



ASX Announcement

\$1.75 million Placement completed \$8.1 million Rights Issue announced

Sydney, Australia – [10 August 2009]: Sunshine Heart, Inc. (ASX: SHC) is pleased to announce the successful completion of a private placement to sophisticated and institutional investors in Australia to raise \$1.75 million, being 15% of issued capital and the maximum amount which could be raised by the company through the placement without shareholder approval.

Sunshine Heart placed 43,758,664 fully paid ordinary shares in the company at an issue price of \$0.04 per share to raise gross proceeds of \$1.75 million.

In addition to the placement, Sunshine Heart intends to offer eligible Sunshine Heart shareholders the opportunity to participate in a non-renounceable rights issue to acquire 3 new shares for every 5 shares held, to be issued at the same price as the placement, being \$0.04 per share, to raise up to an additional \$8.1 million.

Commitments to participate in the rights issue of approximately \$4.65 million have been received from existing shareholders, which, combined with the placement proceeds will enable the company to raise a minimum \$6.4 million through the placement and rights issue. This includes a commitment from cornerstone shareholders CM Capital and GBS Venture Partners to each subscribe for their entitlement, together amounting to approximately \$4.2 million.

The terms and conditions of the rights issue, along with the key dates for participants will be announced in due course.

The funds raised by the placement and rights issue will primarily be used by the company to complete the company's US Food and Drug Administration (FDA) 20 patient clinical trial of C-Pulse™, conduct patient follow-up and to prepare for the CE Mark application.

ABN Amro Morgans Corporate Limited is Lead Manager to the placement and the rights issue.

About Sunshine Heart

Sunshine Heart (ASX: SHC) (www.sunshineheart.com) is a global medical device company, committed to the commercialization of C-Pulse™ an implantable, non-blood contacting, heart assist therapy for the treatment of people with moderate heart failure: a condition where the heart progressively loses its ability to efficiently pump blood throughout the body. C-Pulse reduces the symptoms of heart failure through the use of counterpulsation technology which enables an increase in cardiac output, an increase in coronary blood flow and a reduction in the heart's pumping workload. The Company currently has received approval from the U.S. Food and Drug Administration (FDA) to conduct a 20 person US feasibility clinical trial with C-Pulse and patient enrolment and implants have commenced. Sunshine Heart listed on the ASX in September 2004 and has a presence in Australia, New Zealand and the United States of America.

For further information, please visit www.sunshineheart.com or contact:

Don Rohrbaugh
Chief Executive Officer
+1 714 665 1951
don.rohrbaugh@sunshineheart.com

Rowena Hubble
Company Secretary
+61 2 8424 7700
rowena.hubble@sunshineheart.com

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 Securities Exchange.