STEM CELL PATENTS GRANTED FOR CARDIAC DISEASE AND NEW CLINICAL OPPORTUNITIES

Key points:

- Two new granted patents protect and expand commercial opportunities for use of proprietary adult stem cell platform technology
- Protect exclusive rights to use proprietary technology for cardiovascular diseases
- Grant exclusive rights to extract proprietary cells from various tissues in addition to bone marrow, including dental pulp and adipose tissues (fat)
- Enable expansion of market opportunities in major new applications such as dental diseases and cosmetic enhancement procedures
- Strengthen ability to execute commercial partnerships

Melbourne, Australia; 6 February 2007: Australia's adult stem cell company, Mesoblast Limited (ASX:MSB), announced today that two key patents have been granted by IP Australia relating to the adult stem cell technology platform to which Mesoblast and its US-based sister company, Angioblast Systems Inc; have exclusive commercial rights. These new patents protect and expand the commercial opportunities of both companies.

The first patent relates to using a unique population of adult stem cells known as Mesenchymal Precursor Cells (MPCs) for repairing and growing new blood vessels. This patent underpins the broad commercial opportunities of using MPCs for the treatment of heart attacks, congestive heart failure, coronary artery disease, and peripheral artery disease, conditions that affect many millions of patients worldwide.

The second patent relates to extracting these cells from a variety of sources in addition to bone marrow, including dental pulp and adipose tissues such as abdominal fat.

MPCs extracted from these new sources may be particularly effective for use in a range of new indications, including dental applications such as periodontal disease and cosmetic enhancement procedures using fat tissue.

Building upon and continuing to expand a broad-based international patent portfolio is fundamental to the commercial objectives of both Mesoblast and Angioblast, particularly executing strategic business transactions in the orthopaedic and cardiovascular areas.

The two new granted patents assume greater strategic importance to both companies as they progress Investigational New Drug (IND) submissions to the United States Food and Drug Administration (US FDA) and consider potential corporate partnerships during initiation of Phase 2 clinical trials.

About Mesoblast

Mesoblast Limited (ACN 109 431 870) is an Australian biotechnology company committed to commercialisation of novel treatments for orthopaedic conditions, including a unique adult stem cell technology aimed at the regeneration and repair of bone and cartilage. Mesoblast has worldwide exclusive rights to a series of patents and technologies that have been developed over more than 10 years relating to the identification, extraction and culture of adult Mesenchymal Precursor Cells (MPCs). The company has a substantial equity holding 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's strategy is to maximise shareholder value through both corporate partnerships and rapid product commercialisation.

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