ASX ANNOUNCEMENT

Sunshine Heart Announces Results of its C-Pulse® Feasibility Trial at the Transcatheter Cardiovascular Therapeutics Conference

— Patients implanted with the C-Pulse Heart Assist System demonstrated statistically significant improvement based on New York Heart Association class reduction, Quality of Life and Left Ventricular Ejection Fraction —

Sydney, Australia and Eden Prairie, MN; 7 November, 2011: Sunshine Heart, Inc. (ASX: SHC), a global medical device company focused on innovative technologies for moderate to severe heart failure, today announced the results of the approved U.S. Food and Drug Administration (FDA) feasibility clinical trial with the C-Pulse System.

“The completion of the C-Pulse Heart Assist System feasibility trial demonstrates that C-Pulse has the potential to help the millions of moderate to severe heart failure patients who have limited, if any, therapeutic interventions available to them,” said Dave Rosa, CEO of Sunshine Heart. “With this important milestone behind us, we will look to work with the FDA to gain permission to initiate a pivotal trial in the U.S. next year.”

At eight North American sites (n=20), 18 patients with ACC/AHA Stage C, New York Heart Association (NYHA) Class III heart failure and two patients with ambulatory Class IV heart failure on optimal medical management were implanted with the C–Pulse Heart Assist System. After six months follow-up, C–Pulse therapy produced statistically significant improvements in NYHA Class reduction (3.1±0.3 to 2.2±0.8, P=0.0001), Quality of Life (64±17 to 49±26, P=0.001), and Left Ventricular Ejection Fraction (28±5 to 31±7, P=0.04) which measures the heart’s pumping ability.

All but one patient remained unchanged or demonstrated improvement in NYHA, Minnesota Living With Heart Failure (MLWHF) quality of life and Six Minute Hall Walk (6MHW). In addition, four patients improved to NYHA Class I and two patients were permanently removed from therapy due to improvements.

Primary safety measurements included device related death, neurological dysfunction (strokes), aortic disruption, myocardial infarction (heart attack), major infection and any other device-related serious adverse event through six months. One patient died from complications of mediastinitis which was related to a sternal wound infection resulting from the sternotomy at implant. There were no strokes, heart attacks or device related bleeding events.

National co-lead principal investigator, William T. Abraham, M.D., director of the division of cardiovascular medicine at Ohio State University Medical Center will present these results at the Transcatheter Cardiovascular Therapeutics (TCT) scientific symposium in San Francisco on Monday, November 7, 2011, 7:15 - 7:29 p.m. (PST), Room 121.

"Despite current drug and device therapies, thirty to forty percent of heart failure patient’s exhibit poor functional status and quality of life," commented Dr. Abraham. "The results of the C-Pulse Heart Assist System feasibility trial support the preliminary assessment of safety and efficacy of the device. A prospective multi–center trial to further assess the safety and efficacy of C-Pulse is warranted."

About the C-Pulse® Heart Assist System

The C-Pulse Heart Assist System, an investigational device, utilizes the proven scientific principles of intra-aortic balloon counter-pulsation applied in an extra-aortic approach to assist the left ventricle by

reducing the workload required to pump blood throughout the body, while increasing blood flow to the coronary arteries. Operating outside the patient's bloodstream, the novel extra-aortic approach of the C-Pulse technology offers greater flexibility allowing patients to disconnect as necessary or desired. The C-Pulse system's potential benefits may help reverse the heart failure process or maintain the patient's current condition, which may reduce the need for later stage heart failure therapies, such as left ventricular assist devices (LVADs), artificial hearts or transplants.

Caution: Investigational device, limited by Federal (or United States) Law to Investigational use.

About Sunshine Heart®

Sunshine Heart is a global medical device company committed to the commercialization of the C-Pulse Heart Assist System, an implantable, non-blood contacting, heart assist therapy for the treatment of moderate to severe heart failure which can be implanted using a minimally invasive procedure. C-Pulse is designed to relieve the symptoms of heart failure through the use of counter-pulsation technology which enables an increase in cardiac output, an increase in coronary blood flow and a reduction in the heart's pumping load. The Company has completed enrollment of an approved U.S. Food and Drug Administration (FDA) 20 patient feasibility clinical trial with the C-Pulse System. Sunshine Heart is a Delaware-based Corporation headquartered in Minneapolis with a subsidiary presence in Australia. The Company has been listed on the ASX since September 2004. For more information, please visit www.sunshineheart.com.

Forward-Looking Statements

This announcement contains forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation, our expectations with respect to the progress of, and presentation of data related to, product development and commercialization efforts, results of clinical trials, expected timing of FDA regulatory filings, FDA acceptance of our filings and research and development activities, ultimate clinical outcomes and benefit of the Company's products to patients, market and physician acceptance of the products, intellectual property protection and competitive product offerings could cause actual events to adversely differ from the expectations indicated in these forward looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. Sunshine Heart does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sunshine Heart may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation, the possibility the FDA does not accept our regulatory application or approve the marketing of the C-Pulse® Heart Assist System in the U.S., the possibility the Company may be unable to raise the funds necessary for the development and commercialization of its products, the possibility the Company may be unable to successfully list its securities on a U.S. securities exchange, and those described in our filings with the ASX. We may update our risk factors from time to time in our filings with the ASX.

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