



ASX Announcement

Sunshine Heart CEO presents at 9th Annual C21 BioVentures Conference

Sydney Australia 28 May 2007: Sunshine Heart, Inc. (ASX: SHC) announced today that Chief Executive Officer Don Rohrbaugh was among the presenters at the C21 BioVentures' 9th annual meeting, held in Monterey, California, USA. Sunshine Heart is a global medical device company that is developing the C-Pulse™, an innovative, implantable mechanical heart assist device to treat heart failure.

John Brennan, Partner of CM Capital, Brisbane, a SHC investor, also attended the conference. John indicated that "Sunshine Heart, Inc. was one of more than 50 companies highlighted at the C21 Bioventures meeting, which was attended by more than 300 individuals representing pharmaceutical and venture capital organizations. Sunshine Heart's presentation, which outlined the unique product and market advantages of the Company's C-Pulse™ heart assist device, was well received by the attendees". Many of the life science companies that have presented at C21 in the past have subsequently become highly successful biotech-pharma ventures.

"It was a pleasure to present Sunshine Heart's C-Pulse™ technology to such an esteemed audience," said Mr Rohrbaugh, who noted that "C21's advisory board includes 42 key financial decision makers from leading Silicon Valley venture capital, banking, and financial organizations". Mr Rohrbaugh reported that SHC recently completed development of the Company's second-generation C-Pulse™ System, and is preparing to begin U.S. feasibility clinical trials later this year.

A copy of Mr Rohrbaugh's C21 Bioventures presentation is attached

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About The C-Pulse™ System

Sunshine Heart's C-Pulse™ System is an implantable, non-blood contacting mechanical heart assist device powered by an external driver unit. The implantable cuff is inflated and deflated rhythmically to improve blood supply to the heart and body as well as reduce the workload of the heart.

Sunshine Heart (ASX: SHC) (www.sunshineheart.com) is a global medical device company, currently planning to initiate US clinical trials in the second half of 2007 for the treatment of people with moderate heart failure (HF); people that have a debilitating poor quality of life. The C-Pulse™ is uniquely designed as a cost effective device to serve this HF patient population which has been estimated by SHC to be nearly 1 million patients in the USA alone.

The C-Pulse™ is clinically positioned between CRT pacemakers and mechanical LVADs. C-Pulse™ is targeted to be used in Class III HF patients to safely and cost effectively reduce heart failure complications. Many of these patients have become refractory to drugs or no longer receive symptom relief with pacemakers and are too healthy for LVADS and heart transplant. Unlike other current treatments, C-Pulse™ has no blood contact, a uniquely differentiating feature. Initial clinical data indicates that C-Pulse™ increases coronary blood flow, reduces the workload of the native heart and allows the patient to electively turn the device off and on for patient convenience. A proprietary wearable driver powers the C-Pulse™ device and allows freedom of movement for these HF patients. These unique features have been demonstrated in human clinical experiences in Australia and New Zealand.

Sunshine Heart listed on the ASX in September 2004 and has a presence in Australia, New Zealand and the United States of America.

This press release contains forward-looking statements that are based on current management expectations. These statements may differ materially from actual future events or results due to certain risks and uncertainties from time to time in the Company's filings with the Australian Stock Exchange.



Innovative devices for treating heart failure.

C21 BioVentures Conference

May 2007



**A development stage company.
Incorporated in the USA (Delaware) and listed
on the Australian Stock Exchange (ASX) as
SHC**

St Leonards (Sydney), NSW, Australia

Tustin, California, USA

This presentation may contain forward looking statements.
Various factors could cause actual results to differ materially from these
projections including timing, clinical results, financing availability,
product sales & marketing or efficacy of products.

Although the Company believes that the forward looking statements are reasonable,
it can give no assurances that the Company's expectations are correct. All forward
looking statements are expressly qualified in their entirety by this cautionary statement.

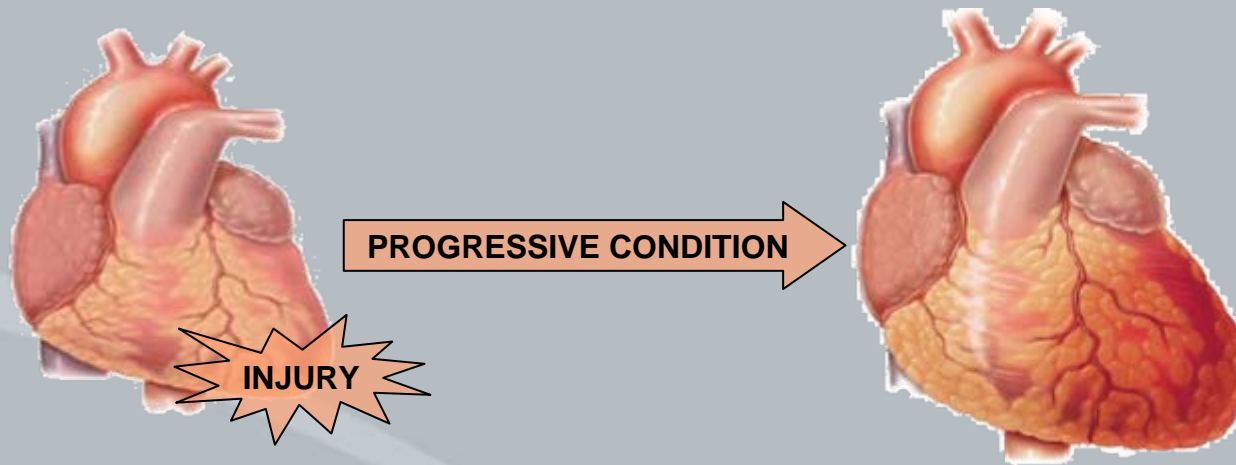
Clear Vision

Innovative heart assist device to halt or reverse the progression of moderate heart failure (HF)

Clear Pathway

FDA clinical trial forward to global acceptance...initiating in 2007

C-Pulse™ - Halts the Progression of HF

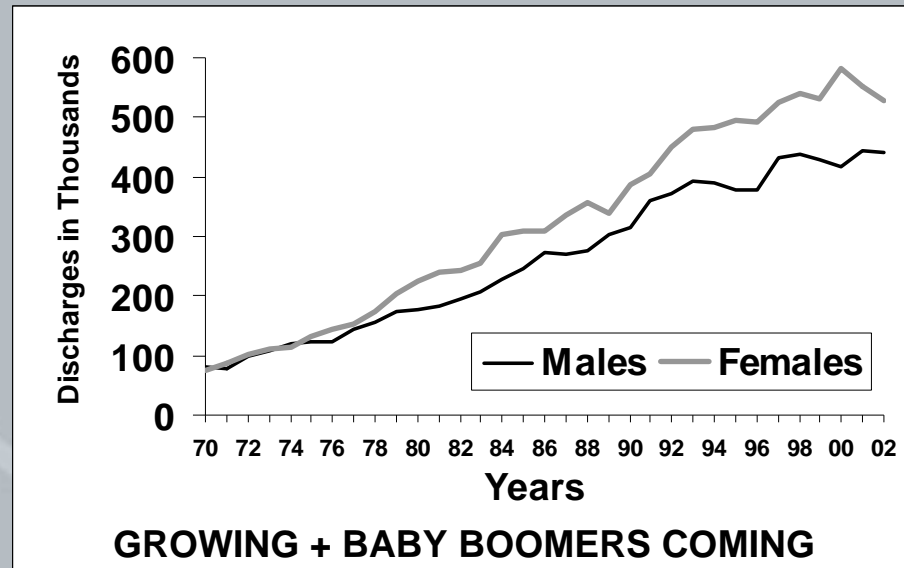
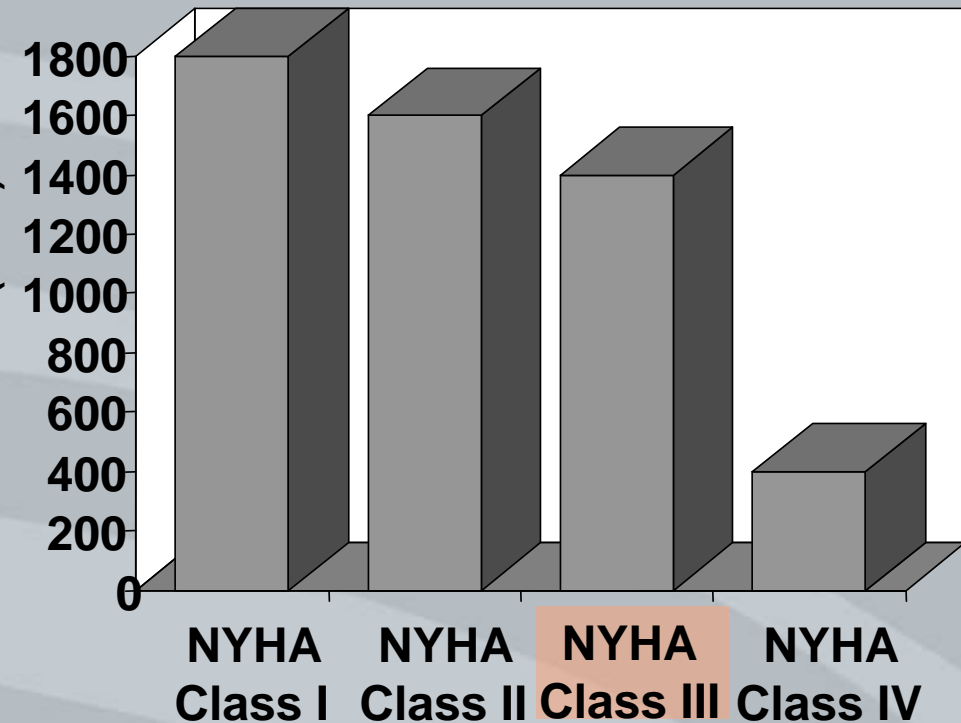


HF inhibits the heart's ability to adequately pump blood.

| | Heart Failure | With C-Pulse™ |
|------------------|---------------|---------------|
| Heart Size | ↑ | ↓ |
| Heart Efficiency | ↓ | ↑ |
| Blood Flow | ↓ | ↑ |

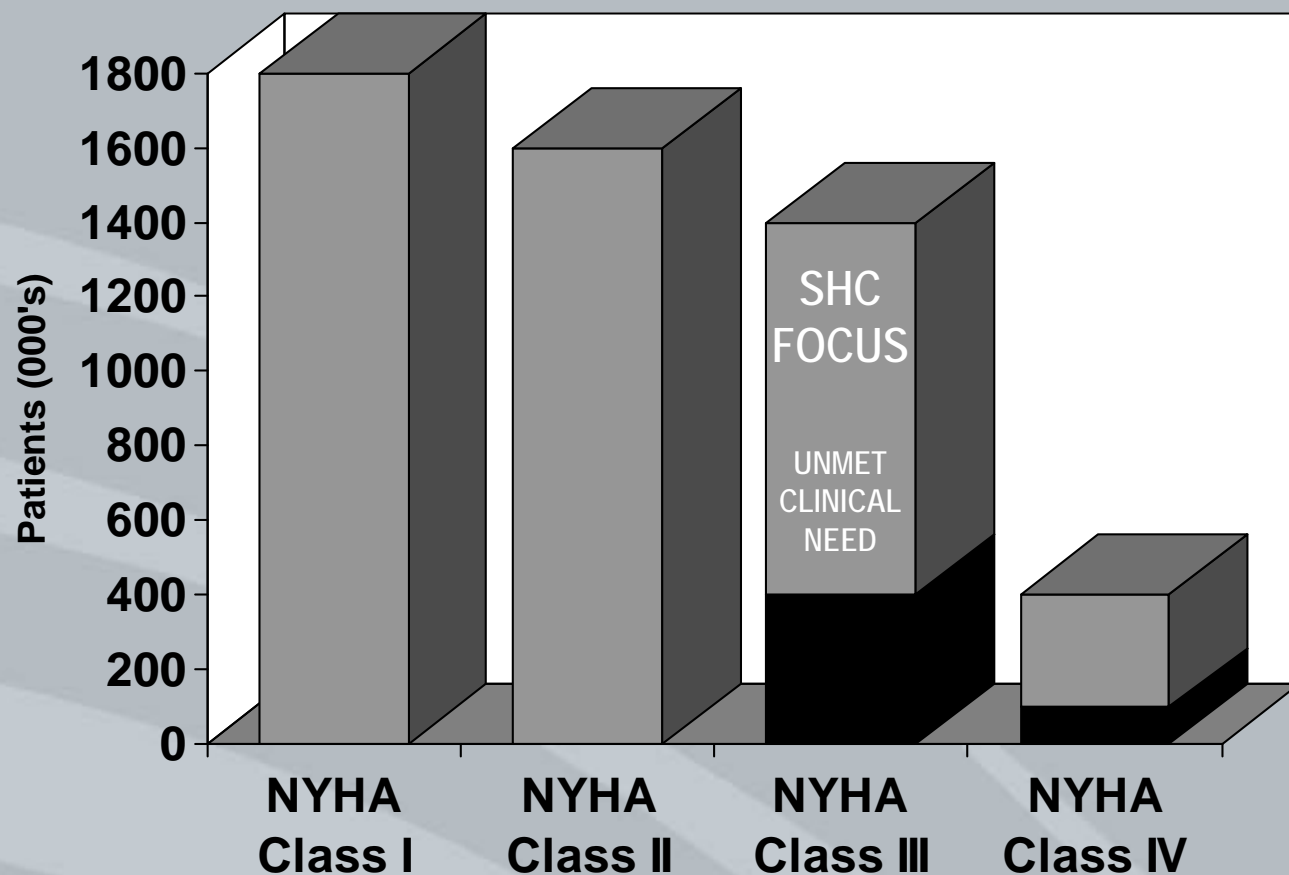
SHC's Market - Heart Failure

AHA 2007 data: 5.2 m HF pts; 1.18m HF discharges; HF Costs:\$33.2B /yr



HF - A large market and a growing epidemic.

SHC's Market Implantable Heart Assist Devices



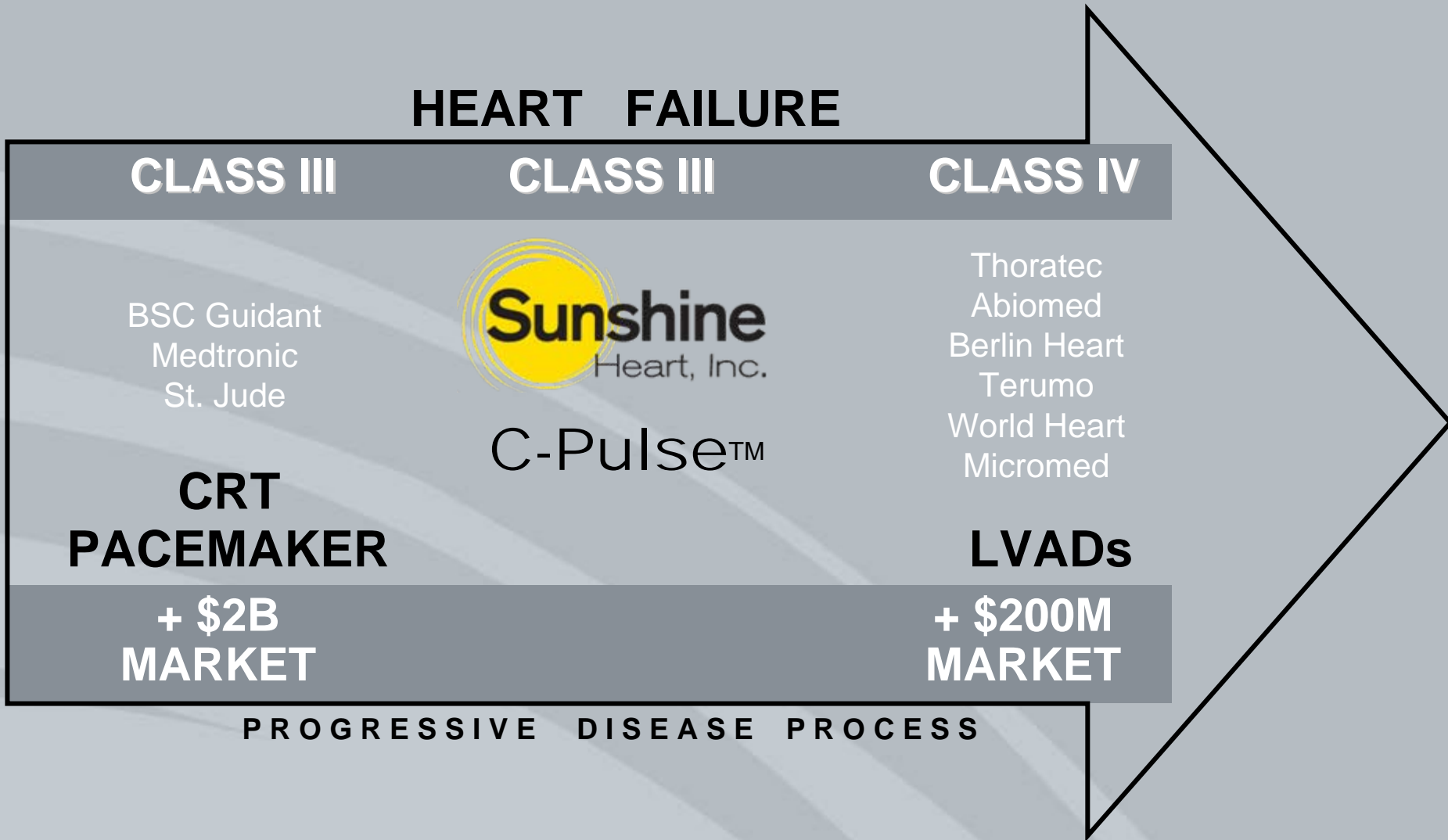
**DRUG
THERAPY**

CRT
Electrical
Disorders

LVADs
Mechanical
Disorders

Innovative devices for treating heart failure.

Implantable Heart Assist Devices

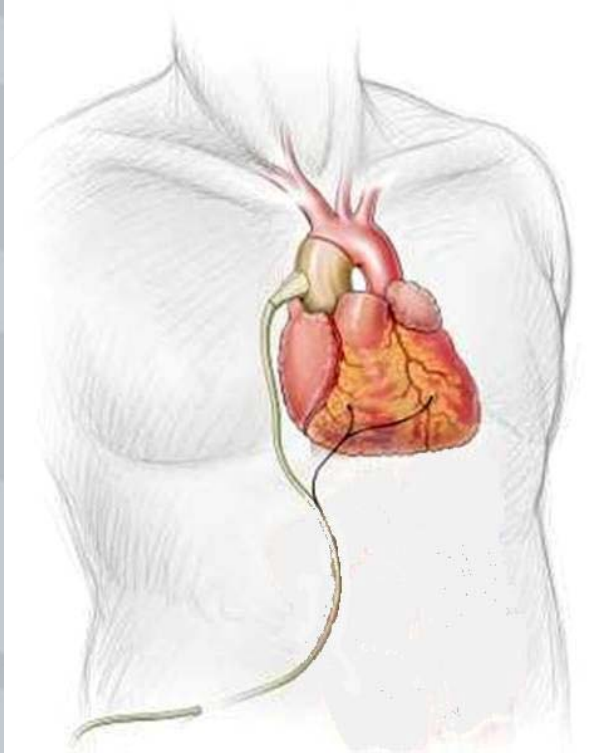


Our focus is unmet need between two existing markets.

Innovative devices for treating heart failure.

The Sunshine Solution: C-Pulse™

Implantable Heart Assist Devices

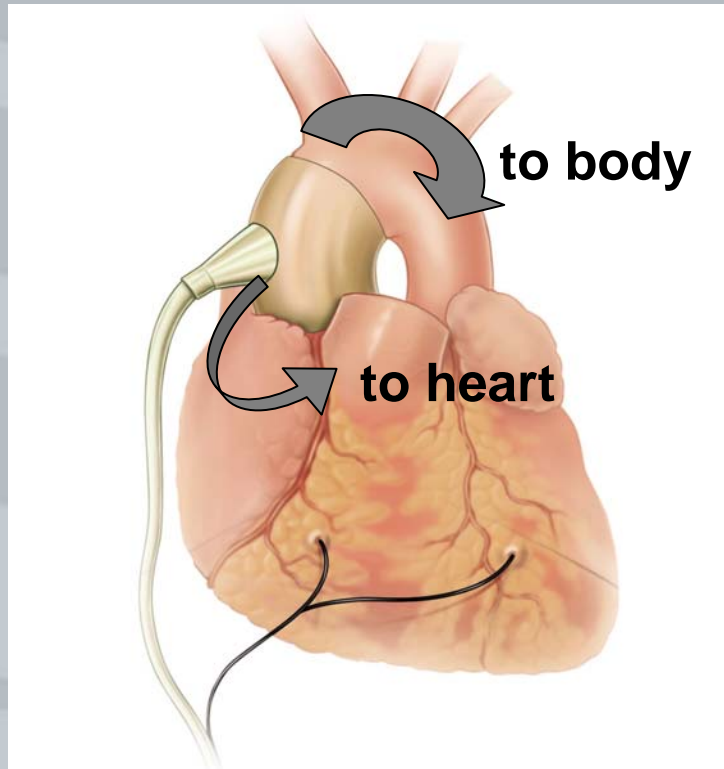


C-Pulse™ Cuff

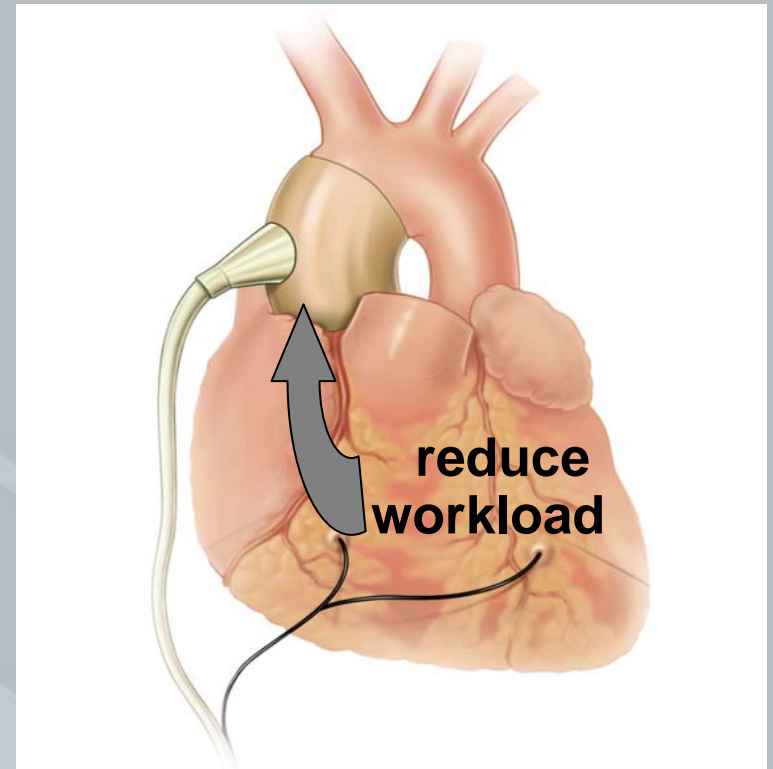
| | CRT | LVAD | C-Pulse™ |
|-------------------------------|-----|------|----------|
| Class III | ✓ | | ✓ |
| Large Market | ✓ | | ✓ |
| Ease of Implant | ✓ | | ✓ |
| Cost Effective | ✓ | | ✓ |
| Increases Blood Flow | ✓ | ✓ | ✓ |
| Increases Coronary Blood Flow | | | ✓ |
| Unloads the Heart | | ✓ | ✓ |
| Non-Blood Contact | | | ✓ |
| Patient Elective On/Off | | | ✓ |

C-Pulse™ - Counterpulsation Method

Heart Fills - Cuff Inflates



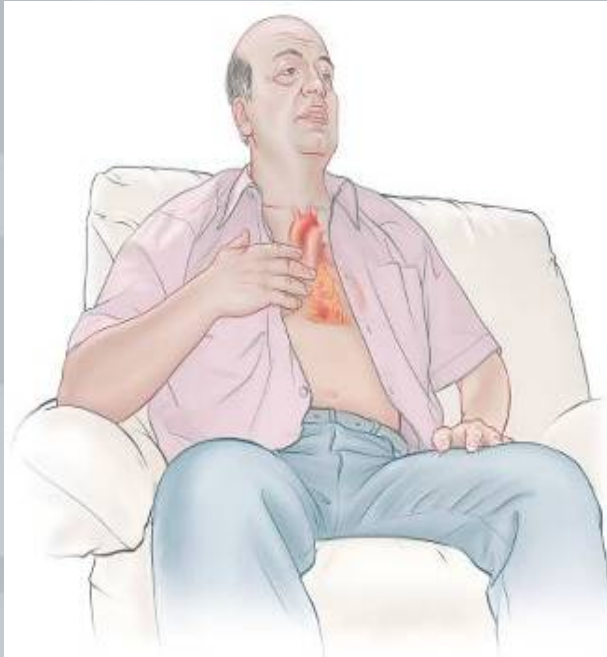
Heart Ejects - Cuff Deflates



Unique, PATENTED device uses proven therapeutic principles

C-Pulse™ - Demonstrated Performance

(Australia / New Zealand Studies)



Low Risk Therapy

Symptom Relief

**Improvement in
Quality of Life**

**Improved Cardiac
Performance**

**Patient Elective
On/Off**

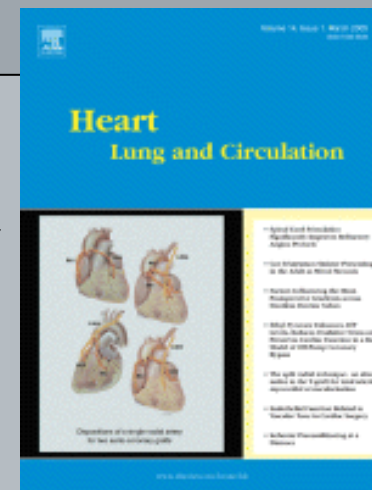


C-Pulse™- Scientific Publications

ANZ: Heart Lung and Circulation

Davies, Peters, Sullivan, et al (September 2005)

Extra-ascending Aortic Versus Intra-descending Aortic Balloon Counterpulsation – Effect on Coronary Blood Flow



AHA: Circulation

Legget, Peters, Milsom, Clark, et al (August 2005)

Extra-aortic Balloon Counterpulsation; An Intra-operative Feasibility Study



US IDE Clinical Trial Team



**SHC Management
CEO & Medical Director
Don Rohrbaugh & William Peters, MD**



**National Co-Principal Investigators
HF Cardiologist & Cardiothoracic Surgeon
William Abraham, MD & Patrick McCarthy, MD**

| Sites | HF Cardiologist | CV Surgeon |
|---|-----------------|------------|
| Ohio State Medical Center | Feldman | Sun |
| Northwestern School of Medicine | O'Connell | McGee |
| Hershey Medical Center | Boehmer | Pae |
| U of Alabama Medical Center | Rayburn | Kirklin |
| Jewish Hosp, U of Louisville | Prabhu | Dowling |
| U of Florida School of Medicine | Aranda | Beaver |
| Medical Advisors: MAB; DSMB; CEC; Steering Committee | | |

Study Co-Principal Investigators



“Despite available therapies, many remain moderately or severely disabled by systolic heart failure. There is a need for additional therapies to improve the status of patients. This approach to heart failure management promises to improve poor cardiac output. Studying its effectiveness will further our understanding of its potential...”

– Bill Abraham

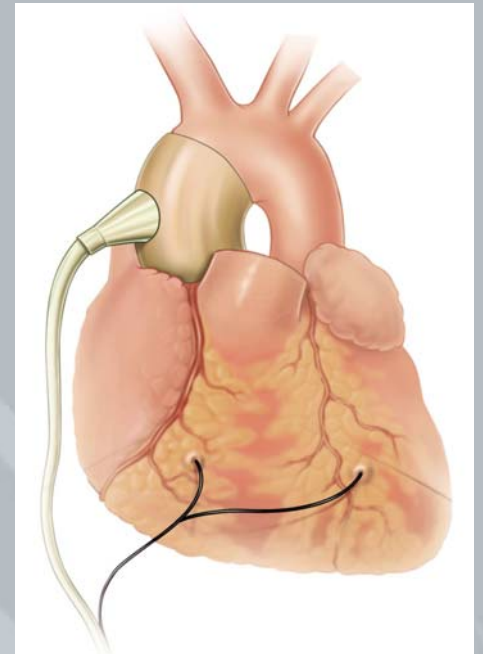
“I'm looking forward to offering patients mechanical support, without the risks inherent in VAD technology, to much earlier heart failure patients. C-Pulse is a major step in the right direction...”

– Pat McCarthy



C-Pulse™ Clinical Trial Objectives (USA)

- Moderate Heart Failure Patients
- Simple, Safe, Less-Invasive Implant
- Quick Recovery; Early Discharge
- Relief of Symptoms
- Improved Physical Endurance
- Improved Quality of Life
- Reduced Re-hospitalizations
- Patient Managed C-Pulse™
- Elective On/Off



C-Pulse™ 2007 Milestones

- **Submit IDE to FDA
H1 '07**
- **Initiate Feasibility Study
H2 '07**
- **Plan for Pivotal Trial**
- **Financing for Pivotal Trial
Late 2007**



SHC Investment Opportunity

2007 PIPE

| INVESTOR TYPES | ORIGIN | INITIAL INVESTMENT | % OWNERSHIP |
|-------------------------|--------|-----------------------|-------------|
| VC Funds | AUS | 2002: VC Start-up | 29 |
| VC Funds | AUS | 2006: PIPE | 18 |
| VC Funds | USA | 2002: VC Start-up | 9 |
| Institutional Investors | AUS | 2004: IPO | 13 |
| Sophisticated Investors | AUS | 2004: IPO | 24 |
| Other | AUS | 2004: IPO/Stock trade | 7 |

**SHC is a development stage company.
Incorporated in the USA (Delaware) and
listed on the Australian Stock Exchange (ASX) as SHC**

St Leonards (Sydney), Australia

Tustin, California, USA



Innovative devices for treating heart failure.

Sunshine Heart - Building Value

2006

2007

2008

2009

2010

Intellectual Property
Product Realization
Preclinical Testing/
Verification
Pilot Human Clinical Study
Medical Professional
Journal Publication

▲ FDA Feasibility Study

▲ Clinical Reimbursement
Review

▲ FDA Pivotal Trial

▲ CE Mark>OUS Revenue

FDA Approval
Commercial Reimbursement
Global Sales/Distribution

SHC
Market
Cap **\$31M**

\$500M?



Innovative devices for treating heart failure.

The Company

SHC History

- 2000: Australian Pty Ltd
- 2002: US Incorporation
- 2004: ASX IPO
- 2004: 4th AUS Government Grant
- 2005: Placement
- 2007: IDE Feasibility study start

| 3rd Quarter Financials (AUD) March 31, 2007 | |
|---|----------------|
| Cash | \$11.2M |
| Share Price | \$0.18 |
| Shares Outstanding | 173.9M |
| Market Cap | \$31.3M |

Sunshine Heart Opportunity

Class III Heart Failure Patients

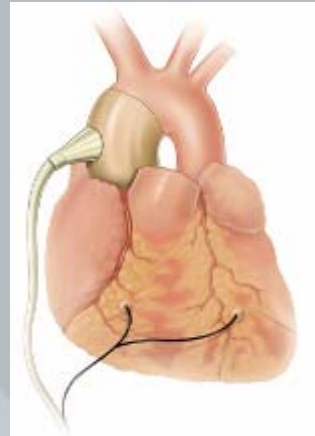
- Large Unmet Clinical Need - 1.4M Patients (US) and Growing
- Large Market Opportunity with Defined Reimbursement Pathway

C-Pulse™ advantages for market adoption

- Augmented Blood Flow Without Blood Contact
- Simple Device, Less Invasive Implant, Low-Risk Therapy

Business Parameters Promising

- Cost Effective for Heart Assist
- All Cardiovascular Surgery Centers are Targeted Customers





Innovative devices for treating heart failure.

C21 BioVentures Conference

May 200