



FDA SUBMISSION FILED FOR CLINICAL TRIAL OF STEM CELLS IN HEART ATTACK PATIENTS

Major cardiovascular market targeted

Key points:

- Angioblast Systems Inc, files IND submission with US FDA for a Phase 2 clinical trial in patients with heart attacks
- Key milestone achieved well ahead of schedule, underscoring the rapid progress made in development of the proprietary adult stem cell technology platform
- Treatment of heart attacks is just one of many cardiovascular, orthopaedic and other commercial opportunities for both Angioblast and Australia-based sister company Mesoblast Limited.

New York, New York; 2 April 2007: Angioblast Systems Inc., had filed an Investigational New Drug (IND) submission to the US Food and Drug Administration (FDA) to commence a Phase 2 clinical trial of its allogeneic, or 'off-the- shelf', adult stem cells in patients with heart attacks.

The trial design will enable evaluation of the safety and effectiveness of the proprietary, patented allogeneic stem cells in patients suffering an acute heart attack. The trial will comprise three patient groups who will receive differing doses of stem cells - low, medium or high - by catheter injection 10 to 14 days after an initial angioplasty procedure to open the blocked artery. A fourth group of patients will serve as controls and receive only current standard-of-care heart attack treatment, including angioplasty.

Over one million new patients with heart attacks are treated annually in the US alone, representing a multibillion dollar market opportunity. Heart attacks are caused by coronary artery blockage, the leading cause of death in the US according to the American Heart Association. Current therapies to open blocked arteries have improved early survival, but do not result in rebuilding of heart muscle, and do not prevent progression of congestive heart failure, poor quality of life, and long-term deterioration.



In preclinical trials supporting the IND submission, implantation of the company's proprietary stem cells resulted in significant improvement of heart function and reduction in congestive heart failure. These trials showed that the allogeneic stem cells can be implanted safely by cardiac catheter and are effective when used in combination with standard-of-care therapies to improve vascular blood flow, such as balloon angioplasty.

Filing the IND submission for the Phase 2 cardiovascular trial is an important milestone that was reached more than three months ahead of the company's original schedule and which again underscores the rapid progress made over the past two years by both Angioblast and Mesoblast.

Both companies are now at advanced stages of clinical development and commercialization of a high margin adult stem cell product obtained from a single donor that can be used in up to thousands of unrelated, or allogeneic, recipients at the time and place of need. The patented technology produces a well-characterized stem cell product with defined purity and demonstrated, potent biological activity.

Subject to FDA clearance, the Phase 2 heart attack trial will commence in the third quarter of this calendar year. The results will be used to underpin commercial strategic partnerships, expand global capital markets opportunities, and support pivotal pre-marketing registration trials.

About Angioblast Systems, Inc.

Angioblast Systems, Inc. is an American company developing the platform MPC technology for the treatment of cardiovascular diseases, including repair and regeneration of blood vessels and heart muscle.

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