

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 | 25,000 fully paid ordinary shares and 290,000 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.

240,000 Unlisted options to acquire ordinary shares at a price per share of \$4.02, vesting over three years, and expiring 24 November 2019.

50,000 Unlisted options to acquire ordinary shares at a price per share of \$4.51, vesting over three years, and expiring 31 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>25,000 Ordinary shares issued upon the exercise of options in accordance with the Company's Employee Share Ownership Plan;</p> <p>240,000 Unlisted options to acquire shares pursuant to ESOP at an issue price of \$4.02; and</p> <p>50,000 Unlisted options to acquire shares pursuant to ESOP at an issue price of \$4.51.</p>
<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>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>

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6b	The date the security holder resolution under rule 7.1A was passed	Not applicable
6c	Number of +securities issued without security holder approval under rule 7.1	Not applicable
6d	Number of +securities issued with security holder approval under rule 7.1A	Not applicable
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Not applicable
6f	Number of +securities issued under an exception in rule 7.2	Not applicable
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
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
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

+ See chapter 19 for defined terms.

7	<p>+Issue dates</p> <p>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.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<table border="1"> <tr> <th style="text-align: left;">Date Registered</th> <th style="text-align: right;">Number of Fully Paid Shares Issued</th> </tr> <tr> <td style="text-align: left;">11/12/2014</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;">25,000</td> </tr> </table>	Date Registered	Number of Fully Paid Shares Issued	11/12/2014	25,000	Total	25,000
		Date Registered	Number of Fully Paid Shares Issued					
11/12/2014	25,000							
Total	25,000							
<table border="1"> <tr> <th style="text-align: left;">Date Registered</th> <th style="text-align: right;">Number of unlisted options to acquire shares issued</th> </tr> <tr> <td style="text-align: left;">23/12/2014</td> <td style="text-align: right;">290,000</td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;">290,000</td> </tr> </table>	Date Registered	Number of unlisted options to acquire shares issued	23/12/2014	290,000	Total	290,000		
Date Registered	Number of unlisted options to acquire shares issued							
23/12/2014	290,000							
Total	290,000							

8	<p>Number and ⁺class of all ⁺securities quoted on ASX (including the ⁺securities in section 2 if applicable)</p>	<table border="1"> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> <tr> <td style="text-align: left;">324,201,029</td> <td style="text-align: left;">Ordinary Shares</td> </tr> </table>	Number	+Class	324,201,029	Ordinary Shares
		Number	+Class			
324,201,029	Ordinary Shares					

9	<p>Number and ⁺class of all ⁺securities not quoted on ASX (including the ⁺securities in section 2 if applicable)</p>	<table border="1"> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> <tr> <td style="text-align: left;">15,895,274 (55,000 options have been cancelled since last Appendix 3B)</td> <td style="text-align: left;">Unlisted Options</td> </tr> </table>	Number	+Class	15,895,274 (55,000 options have been cancelled since last Appendix 3B)	Unlisted Options
		Number	+Class			
15,895,274 (55,000 options have been cancelled since last Appendix 3B)	Unlisted Options					

10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<table border="1"> <tr> <td style="text-align: left;">All ordinary shares rank equally and participate in the right to dividends equally.</td> </tr> </table>	All ordinary shares rank equally and participate in the right to dividends equally.
All ordinary shares rank equally and participate in the right to dividends equally.			

Part 2 - Pro rata issue

11	<p>Is security holder approval required?</p>	<table border="1"> <tr> <td style="text-align: left;">Not applicable</td> </tr> </table>	Not applicable
Not applicable			
12	<p>Is the issue renounceable or non-renounceable?</p>	<table border="1"> <tr> <td style="text-align: left;">Not applicable</td> </tr> </table>	Not applicable
Not applicable			
13	<p>Ratio in which the ⁺securities will be offered</p>	<table border="1"> <tr> <td style="text-align: left;">Not applicable</td> </tr> </table>	Not applicable
Not applicable			
14	<p>⁺Class of ⁺securities to which the offer relates</p>	<table border="1"> <tr> <td style="text-align: left;">Not applicable</td> </tr> </table>	Not applicable
Not applicable			

+ See chapter 19 for defined terms.

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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
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

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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 balance?	Not applicable
32	How do security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	⁺ Issue date	Not applicable

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)

⁺ See chapter 19 for defined terms.

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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)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
• 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
-

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<p>41 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>	<p>Not applicable</p>
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	Number	+Class
<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<p>Not applicable</p>	<p>Not applicable</p>

+ 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:
Company secretary

Date: 31st December 2014

Print name: Charlie Harrison

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+ See chapter 19 for defined terms.