



ASX Announcement

Sunshine Heart Raises A\$7.4 Million in Two-Tranche Private Placement

Sydney, Australia and Eden Prairie, MN; September 19, 2011: Sunshine Heart, Inc. (ASX: SHC), today announced it closed its two-tranche financing on September 16, 2011, raising a total of A\$7.4 million since late July. The Company has signed definitive agreements with U.S. investors to sell approximately 14.1 million shares of common stock for A\$0.6 million in the final phase of this private placement. This completes the two-tranche financing plan announced on July 18, 2011. The combined proceeds provide sufficient funding to enable Sunshine Heart to prepare for the upcoming U.S. pivotal trial of the C-Pulse® Heart Assist System, as well as to achieve important milestones for the device's development and to commence commercialization in Europe in 2012.

Terms of all sales of shares under the placement have been the same. Investors purchased shares at 4.0 cents each and received four-year warrants to purchase 3 shares of common stock for every ten shares purchased at \$0.056 per share.

"We are very pleased with the result of this placement", said CEO Dave Rosa. "One of the main purposes we had was to introduce the company to North American institutional investors and we are encouraged by the support we have received. We are pleased to welcome our new shareholders. The capital we have raised will be applied in our preparation of the Company for the major pivotal trial coming up in 2012."

About the C-Pulse Heart Assist System

C-Pulse Heart Assist System utilizes an extra-aortic approach to proven intra-aortic balloon counter pulsation technology 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 Heart Assist's potential benefits may help reverse the heart failure process or maintain the patient's current condition, thereby preventing the need for later stage heart failure devices, such as left ventricular assist devices (LVADs), artificial hearts or transplants.

About Sunshine Heart

Sunshine Heart (ASX: SHC) is a global medical device company committed to novel cardiac and coronary therapy. The company is currently developing 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 by enabling an increase in cardiac output, an increase in coronary blood flow, and a reduction in the heart's pumping load. The company has received approval from the U.S. Food and Drug Administration to conduct a U.S. feasibility clinical trial with the C-Pulse System. Sunshine Heart is a Delaware-based corporation headquartered in Minneapolis, MN, with a subsidiary presence in Australia. The company has been listed on the Australian Securities Exchange (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., 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.

This press release does not and shall not constitute an offer to sell or the solicitation of any offer to buy any of the securities. The shares of Sunshine Heart have not been registered under the Securities Act of 1993 (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.

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