ANGIOBLAST CLOSES $10M EQUITY-BASED FINANCING

New York, NY; 25 August 2009: Angioblast Systems, Inc. announced today that it has closed a $10 million equity-based financing from institutional and sophisticated investors. New investors oversubscribed the financing, with $3 million coming from existing Angioblast shareholders.

The capital was raised by way of non-redeemable convertible securities that will convert into common shares at the time of Angioblast's next financing event, defined as an Initial Public Offering, Merger and Acquisition, or private equity round of at least $10 million. Mesoblast will retain its 38.4% equity in Angioblast until at least the next financing event, at which time it may seek to maintain or increase its shareholding.

About Angioblast Systems, Inc.

Angioblast Systems, Inc. is a private New York City based biotechnology company committed to the development of novel treatments for cardiac, vascular, and eye conditions. Angioblast's lead products are based on commercialization of a unique adult stem cell technology capable of regulating blood vessel growth critical for the treatment of ischemic heart disease and macular degeneration/diabetic eye disease. Our focus is to progress through clinical trials and regulatory processes necessary to commercialize the technology in as short a timeframe as possible. Angioblast has the worldwide assignment of rights for a series of patents and technologies that have been developed over more than 10 years and which relate to the identification, extraction, culture expansion and enablement of adult Mesenchymal Precursor Cells (MPCs). Angioblast's strategy is to maximize shareholder value through both corporate partnerships and the rapid and successful completion of clinical milestones.

For further information please contact

Michael Schuster, MS, MBA
Vice President of Operations
T: (212) 880-2060
E: michael.schuster@angioblast.com
W: www.angioblast.com