



ASX ANNOUNCEMENT

Converting CDIs listed on ASX to shares of common stock listed on Nasdaq

Sydney, Australia and Eden Prairie, MN: 15 February, 2012: Following Sunshine Heart's listing on Nasdaq commencing at 9.30am (US Eastern Standard Time) on 16 February 2012, securityholders will be able to freely convert their holdings between ASX-listed CHESS Depositary Instrument (**CDIs**) and shares of common stock (**Shares**) listed on Nasdaq, with one Share represented by 200 CDIs. It is expected that the trading price of Shares on Nasdaq should be approximately 200 times the trading price of CDIs on ASX after accounting for the currency exchange rate.

CDI holders who wish to convert their CDIs to Shares can do so by instructing Sunshine Heart's registry, Link Market Services Limited (**Link**), either:

- directly in the case of CDIs on the issuer sponsored sub-register operated by Sunshine Heart. CDI holders will be provided with a form entitled "Notice of Transmutation" for completion and return to the registry; or
- through their sponsoring participant (usually their broker) in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return to the Sunshine Heart's registry.

The number of CDIs to be converted to Shares must be divisible by 200 otherwise the request will be rejected.

Sunshine Heart's American Transfer Agent, American Stock Transfer & Trust Company, LLC (**AST**) will then arrange for the Shares to be transferred from CHESS Depositary Nominees (**CDN**) into the name of that holder and either a new share certificate will be issued to them or a direct registration entry made in their name. The shares can also be registered with a DTC participant by providing the relevant DTC participant details on the form. This will cause the Shares to be registered in the name of the holder on Sunshine Heart's share register and trading on ASX will no longer be possible.

Sunshine Heart's registry will not charge an individual securityholder a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). If a securityholder uses a broker to effect the conversion, the broker may charge a fee to the securityholder. Accordingly, securityholders should contact their broker for information regarding any applicable fees.

It is expected that the process of converting CDI holdings into Shares will be completed within 2 to 5 business days, provided that the registry is in receipt of a duly completed and valid Notice of Transmutation. However, no guarantee can be given about the time for this conversion to take place.

For further information, contact Link:

- by facsimile on (02) 9287 0303 (within Australia) or +61 2 9287 0303 (outside Australia);
 - by mail to Link Market Services Limited, Locked Bag A14, Sydney, NSW 1235 Australia; and
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- by telephone (by you or your broker) on (02) 8280 7111 (within Australia) or +61 2 8280 7111 (outside Australia).

About the C-Pulse® Heart Assist System

The C-Pulse Heart Assist System, an investigational device, utilizes the proven scientific principles of intra-aortic balloon counter-pulsation applied in an extra-aortic approach to assist the left ventricle by reducing the workload required to pump blood throughout the body, while increasing blood flow to the coronary arteries. Operating outside the patient's bloodstream, the novel extra-aortic approach of the C-Pulse technology offers greater flexibility allowing patients to disconnect as necessary or desired. The C-Pulse system's potential benefits may help reverse the heart failure process or maintain the patient's current condition, which may reduce the need for later stage heart failure therapies, such as left ventricular assist devices (LVADs), artificial hearts or transplants.

Caution: Investigational device, limited by Federal (or United States) Law to Investigational use.

About Sunshine Heart®

Sunshine Heart is a global medical device company committed to the commercialization of the C-Pulse Heart Assist System, an implantable, non-blood contacting, heart assist therapy for the treatment of moderate to severe heart failure which can be implanted using a minimally invasive procedure. C-Pulse is designed to relieve the symptoms of heart failure through the use of counter-pulsation technology which enables an increase in cardiac output, an increase in coronary blood flow and a reduction in the heart's pumping load. The Company has completed enrollment of an approved U.S. Food and Drug Administration (FDA) 20 patient feasibility clinical trial with the C-Pulse System. Sunshine Heart is a Delaware corporation headquartered in Minneapolis with a subsidiary presence in Australia. The Company has been listed on the ASX since September 2004. For more information, please visit www.sunshineheart.com.

Forward-Looking Statements

This announcement contains forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation, our expectations with respect to product development and commercialization efforts, results of clinical trials, expected timing of regulatory filings and approvals, regulatory acceptance of our filings and research and development activities, ultimate clinical outcomes and benefit of our products to patients, market and physician acceptance of the products, intellectual property protection and competitive product offerings could cause actual events to adversely differ from the expectations indicated in these forward looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. Sunshine Heart does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sunshine Heart may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the possibility regulatory authorities do not accept our application or approve the marketing of the C-Pulse® Heart Assist System, the possibility we may be unable to raise the funds necessary for the development and commercialization of our products, the possibility we may be unable to successfully list our securities on a U.S. securities exchange, and those described in our filings with the ASX. We may update our risk factors from time to time in our filings with the ASX.

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