



## **\$20 million institutional capital raising closed**

**Sydney, Australia. 12 September 2006.** Sunshine Heart advises further details of the successfully closed institutional capital raising. Binding commitments for \$19.8 million in new shares at \$0.15 per share have been received from institutional and other sophisticated investors. Shares issued under the placement will be issued with attached options (3 options for every 10 shares issued). The options have an exercise price of \$0.20 each and a three year term.

Tranche 1 of the offer (approximately \$13.8 million) and Tranche 2 (\$6 million) is subject to shareholder approval at an Extraordinary General Meeting scheduled to be held on 16 October 2006. A notice of meeting will be issued to shareholders shortly. The obligation of CM Capital and GBS Venture Partners to subscribe under Tranche 2 is also subject to the United States Food and Drug Administration (FDA) approving the application by the Company to conduct an Investigational Device Exemption (IDE) human clinical trial.

**For further information:** Please see [www.sunshineheart.com](http://www.sunshineheart.com) or contact

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The shares of Sunshine Heart have not been registered under the Securities Act of 1933 (the "US Securities Act") and may not be offered, sold or delivered in the United States, or to, or for the account or benefit of, any US Person, as such term is defined in Regulation S of the US Securities Act. In addition, hedging transactions with regard to the shares may not be conducted unless in accordance with the US Securities Act.

Statements in this document that are not purely historical are forward looking statements. Various factors could cause actual results to differ materially from any forward looking statement such as the timing and outcomes of clinical results including the efficacy of products, financing availability and product sales and marketing. Whilst we believe any forward looking statement made to be reasonable as of the date hereof, we can give no assurance that our expectations are correct. All forward looking statements are expressly qualified in their entirety by this cautionary statement.

**Sunshine Heart** (ASX: SHC) ([www.sunshineheart.com](http://www.sunshineheart.com)) is a global medical device company, committed to the commercialisation of the C-Pulse™ an implantable, non-blood contacting, mechanical heart assist device for the treatment of people with heart failure. Sunshine Heart listed on the ASX in September 2004 and has a presence in Australia, New Zealand and the United States of America.

**Heart failure** is a progressively worsening condition characterised by shortness of breath with mild exercise, fatigue, dizziness and fluid retention. Heart failure is caused by the inability of the heart to pump sufficient blood around the body to meet its oxygen requirement. An estimated 325,000 people in Australia have symptomatic heart failure and that there are 22,000 admissions to hospital for heart failure each year. Heart failure is believed to contribute to over 1.4 million days of hospitalisation annually at a cost of more than \$1 billion. In excess of 5 million people in the US have heart failure.

**The C-Pulse™** is an implantable, non-blood contacting mechanical heart assist device powered by an external driver unit.

**The implantable cuff** consists of a wrap and a balloon which is placed around the aorta just above the heart. The balloon is inflated and deflated to the rhythm of the heart to improve blood supply to both the body and the heart muscle, while reducing the workload on the heart.

The wearable **external driver** is linked by an air tube to the cuff and detects the heart's natural rhythm and controls inflation and deflation of the balloon in rhythm with the heart.

Implantation of the C-Pulse™ involves wrapping the cuff around the aorta. No incisions are needed so that the device never comes into contact with the patient's bloodstream. The C-Pulse™ balloon inside the cuff is designed to inflate in a way that rolls the wall of the aorta inward in a gentle 'thumb printing' manner. The balloon is inflated and deflated rhythmically to improve blood supply to the heart and body as well as reduce the workload of the heart.

*Artist's rendition of C-Pulse with a wearable driver that is in development*

