quoted shares.</p>
<p>5 Issue price or consideration</p>	<p>630,000 ordinary shares issued upon the exercise of options in accordance with the Company's Employee Share Ownership Plan;</p> <p>1,225,000 ordinary shares issued pursuant to the Company's Loan Funded Share Plan at a price per share of \$4.71;</p> <p>600,000 ordinary shares issued pursuant to the Company's Loan Funded Share Plan at a price per share of \$4.46;</p> <p>25,000 ordinary shares issued pursuant to the Company's Loan Funded Share Plan at a price per share of \$4.54;</p> <p>3,380,000 unlisted options to acquire shares pursuant to the Company's Employee Share Ownership Plan at an issue price of \$4.71; and</p> <p>210,000 unlisted options to acquire shares pursuant to the Company's Employee Share Ownership Plan at an issue price of \$4.54.</p>

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<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Ordinary shares issued upon the exercise of options in accordance with the Company's Employee Share Ownership Plan.</p> <p>Ordinary shares issued pursuant to the Company's Loan Funded Share Plan to provide for annual remuneration for Australian employees. The issue of shares pursuant to the Plan forms part of the annual remuneration packages of our senior employees located in Australia.</p> <p>Unlisted options to acquire ordinary shares pursuant to the Company's Employee Share Ownership Plan. This award of options forms part of the annual remuneration packages of our senior employees located outside of Australia.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>Not applicable</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Not applicable</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Not applicable</p>
<p>6e Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)</p>	<p>Not applicable</p>
<p>6f Number of +securities issued under an exception in rule 7.2</p>	<p>Not applicable</p>

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6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

	Not applicable
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6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

	Not applicable
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6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

	Not applicable
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7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

	Date Registered	Number of Fully Paid Shares Issued
	07/10/2014	925,000
	13/10/2014	300,000
	27/10/2014	675,000
	28/10/2014	240,000
	18/11/2014	90,000
	20/11/2014	100,000
	21/11/2014	90,000
	24/11/2014	60,000
	Total	2,480,000
		Number of unlisted options to acquire shares issued
	Date Registered	
	07/10/2014	3,210,000
	21/10/2014	170,000
	20/10/2014	210,000
	Total	3,590,000

8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)

	Number	+Class
	324,176,029	Ordinary shares

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	15,685,274 (73,333 options have been cancelled since last Appendix 3B) Unlisted options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	All ordinary shares rank equally and participate in the right to dividends equally.

Part 2 - Pro rata issue

11	Is security holder approval required?	Not applicable
12	Is the issue renounceable or non-renounceable?	Not applicable
13	Ratio in which the +securities will be offered	Not applicable
14	+Class of +securities to which the offer relates	Not applicable
15	+Record date to determine entitlements	Not applicable
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Not applicable
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable

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19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	Not applicable
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the	Not applicable

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balance?

32 How do security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

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38	Number of +securities for which +quotation is sought	Not applicable	
39	+Class of +securities for which quotation is sought	Not applicable	
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Not applicable	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	Not applicable	
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class
		Not applicable	Not applicable

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 26th November 2014
Company secretary

Print name: Charlie Harrison

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