



12 May 2011

Joel Farina
Senior Adviser, Listings (Sydney)
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Joel,

RE: Sunshine Heart (Company) Price Query

In response to your letter dated 12 May regarding a price query concerning the Company's securities, I would like to provide the following information:

1. The company is not aware of any information concerning it which, if known, could be an explanation of recent trading in the Company's securities.
2. Not applicable.
3. The increase in the price of the Company's securities from \$0.049 on 10 May to \$0.063 today at the time of writing could be due to the following factors:

This week the Company has been conducting an education road show with the Chief Executive Officer and a leading independent cardiac specialist from the US for institutional investors and members of the medical profession with discussion focused on heart failure worldwide and a range of current and future developments in the treatment of heart failure. One aim of the road show has been to help professional investors better understand the heart failure market in the US and issues involved in the available treatment of heart failure.

On 14 April the Company provided a detailed market update and guidance that it was on track to meet its published milestones.

On 11 April that Company announced to the market that the United States Food and Drug Administration (FDA) had approved the Company's investigational device exemption (IDE) supplement for the C-Pulse® Heart Assist System. The FDA expansion protocol approval permits the Company to implant an additional 20 patients and to add two new study sites.

On 4 April the Company announced to the market that the C-Pulse® Heart Assist System had been implanted in 20 patients globally. Completion of enrollment of 20 patients was a significant milestone in the development of the Company.

4. The company is in compliance with the ASX Listing Rules, and in particular Listing Rule 3.1.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rowena Hubble'.

Rowena Hubble
Company Secretary

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12 May 2011

Ms. Rowena Hubble
Company Secretary
Sunshine Heart, Inc.
Unit 3
12 Frederick Street
St Leonards NSW 2065

By Email

Dear Rowena,

Sunshine Heart, Inc. (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from a close of \$0.049 on 10 May 2011 to a high of \$0.063 today at the time of writing. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at joel.farina@asx.com.au or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than 3:30 p.m. A.E.S.T today, 12 May 2011.

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Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[Sent electronically without signature]

Joel Farina
Senior Adviser, Listings (Sydney)

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