

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	SUNSHINE HEART, INC.
ABN	109 440 888

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	DR RICHARD LIN
Date of last notice	5 OCTOBER 2004

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	INDIRECT
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	<p>Fully Paid Ordinary Shares (to be delivered as CDIs) and Placement Options issued to Three Arch Associates III L.P. and Three Arch Partners III L.P. pursuant to Tranche 1 of institutional capital raising.</p> <p>The Director has an indirect interest as a member of Three Arch Management III LLC. which is the general partner of each entity noted above.</p>
Date of change	15 NOVEMBER 2006

+ See chapter 19 for defined terms.

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<p>No. of securities held prior to change</p>	<p>Three Arch Associates III L.P. 469,683 CDIs over Fully Paid Ordinary Shares</p> <p>Three Arch Partners III L.P. 8,736,118 CDIs over Fully Paid Ordinary Shares</p> <p>Three Arch Management III LLC. 116,400 Share Options over Fully Paid Ordinary Shares under the Company's incentive plan (Exercise price AUD\$0.25, vesting from 28 September 2004, expire 23 June 2014)</p>
<p>Class</p>	<p>CHESS Depositary Interest (CDI)</p>
<p>Number acquired</p>	<p>Three Arch Associates III L.P. 340,133 CDIs over Fully Paid Ordinary Shares and 102,040 Placement Options</p> <p>Three Arch Partners III L.P. 6,326,534 CDIs over Fully Paid Ordinary Shares and 1,897,960 Placement Options</p>
<p>Number disposed</p>	
<p>Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation</p>	<p>\$1,000,000.05</p>

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No. of securities held after change	<p>Three Arch Associates III L.P. 809,816 CDIs over Fully Paid Ordinary Shares 102,040 Placement Options</p> <p>Three Arch Partners III L.P. 15,062,652 CDIs over Fully Paid Ordinary Shares 1,897,960 Placement Options</p> <p>Three Arch Management III LLC. 116,400 Share Options over Fully Paid Ordinary Shares under the Company's incentive plan (Exercise price AUD\$0.25, vesting from 28 September 2004, expire 23 June 2014)</p>
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	Fully Paid Ordinary Shares (to be delivered as CDIs) and Placement Options issued in relation to Tranche 1 of the institutional offer as approved by the company's security holders in general meeting on 20 October 2006.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	

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Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	

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