



“Innovative devices for treating heart failure”

NOV 2006



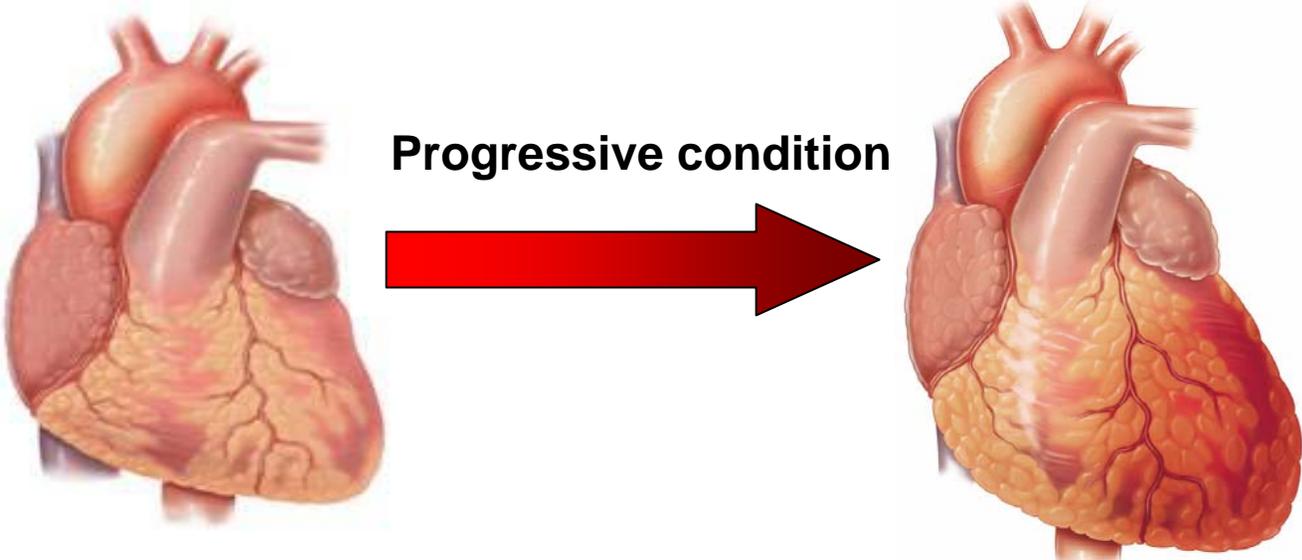
Forward looking statements

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.

Sunshine Heart, Inc (SHC): Value Proposition

- **Large Market Opportunity: Heart Failure**
- **Unique Product Offering: C-Pulse**
- **Expanding AUS/NZ Clinical Trials to USA**
- **Strong Medical Device Team**

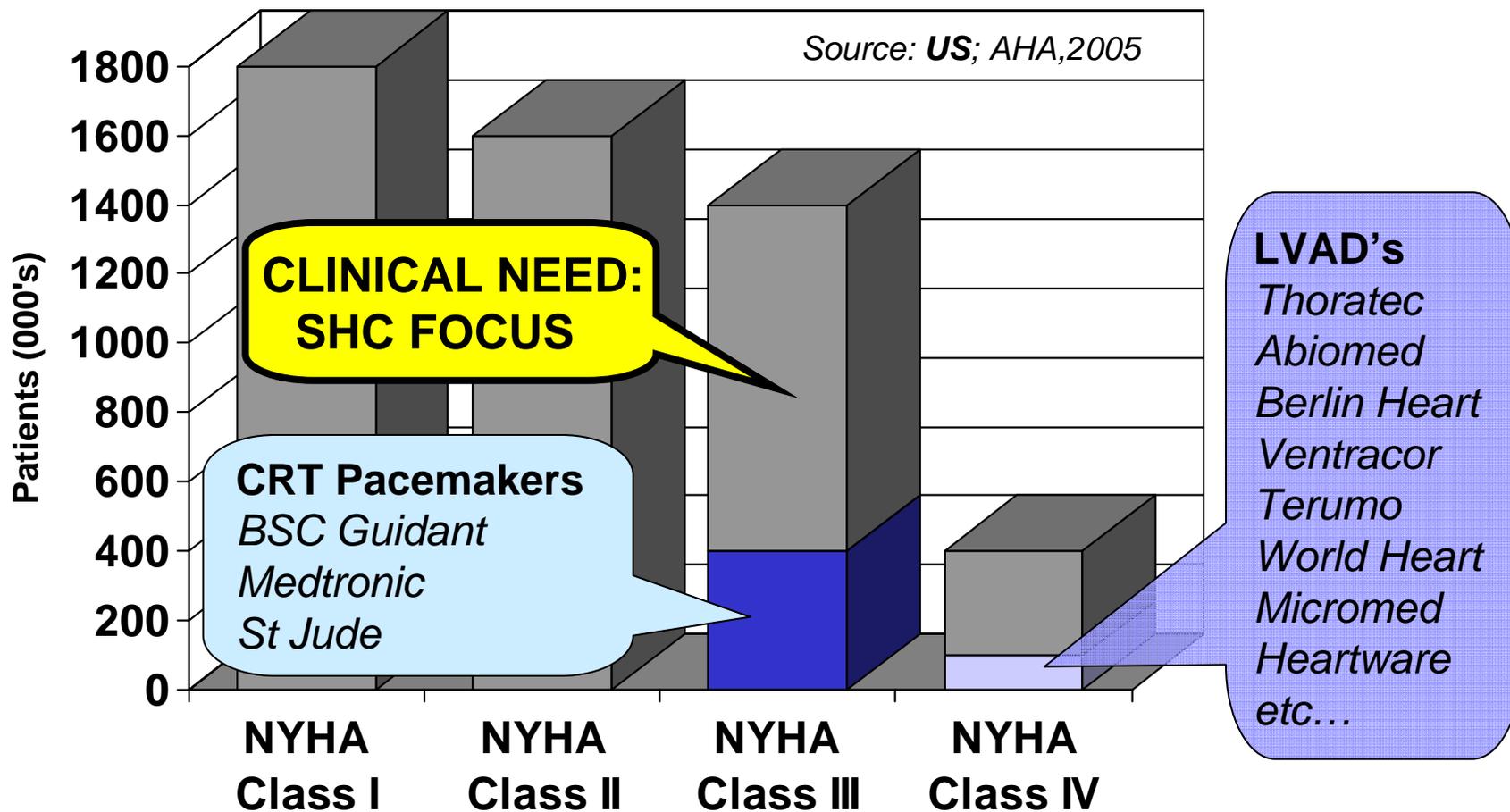
SHC's Business: Heart Failure



Size	↑
Efficiency	↓
Blood flow	↓

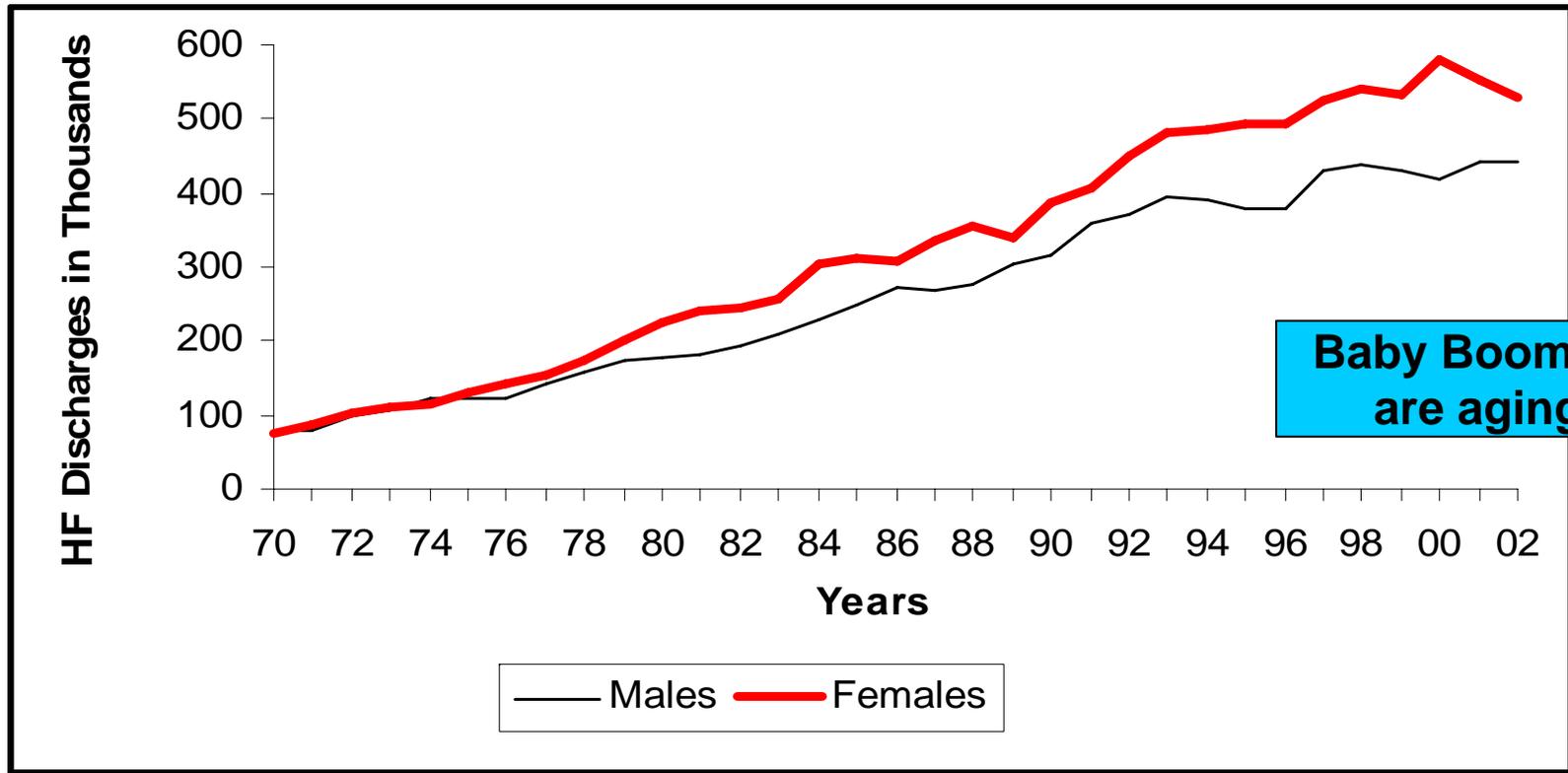
The heart needs help to pump blood: C-Pulse's focus

SHC's Business: Class III Heart Failure (HF)



CRT pacemakers are currently a +US\$2b market

Heart Failure Market : GROWING!!



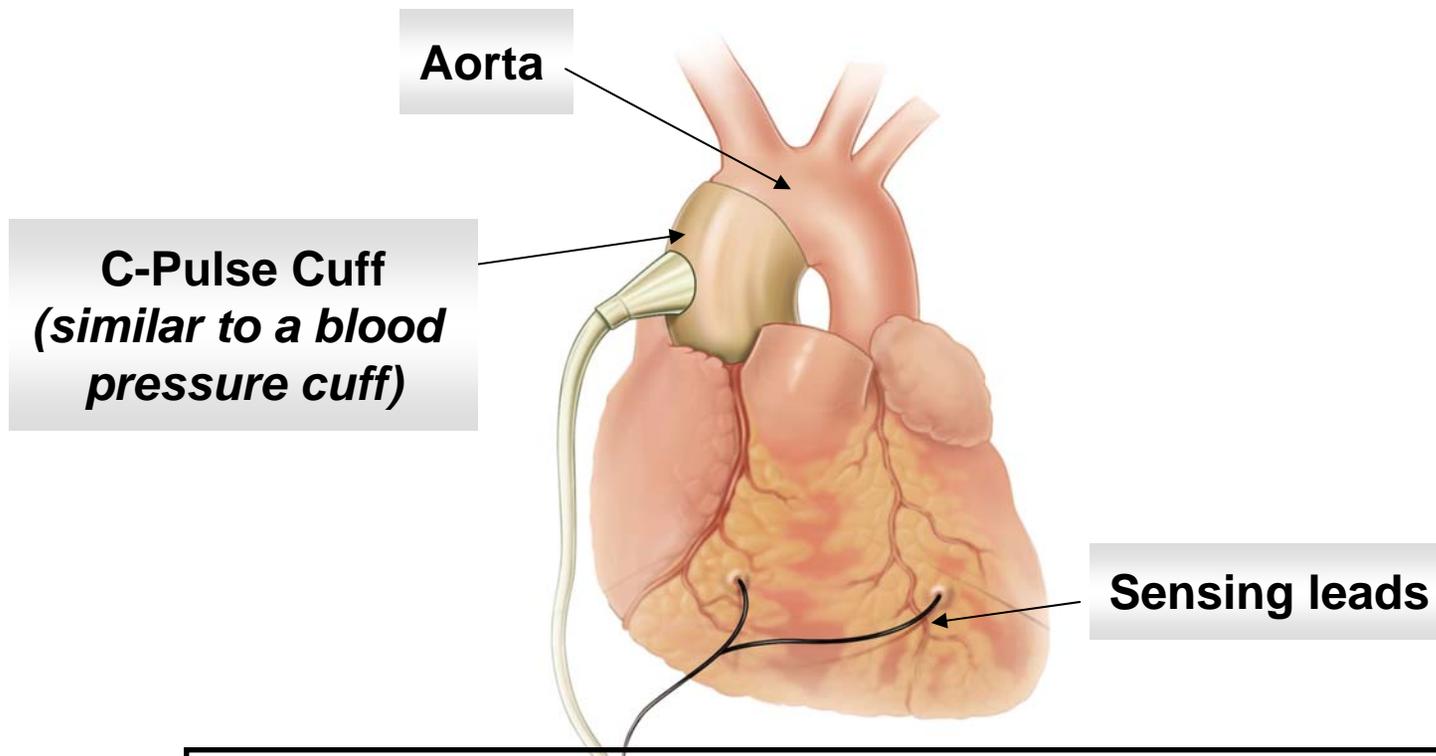
Heart Failure is an epidemic

Source: US Center of Disease Control



The Sunshine Solution: C-Pulse

Helping the heart to pump blood



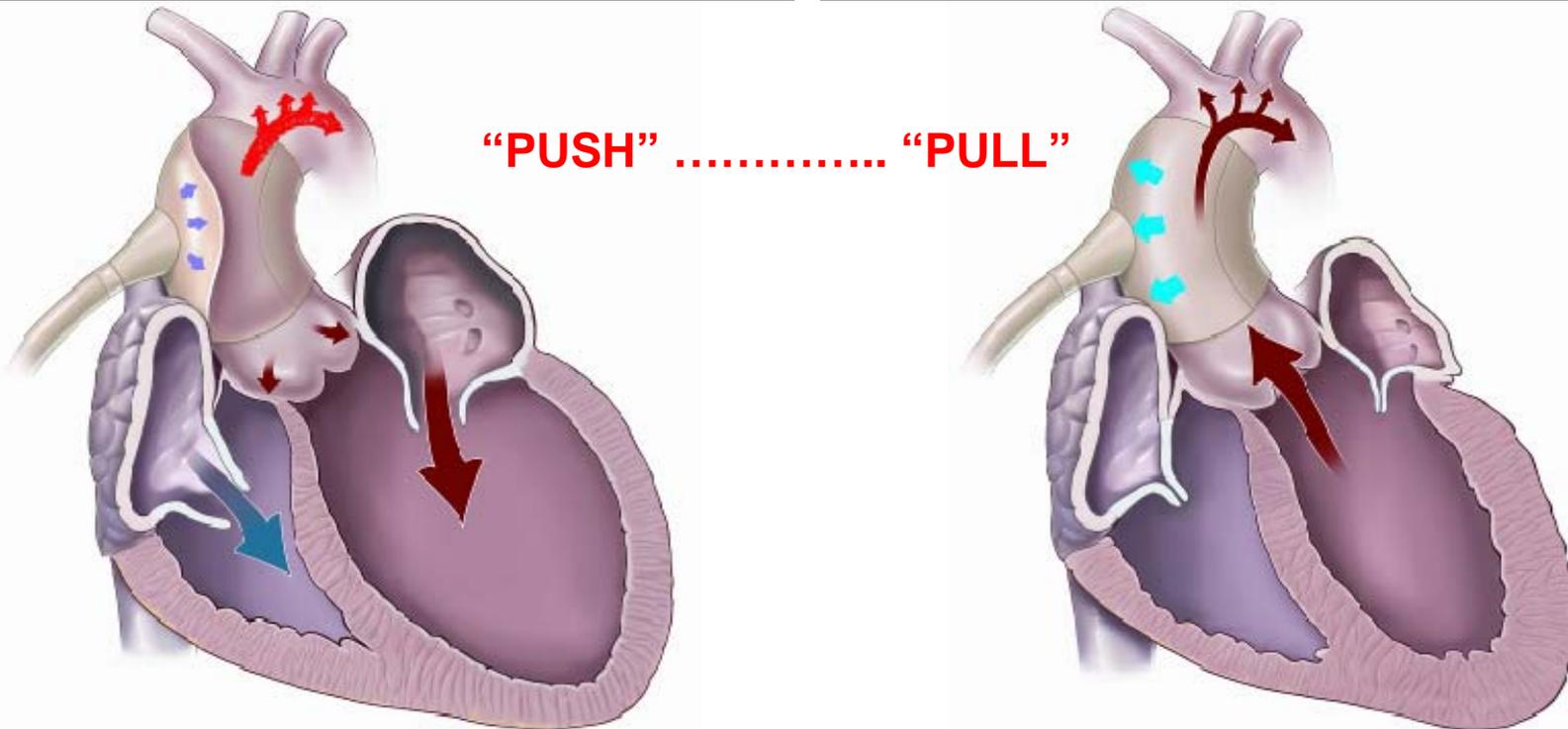
Non Blood Contacting,
Implantable Counterpulsation Pump (ICP)

*

C-Pulse™ Counterpulsation

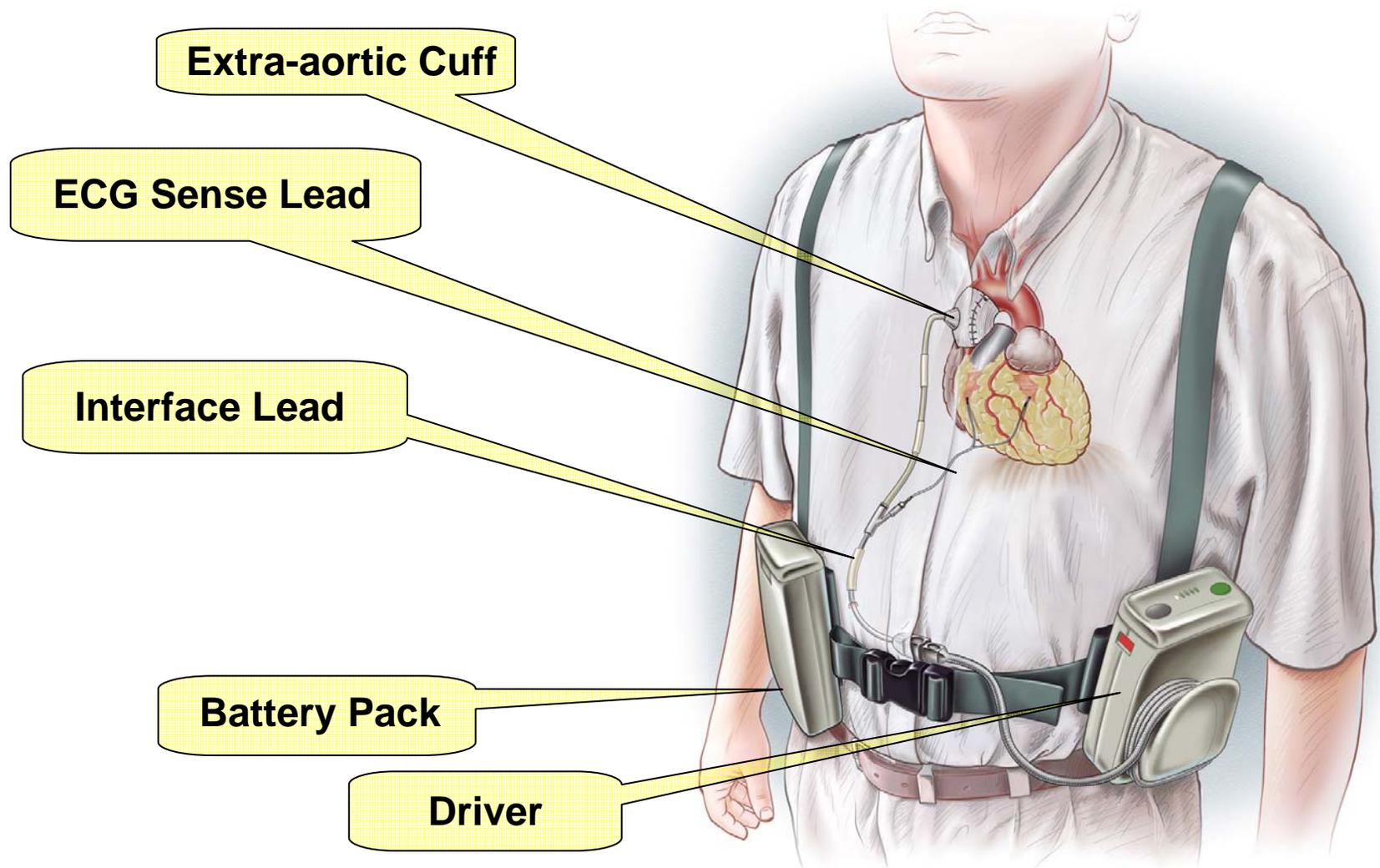
Augments blood flow to the heart muscle and the body

Reduces outflow pressure and reduces the heart's workload



Unique, patented device; uses proven therapeutic principles

Unique Product Offering: C -Pulse™



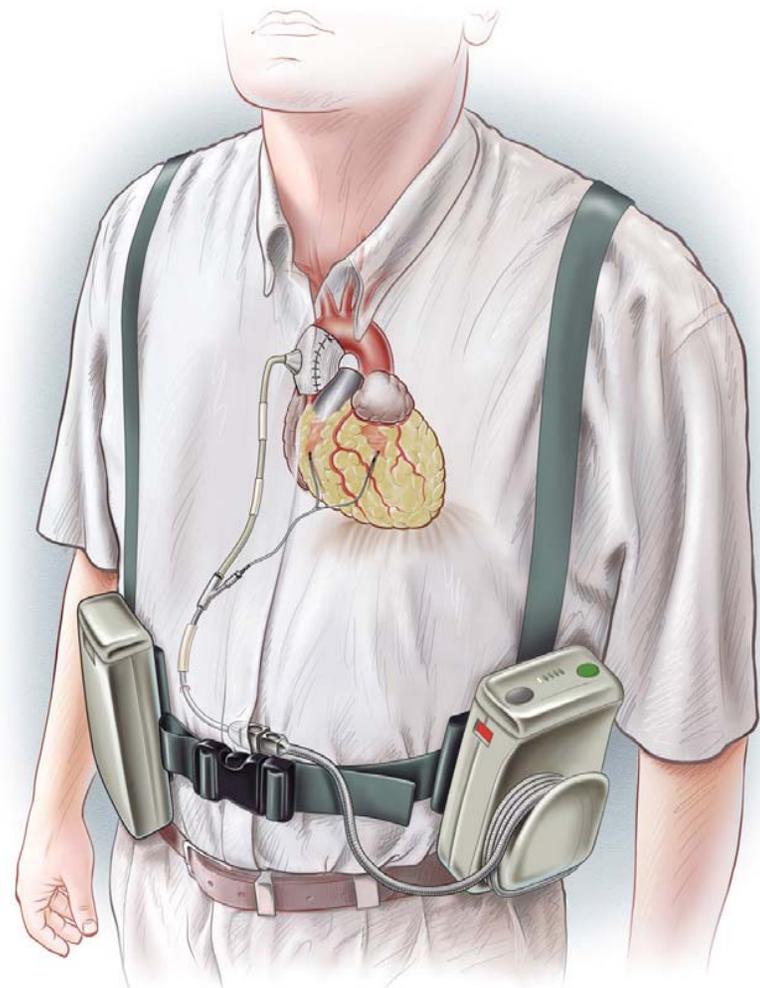
C-Pulse™ : Demonstrating Performance

Low Risk Therapy

Effective Therapy

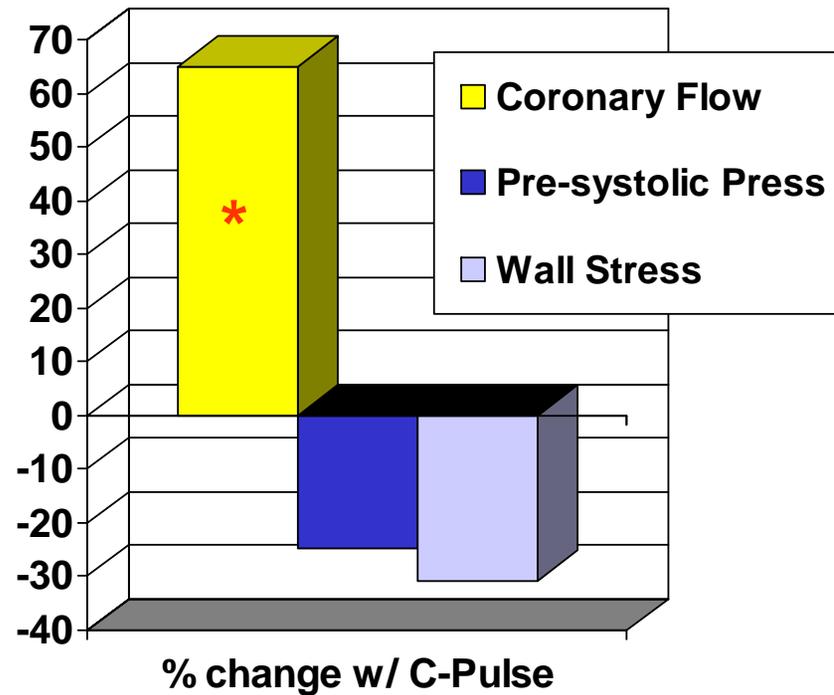
Patient convenient

Meets market needs



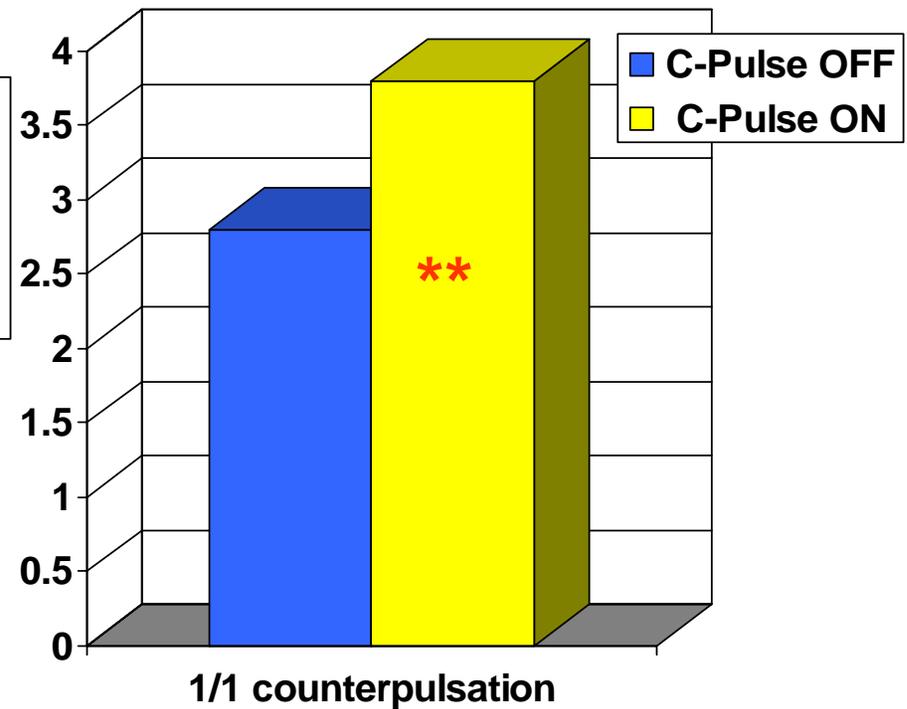
C-Pulse™ Demonstrating Performance

Coronary Blood flow*



* *Legget et al. Circulation Suppl. 2005*

Total Blood flow**

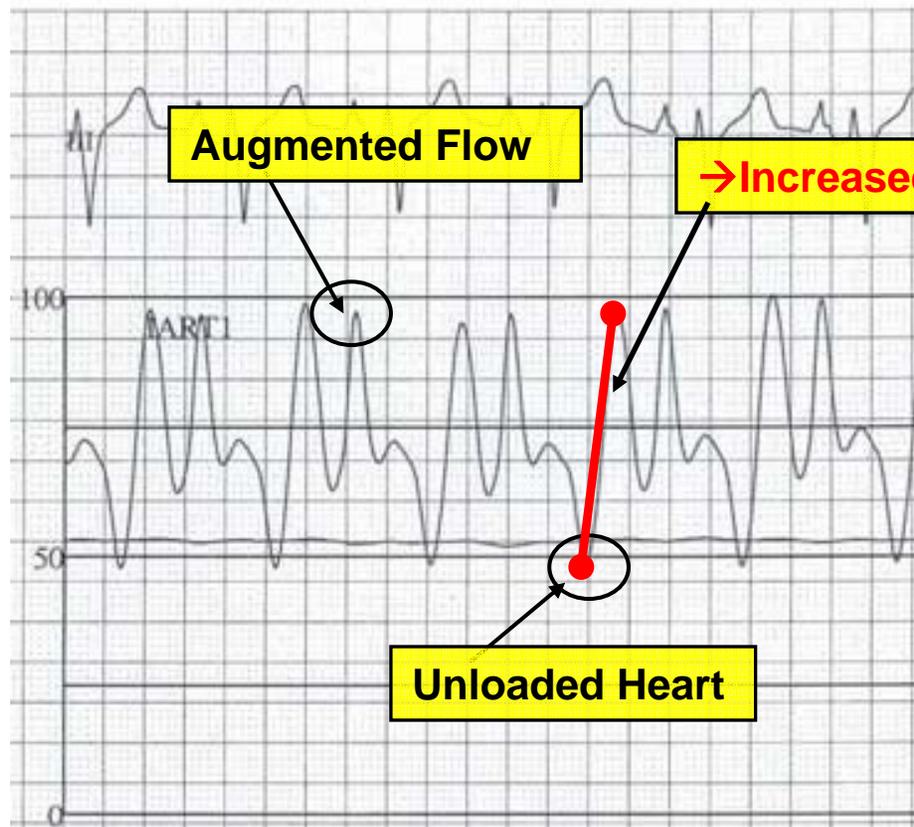


***Typical Clinical Results; Unpublished Data*

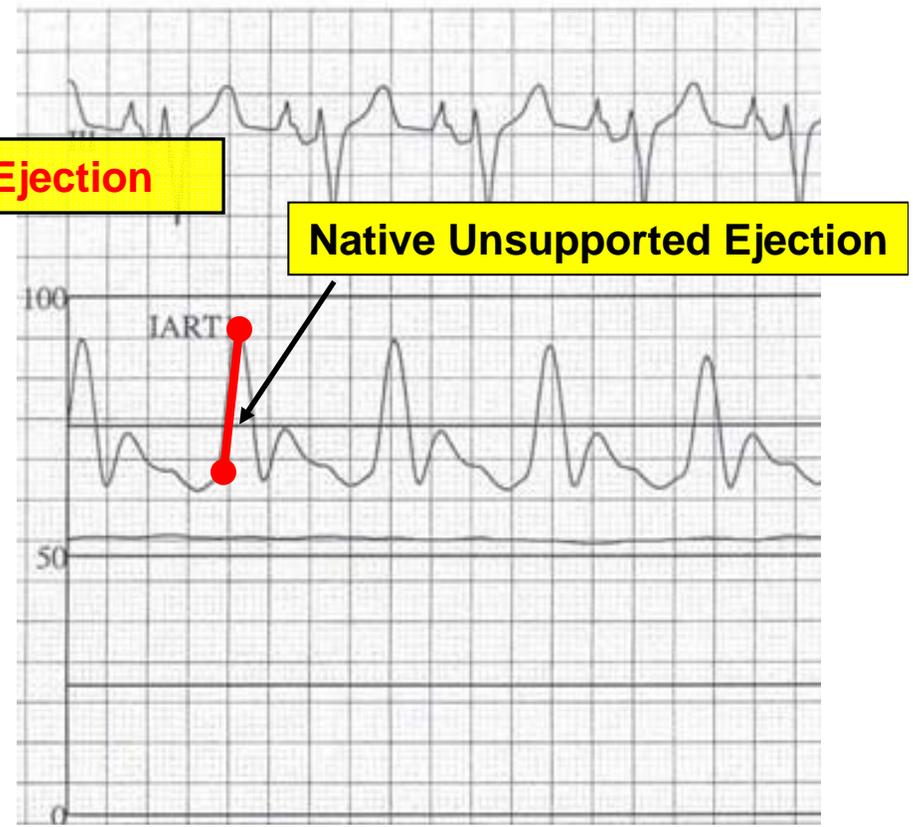
Blood Flow: +60% to heart and +30% to body

C-Pulse™ Demonstrating Performance

C-Pulse ON

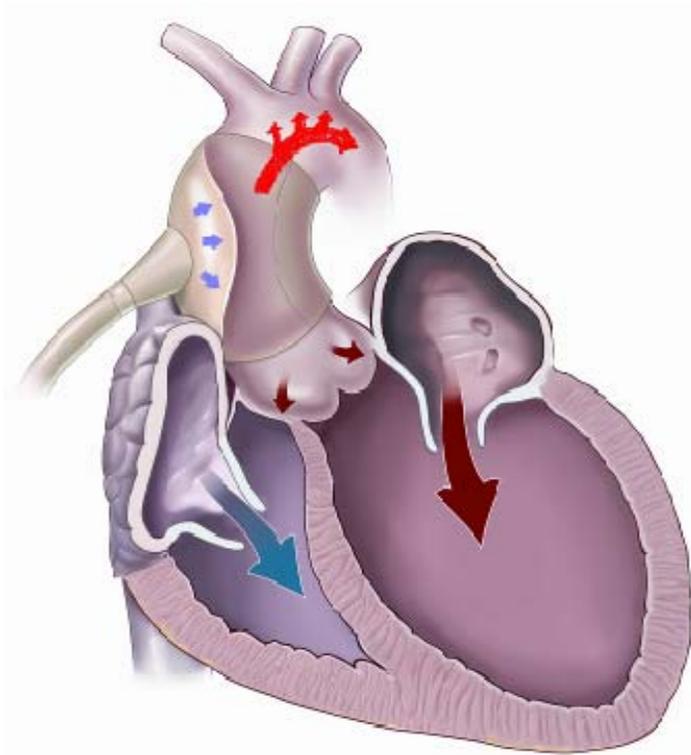


C-Pulse OFF

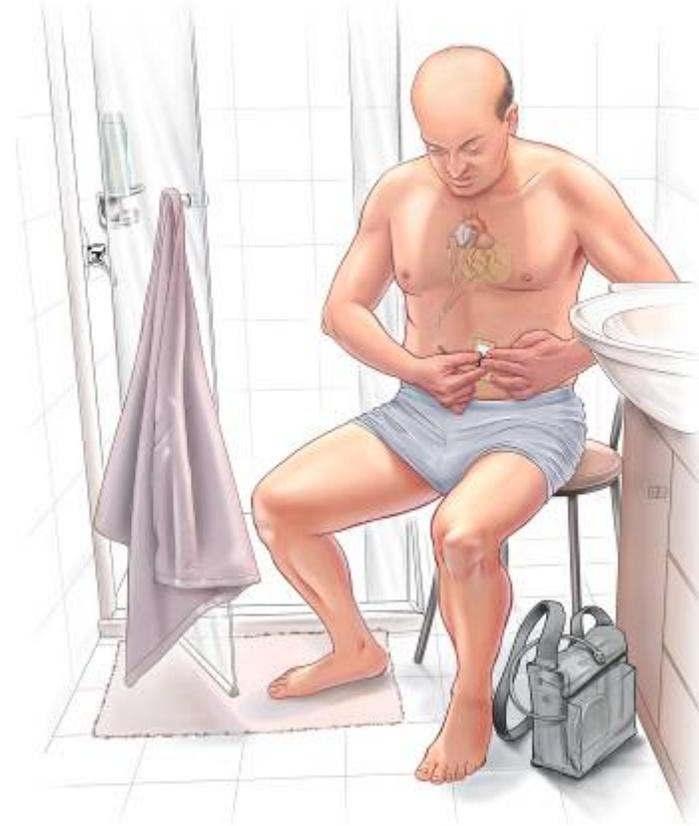


Reduces workload of heart

C-Pulse™ Demonstrating Performance



**Safe:
Non- blood contacting**



**Patient convenient:
Non-obligatory**

C-Pulse Demonstrating Performance

Pre C-Pulse™

Tired, fatigued

Short of breath

Dizziness

Swollen legs or ankles

Repeat hospitalizations

Poor Quality of Life



1 mo post C-Pulse™

Mobile

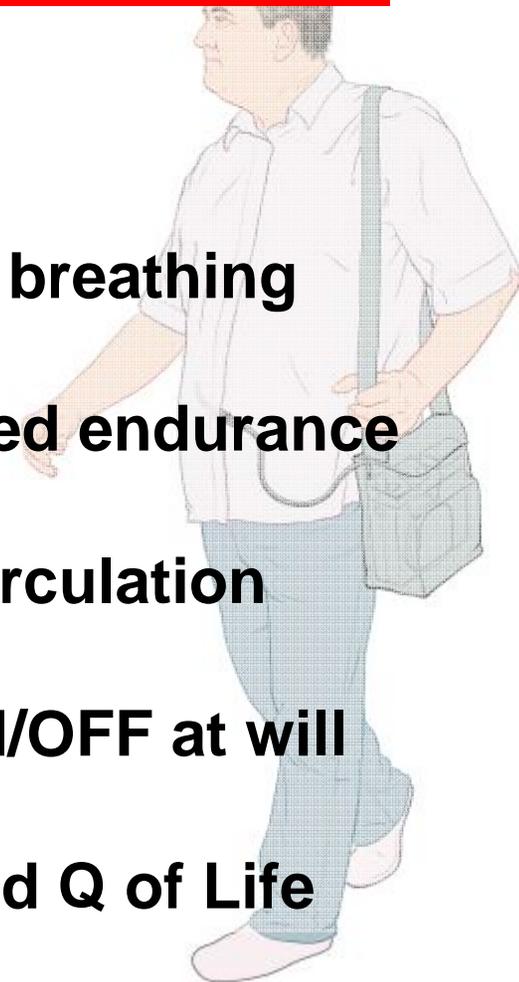
Ease of breathing

Sustained endurance

Good circulation

Turn ON/OFF at will

Improved Q of Life



C-Pulse Meets Market Needs

Patient / Clinical Episode

Class I & II

Primary Care Physician

DRUGS

Class III & IV

Heart Failure Cardiologist

DRUGS &
DEVICES

Electrophysiologist
Pacemakers

Cardiothoracic
Surgeon

Interventional
Cardiologist
Stents

SHC's Customers

C-Pulse Meets Market Needs

For the patient: preserve the LV & recover the patient

- a. Unload the heart..... √√√
- b. Provide increased blood flow..... √√
- c. Increase heart perfusion..... √√√√

For assist devices: key criteria for assist device:

- 1. Patient- device interface..... √√√ **Small, light weight, easy implant**
- 2. Blood-device interface..... √√√√ **Non-blood contact**
- 3. Flow characteristics..... √√ **pulsed flow**
- 4. Auto regulation..... √√√√ **ECG Synchronization**
- 5. Durability..... √√√ **+4yr Cuff**
- 6. Lower Cost..... √√√√ **simple low cost Cuff**
- 7. Track record..... **just starting**

Criteria: Long, et al, CCF HF Meeting, Oct 2006; Red: C-Pulse self assessment score (out of 5)

Expanding Clinical Experience

NZ: Acute, intra-operative OPCAB study..... 2005



NZ: Chronic Class IV b no-option patients..... 2005



AUS: Chronic Class IV b no-option patients..... 2006



ANZ: Chronic Class III b target patients..... 2006



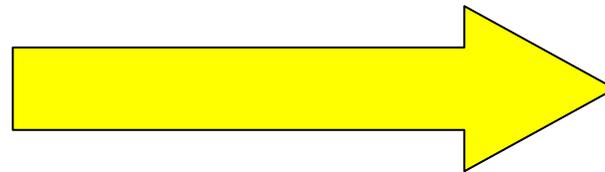
US: FDA Feasibility Trial 2007

C-Pulse : US FDA Trial Readiness

ANZ C-PULSE™



US IDE C-PULSE™



Production Cuffs

Modular line

Wearable Driver

- Detachable
- Programmable
- ~ 1.5 kg
- 6-8 hr battery life
- Inaudible

2007 Milestones

Submit IDE to FDA; early 2007

- Feasibility Study
- Non-randomized
- 5-7 US centers

Initiate IDE patient enrollment

- 10 consented Class III patients
- Safety
- Performance
- 3 month follow-up data

Plan for Pivotal IDE submission to FDA in 2008

- Feasibility data analyses
- Finalize study design

Financing for Pivotal Trial; late 2007



Sunshine Heart, Inc.. A globally focused company

William Peters, MD



Victor Windeyer, COO



Don Rohrbaugh, CEO



Andrew Blunden, CFO



Gary Frugard, VP RA/QA



Key 2006 Financial Event



Total Raised = \$19.8 million



Invests \$8 million



Invests \$7 million



Invests \$1 million



**John Brennan to join
Sunshine Heart Board of Directors**



Issue Price : 0.15

3 options for every 10 shares issued, Exercise price 0.20, 3 yr term

Two Tranches: (1st Tranche 13.8 million) + (2nd Tranche 6.0 million)

Second Tranche subject to FDA approval of IDE application



SHC's Financial Position

	FY 2005	FY 2006	1H 2007 ^(f)
Revenue	\$0.5m	\$1.7m	\$1.5m
Share issue proceeds	\$15.0m	\$3.3m	\$19.8m *
End Cash	\$7.9m	\$4.5m	\$14.0m *
Shares	22.3m	81.9m	213.9 *

(f) forecast

* assumes completion of Tranche 2 institutional placement for \$6.0m
(conditional on FDA approval)

Pro-forma cash (31 Oct): \$16.0m (incl. \$13.8m completion of Tranche 1 institutional placement)

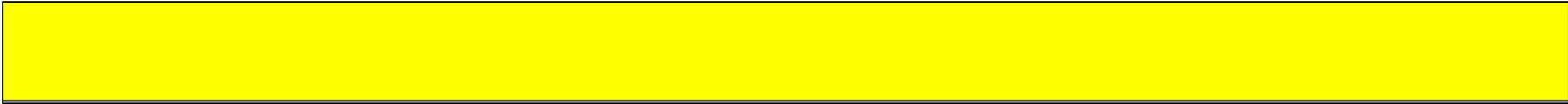
SHC : Managing Cash Resources

FY 2006 – Operating Cash Burn	\$m
Government grant receipts	1.7
Interest and tax receipts	0.6
Total inflows:	2.3
SHC Driver Development	(3.0)
Operations	(2.4)
Clinical Trials	(1.3)
Other R&D	(1.2)
Production Cuffs	(0.4)
Modular Percutaneous Lead	(0.3)
Total outflows:	(8.6)
Net Operating Cash used:	(6.3)

Sunshine Heart, Inc (SHC): Value Proposition

- Large Market Opportunity: HF
- Unique Product: C-Pulse
- Expanding Trials to USA
- Strong Medical Device Team
- Focused on Market needs;
Improving patient Quality of Life



The logo for C-Pulse, featuring the text "C-Pulse" in a bold, black, sans-serif font. The "C" is partially enclosed by a yellow circle with three concentric white rings, suggesting a pulse or signal.



“Innovative devices for treating heart failure”

NOV 2006

