MESOBLAST APPOINTS MICHAEL SPOONER AS EXECUTIVE CHAIRMAN

Melbourne, Australia; 15 August 2005: Australian adult stem cell company, Mesoblast Limited (ASX:MSB), today announced the appointment of Mr Michael Spooner as full-time Executive Chairman until 30 June 2006.

The company also announced the elevation of Mr Donal O'Dwyer to non-executive Deputy Chairman. Both appointments are effective immediately.

Mesoblast Founder, Professor Silviu Itescu, will continue in his current role as Director and Chief Scientific Adviser.

"This is a strong team which will ensure the company's successful execution of its stated commercial goals of building strategic corporate partnerships for early and long-term revenue generation", Professor Itescu said today.

"The substantial pace of achievement made by Mesoblast since it listed last December has resulted in the company now reaching a significant stage in terms of momentum and progress toward clinical trial.

"This progress has already attracted the attention of a number of major international corporations and potential corporate partners.

"Mr Spooner brings strong international experience in managing high growth companies, and a wealth of knowledge in the life sciences sector, most recently as Managing Director & CEO of Ventracor Limited", Professor Itescu said.

Mr Spooner said today that he was delighted with the appointment and to be deeply involved in a program to commercialise adult stem cell therapies which he believes will present a paradigm shift in the clinical practice of medicine.

"Mesoblast is uniquely poised to capitalise on massive unmet needs in global orthopaedic and cardiovascular markets.

"My goal will be to translate the potential of the company into shareholder value as rapidly as possible", Mr Spooner said.

About Mesoblast

Mesoblast Limited (ASX:MSB) is an Australian biotechnology company committed to the development of novel treatments for orthopaedic conditions, including the commercialisation of a unique adult stem cell technology aimed at the regeneration and repair of bone and cartilage.

Mesoblast, which listed on the Australian Stock Exchange in December 2004, has the world wide exclusive rights for a series of patents and technologies that have been developed over more than 10 years and which relate to the identification, extraction and culture of adult Mesenchymal Precursor Cells (MPCs). The technology has achieved outstanding results in pre-clinical in vivo studies in the regeneration and repair of large bone fractures.

The company has also acquired a 33.3% interest in Angioblast Systems Inc, an American company developing the platform MPC technology for the treatment of cardiovascular diseases, including repair and regeneration of blood vessels and heart muscle. Mesoblast and Angioblast will jointly fund and progress the core technology.

Mesoblast's strategy is to maximise shareholder value through both corporate partnerships and the rapid and successful completion of pre-clinical and clinical milestones.

Michael Spooner

Mr Spooner has an extensive network of relationships with investment firms and business communities across the globe, having spent the majority of the past 25 years living and working internationally. He has an outstanding track record in the rapid international commercialisation of high growth companies including within the medical application and commercial technology sectors. Most recently, Mr Spooner was Managing Director & CEO of Ventracor Limited where he led the transformation of a small Australian listed life sciences company into the second highest performing stock on the S&P/ASX 200 index in 2003. He was a Principal Partner and Director of Consulting Services with PriceWaterhouse Coopers (Coopers & Lybrand) in Hong Kong for seven years. Mr Spooner advises a number of high growth corporations and is a non-executive Director of Peplin Limited.

Donal O'Dwyer

Mr O'Dwyer has almost 20 years experience as a senior executive in the global cardiovascular and medical devices industries. From 2000 to 2003, he was worldwide president of Cordis Cardiology, the cardiology division of Johnson & Johnson's Cordis Corporation. Cordis is the world's largest manufacturer of innovative products for interventional medicine, minimally invasive computer-based imaging, and electrophysiology. In this role, Mr O'Dwyer led Cordis through the launch of the revolutionary Cypher drug eluting coronary stent technology, and saw the company take over number one market share of coronary stents worldwide. He directly supervised an increase in sales from $US500 million in 2000 to $US2 billion in 2003. Prior to joining Cordis in 1996, Mr O'Dwyer worked for 12 years with Baxter Healthcare, rising from plant manager in Ireland to president of the Cardiovascular Group, Europe, now Edwards Lifesciences. Mr O'Dwyer is also a non-executive Director of Cochlear Limited and Sunshine Heart.

For further information, please call:

Julie Meldrum
Mesoblast Limited
0419 228 128
julie.meldrum@mesoblast.com

Rebecca Wilson
Buchan Consulting
02 9237 2800
rwilson@bcg.com.au