



19 April 2013

Dear CDI Holder

Sunshine Heart - Delisting from Australian Securities Exchange

On 30 January 2013, Sunshine Heart, Inc., a Delaware corporation (**Sunshine Heart**) announced that it intended to seek removal from the official list of ASX Limited (ASX). Suspension of Sunshine Heart CHESS Depository Interests (**CDIs**) is expected to occur at the close of trading on 29 April 2013 (**Suspension Date**) and delisting is expected to occur on 6 May 2013 (**Delisting Date**).

This document contains details on the Broker for the Voluntary Sales Facility (**Voluntary Sales Facility**) and the Compulsory Share Sale Facility (**Compulsory Share Sale Facility**) your Sunshine Heart Shares would be sold on NASDAQ Capital Market (**NASDAQ**). The Broker will be Canaccord Genuity (Australia) Ltd (ABN 19 075 071 466) (the **Broker**). Details of these Facilities are set out in the letter to CDI holders dated 5 February 2013.

If you have any queries regarding the delisting of Sunshine Heart from ASX, please contact the Sunshine Heart Information Line on 1800 206 847 (within Australia) or +61 2 8767 1297 (outside Australia).

Yours sincerely

Sunshine Heart, Inc.,

A handwritten signature in black ink, appearing to read 'Dave Rosa'.

Dave Rosa

CEO



1 Introduction

As announced on 5 February 2013, Sunshine Heart has received conditional approval from ASX for trading in CDIs on ASX to be suspended and for Sunshine Heart to be removed from the official list of ASX (i.e. delisted from ASX).

Sunshine Heart Shares will continue to be listed on NASDAQ following Sunshine Heart's delisting from ASX and trading on NASDAQ will continue during the ASX delisting process.

CDI holders have a number of options available to them in respect of their CDIs, including selling their underlying Sunshine Heart Shares on NASDAQ by way of a voluntary sale facility following delisting (**Voluntary Share Sale Facility**). The arrangements for the Voluntary Share Sale Facility and other options are discussed in more detail below.

2 Details of the delisting process

As set out in the letter to CDI holders on 5 February 2013 there are a number of options for Australian CDI holders on the delisting of Sunshine Heart. Relevantly these include your participation in the Voluntary Share Sale Facility or to do nothing and participate in the Compulsory Share Sale Facility. The Broker will be Canaccord Genuity (Australia) Ltd (ABN 19 075 071 466) (the **Broker**).

3 Delisting process and indicative dates

The following table sets out the indicative timeframe for the delisting process. We will notify you of any changes to these dates and/or procedures and processes and will promptly announce any such change.

29 April 2013	Suspension Date - effective date of suspension in trading of Sunshine Heart CDIs on ASX. Please note that you will not be able to trade your CDIs on ASX after this date
6 May 2013	Delisting Date - effective date of removal of Sunshine Heart from the official list of ASX.
On or after 8 May 2013	Notice to CDI holders of revocation of trust by CDN.
10 May 2013	Opening date of the Voluntary Share Sale Facility
12 August 2013	Closing date of the Voluntary Share Sale Facility
13 August 2013	First date for sales of remaining Sunshine Heart Shares via the Compulsory Share Sale Facility.
13 November 2013	Last date for sales of remaining Sunshine Heart Shares via the Compulsory Share Sale Facility.

All references to time are to Sydney, Australia time.

After the Delisting Date, ASX Settlement Pty Ltd will revoke approval of the CDIs and close the CHESS sub-register. CHESS Depository Nominees Pty Ltd (**CDN**) will also revoke the trust under which it holds the Sunshine Heart Shares underlying your CDIs. If you still hold CDIs on the Delisting Date, you will no longer hold CDIs after this date. However, you will continue to have a beneficial interest in the same Sunshine Heart Shares which were underlying your CDIs. The Sunshine Heart Shares will continue to be held by CDN on trust for your benefit.

If you do not proceed with one of the options described below in section 5, CDN will exercise its power of sale under the ASX Settlement Operating Rules and will sell all of your Sunshine Heart Shares on NASDAQ through the Broker (**Compulsory Share Sale Facility**). Link will remit the net sale proceeds to you.

4 Financial and Tax implications

Sunshine Heart strongly encourages you to obtain your own financial, legal and tax advice based on your individual circumstances before deciding which option you should select.

This document does not purport to provide you with any financial, legal and tax advice.

4.1 No account of personal circumstances

This document, and any recommendations contained in it, should not be taken as personal financial advice, as they do not take into account your individual objectives, financial and tax situation or particular needs. As such, the Sunshine Heart Board encourages you to seek independent financial and tax advice before making a decision as to which option to select.

4.2 Forward looking statements

Certain of the statements made herein may contain forward-looking statements or Information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "expects", "is expected", "anticipates", "intends", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements and forward-looking information by their nature are based on assumptions and involve known and unknown risks, uncertainties, and other factors which may cause the actual results or performance or achievements of Sunshine Heart to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on the forward-looking statements or information contained herein.

4.3 Personal information

Personal information may be collected on the Notice of Transmutation or the Sale Instruction Form by Sunshine Heart, the Broker and/or Link for the purpose of the administration of the conversion of CDIs into underlying Sunshine Heart Shares and the sale of Sunshine Heart Shares by the Broker through the Voluntary Share Sale Facility and the Compulsory Share Sale Facility. That information may be used by each of them and may be disclosed by each of them to each other, to their respective related bodies corporate, to external service companies (such as mail service providers for those purposes) or as otherwise required or permitted by law. Please contact the Sunshine Heart Information Line on 1800 206 847 (within Australia) or +61 2 8767 1297 (outside Australia) to correct inaccurate or out of date information.

4.4 Risk information

You should be aware that there are risks regarding Sunshine Heart's share price at the time proceeds are realized and in connection with the A\$/USD\$ exchange rates at the time of conversion of the proceeds from U.S. dollars to Australian dollars. The impact of these risk factors on the level of proceeds of sale for CDI holders may change over time. Both those who sell their Sunshine Heart Shares during the Voluntary Share Sale Facility and those who do not and thus are subjected to a compulsory sale of their Sunshine Heart Shares under the Compulsory Share Sale Facility, may experience such changes.

Please refer to Sunshine Heart's 2011 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on 23 March 2012 available at www.sunshineheart.com (at "Investors" - 'Annual Reports') for a further discussion of such risks.

5 US securities restrictions

As a condition the receipt of any shares of Sunshine Heart's common stock, each holder of the CDIs converting CDIs will be required to complete and submit to Sunshine Heart's Transfer Agent a Stockholder Representation Letter Under Rule 144 the form of which may be obtained through Sunshine Heart's website at <http://www.sunshineheart.com/investor-faq/> located under item 7 on such page. **If you do not provide to American Stock Transfer a satisfactory Rule 144 representation letter, your shares of common stock will not be freely tradable on NASDAQ and will bear a legend to this effect.** Rule 144 allows holders of restricted or control securities to sell those securities in the open market without filing a registration statement under the Securities Act of 1933, provided certain conditions are met by the seller, the broker and the company. Rule 144 has a basic 6-month holding period for a reporting company and a basic one-year holding period for non-reporting companies. In both instances, other conditions must also be met. If you are unable to provide the attached form 144 representation letter, please contact American Stock Transfer to discuss your options at +1 877-248-6417 (toll free within US) or +1 718-921-8317 or email LegalTransfer@amstock.com

6 Further information

If you have any queries regarding the delisting of Sunshine Heart from ASX, please contact the Sunshine Heart Information Line on 1800 206 847 (within Australia) or +61 2 8767 1297 (outside Australia).