



ASX Announcement

Sunshine Heart Announces \$20.125M Public Raise

Eden Prairie, MN and Sydney, Australia: August 13, 2012: Sunshine Heart, Inc. (NASDAQ: SSH / ASX: SHC) announced today the pricing of its underwritten public offering of 2,875,000 shares of its common stock at a price to the public of \$7.00 per share. The offering size has been increased from 2,500,000 shares to 2,875,000 shares. In addition, Sunshine Heart has granted the underwriters a 30-day option to purchase up to an additional 431,250 shares solely to cover over-allotments, if any. The offering is expected to close on or about August 15, 2012, subject to customary closing conditions.

Canaccord Genuity is acting as sole book-running manager for the offering. Lazard Capital Markets LLC, Cowen and Company, LLC, Craig-Hallum Capital Group LLC, and Northland Capital Markets are acting as co-managers.

The offering of these securities is being made pursuant to a U.S. registration statement (File No. 333-182727) previously filed and declared effective by the U.S. Securities and Exchange Commission (SEC). A prospectus describing the terms of the offering will be filed with the SEC. When available, copies of the prospectus may be obtained by contacting Canaccord Genuity Inc., Attention: Syndicate Department, 99 High Street, 12th Floor, Boston, Massachusetts 02110, or by telephone at (617) 371-3900. Electronic copies of the prospectus are also available free of charge on the website of the SEC at www.sec.gov.

The prospectus has not been lodged with the Australian Securities and Investments Commission and is not a prospectus under Chapter 6D of the Australian Corporations Act 2001 (Cth) (Corporations Act). The offering of securities will be made in Australia only to persons to whom it is lawful to offer shares without disclosure under one or more of the exemptions set out in section 708 of the Corporations Act.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

About the C-Pulse® Heart Assist System

The C-Pulse Heart Assist System, or C-Pulse System, an investigational device in the United States, Canada and countries that do not recognize the CE mark approval, utilizes the 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 extra-aortic approach of the C-Pulse technology offers greater flexibility, allowing patients to safely disconnect to have intervals of freedom to perform certain activities such as showering. The C-Pulse System may help maintain the patient's current condition and, in some cases, reverse the heart failure process, thereby potentially preventing 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, Inc. (NASDAQ: SSH / ASX: SHC) is an early-stage 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. The C-Pulse System can be implanted using a minimally invasive procedure and 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. We have completed an approved U.S. Food and Drug Administration (FDA) feasibility clinical trial of the C-Pulse System and presented the results in November 2011. In March, 2012, the FDA notified us that we can move forward with an investigational device exemption (IDE) application. We expect to submit an IDE application to the FDA in the second half of 2012 for approval to initiate our pivotal trial. In July 2012 we received CE Mark for our C-Pulse System in Europe. Sunshine Heart is a Delaware corporation headquartered in Minneapolis with a subsidiary presence in Australia. The Company has been listed on the ASX since September 2004 and on the NASDAQ since February 2012. For more information, please visit www.sunshineheart.com.

Forward-Looking Statements

Certain statements in this report are forward-looking statements that are based on management's beliefs, assumptions and expectations and information currently available to management. All statements that address future 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 closing of the public offering of our common stock described above, product development and commercialization efforts, future use of our second generation driver, future clinical trial activities and results, regulatory acceptance of our filings, research and development activities, ultimate clinical outcomes and benefits of our products to patients, market and physician acceptance of the products, intellectual property protection, and potentially competitive product offerings. These forward-looking statements are subject to numerous risks and uncertainties, including without limitation, the possibility that our clinical trials do not meet their end-points or otherwise fail, that regulatory authorities do not accept our application or approve the marketing of the C-Pulse Heart System, the possibility we may be unable to raise the funds necessary for the development and commercialization of our products, that we may not be able to commercialize our products successfully in the EU and the other risk factors described under the caption "Risk Factors" and elsewhere in our filings with the SEC and ASX. You should not place undue reliance on forward-looking statements because they speak only as of the date when made and may turn out to be inaccurate. 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.

Northland Capital Markets is the trade name for certain capital markets and investment banking services of Northland Securities, Inc., member FINRA/SIPC.

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