Sunshine Heart Receives 2012 Frost & Sullivan North American Heart Failure Treatment New Product Innovation Award for C-Pulse®

Eden Prairie, MN and Sydney, Australia; October 23, 2012: Sunshine Heart, Inc. (NASDAQ:SSH; ASX:SHC), a global medical device company focused on innovative technologies for moderate heart failure, today announced it has received the 2012 North American Heart Failure Treatment New Product Innovation Award. This award highlights the innovation and potential value of Sunshine Heart's flagship C-Pulse® Heart Assist System.

"Capable of delivering treatment without contact of blood, the implantable C-Pulse Heart Assist system represents a truly novel approach into the treatment paradigm for heart failure patients," said Venkat Rajan, Industry Manager for Medical Devices at Frost & Sullivan.

Frost & Sullivan's "New Product Innovation" Award is presented annually to the company that has demonstrated excellence in the following categories: innovative element of the product, value added features/benefits, increased customer ROI and customer acquisition/penetration potential. Frost & Sullivan Best Practices Awards recognize companies in a variety of regional and global markets for demonstrating outstanding achievement and superior performance in areas such as leadership, technological innovation, customer service, and strategic product development. Industry analysts compare market participants and measure performance through in-depth interviews, analysis, and extensive secondary research in order to identify best practices in the industry.

"We are honored to be recognized by Frost & Sullivan for our innovative progress toward the treatment of moderate to severe heart failure," said Jim Yearick, Vice President of Marketing & Sales of Sunshine Heart. "As we continue to make great strides in the development and enhancement of our C-Pulse® system, we aim to be the first effective treatment specific to Class III and ambulatory Class IV heart failure. With our U.S. investigational device pivotal trial on the immediate horizon, and having achieved CE Mark in August, we feel we are well on our way to addressing this key segment of the heart failure population."

About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best-practice models to drive the generation, evaluation, and implementation of powerful growth strategies. Frost & Sullivan leverages 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from more than 40 offices on six continents. To join our Growth Partnership, please visit **http://www.awards.frost.com**.

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. Sunshine Heart has 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 the company that it could move forward with an investigational device exemption (IDE) application. Sunshine Heart received conditional approval from the FDA in September 2012 to initiate its pivotal trial. In July 2012 Sunshine Heart received CE Mark for its 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 product development, commercialization efforts and future clinical trial activities and results. 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 U.S. Securities and Exchange Commission (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. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We 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.

##

For further information, please contact:

Media:
Laura Landry
Blueprint Life Science Group
T: +1-415-375-3340

Investor:
Jeff Mathiesen
Chief Financial Officer
Sunshine Heart, Inc.