OSPREY™ MEDICAL

14TH EDITION, NOVEMBER 2016

INVESTOR NEWSLETTER

MESSAGE FROM THE PRESIDENT AND CEO

MIKE McCORMICK

Dear Shareholders,

The third quarter of 2016 was an exciting time for Osprey as we ramp up US commercialization of the DyeVert System. We saw strong sales growth, our technology was featured prominently at leading medical conferences and we closed an oversubscribed private placement and security purchase plan raising A$29 million.

Commercialization of our DyeVert System continued to show positive momentum in Q3 2016 as we posted our 8th consecutive quarter of growth. The strength of our commercial efforts is shown by three key sales metrics:

1. **Quarterly unit sales growth** – 34% unit sales growth in Q3 2016, as compared to Q2 2016
2. **New hospitals purchasing DyeVert** – 33% increase Q3 2016, as compared to Q2 2016
3. **Strong pipeline of hospitals in the evaluation-to-purchase process** – 40 hospitals at the end of Q3 had evaluated DyeVert and were in the hospital approval process

We are pleased with the continued rapid growth of our DyeVert business and the positive response from physicians and hospitals. Sales data shows that over 90% of those physicians approached go on to evaluate the DyeVert System and then support its purchase with the hospital Value Assessment Committee (an independent review group for new technologies). The process from sample to purchase averages 3-4 months, at which point our sales reps focus on expanding the product reach to all physicians and ensure all patients with poor kidney function are protected with DyeVert.

An important factor helping drive adoption of DyeVert is the emphasis on improved

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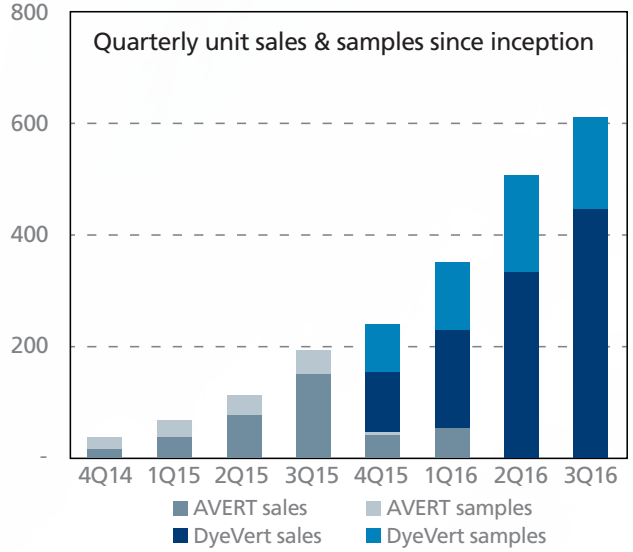
Record Growth Continues



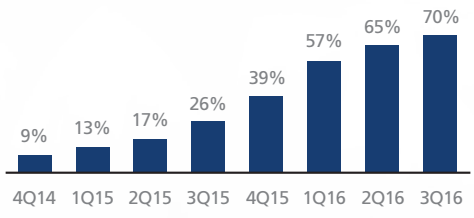
Osprey continues to experience rapid sales growth as it expands its US commercial efforts. In Q3 2016, Osprey announced its eighth consecutive quarter of sales and sample growth for its dye saving technologies. Advancing sales reflects the strong market fit of the DyeVert System for improving outcomes and reducing costs.

Key quarterly sales metrics that demonstrate the strength of Osprey's commercial efforts include: unit sales growth, new customer growth and a robust pipeline of hospitals in the evaluation-to-purchase cycle. In Q3 unit sales grew by 34% compared to Q2 2016, while new hospitals grew 33%. There were 40 hospitals in the evaluation-to-purchase cycle at the end of Q3 2016.

In October 2016, sales continued to grow rapidly with purchases from hospitals at record levels for the beginning of a quarter. This success can be tracked to Osprey's three step sales process. First, *Sample Evaluations* allow physicians to experience ease of use, dye reduction and uncompromised image quality of the DyeVert System. This is followed by *Value Assessment Committee (VAC) Approval*, which is the endorsement to purchase the product from the hospital Independent New Technology Review Board, a process which averages 3-4 months for clearance. Following VAC approval Osprey sales reps focus on *Account Penetration* which expands physician user base and ensures utilization of DyeVert in all patients with poor kidney function.

BLUEPRINT FOR SUSTAINED GROWTH

% of hospitals in San Antonio using Osprey's products



Our original sales territory in San Antonio, Texas has eight quarters of sales experience which is the longest across all territories and provides a blueprint for US sales growth. In San Antonio in Q3 2016, 70% of hospitals were purchasing the DyeVert System and we continue to increase utilization within these hospitals. Pleasingly, additional sales territories added in 2016 are following a similar sales trajectory as experienced in San Antonio. ■

outcomes for patients and lower costs. The National Cardiovascular Data Registry (NCDR) has data from over 2,000 US hospitals contributing outcomes data from over 2 million patients. This database allows hospitals to compare their outcomes to the US national average, with a key measure being Contrast Induced Acute Kidney Injury (CI-AKI). This focus on reducing CI-AKI has helped drive demand for our DyeVert System as it is the only FDA cleared product proven to reduce dye without affecting image quality.

We continue to see strong sales momentum into the 4th quarter. In October 2016 we achieved record sales for the first month of a quarter despite the seasonality impact from doctors attending the TCT meeting (the largest medical conference for heart physicians in the US). We were also pleased to have our dye saving technologies featured prominently at the TCT meeting with four podium presentations. Additionally, we announced our newest product at the TCT, the DyeVert PLUS System which integrates the current DyeVert contrast reduction technology with enhanced patient management and monitoring capabilities. DyeVert PLUS supports national medical guidelines that call for physicians to measure patient-specific dye thresholds and monitor dye use throughout the procedure. DyeVert PLUS has CE Mark and is expected to be cleared by the US FDA in the first quarter of 2017.

Notable in Q3 2016 was our raising of A$29 million via an oversubscribed private placement and security purchase plan of 103.5 million CDIs. The placement was strongly supported by existing institutional shareholders and several new institutions in Australia and overseas. The funds have significantly strengthened our balance sheet as we pursue our primary business objective, to commercialize DyeVert as the leading device to protect patients from the harmful effects of dye.

The quarter was an exciting and successful one for the Company and we are pleased to report such rapid progress. I would like to thank the employees of Osprey for their passionate pursuit of technologies to protect patients from dye and to you, our investors, for your continued support. ■

Mike McCormick

Mike McCormick,
Osprey Medical President & CEO

TCT Podiums Highlight Osprey's Technologies

This year's Transcatheter Cardiovascular Therapeutics ("TCT") Conference was held from October 29 to November 2 in Washington, DC. As a leading international cardiovascular conference and one of the world's largest gatherings of heart specialists, the meeting hosts approximately 11,000 attendees with over 6,000 international medical professionals in the fields of interventional cardiology and vascular medicine. Osprey Medical received significant publicity via both considerable podium time as well as booth exposure, where the new DyeVert PLUS System was featured.

Podium presence by key opinion-leading physicians increases awareness and adoption of technologies within the physician community, and as such, forms a key part of our commercialization strategy. The TCT conference featured four presentations addressing Contrast-Induced Acute Kidney Injury and the benefits of Osprey's DyeVert System. Key forums covered both the introduction of the DyeVert PLUS as well as results of a DyeVert Randomized Controlled Study.

Results of the DyeVert Randomized Controlled Study were presented by Principal Investigator, Professor Steffen Desch. This study reinforced the clinical results recognized by procedural use of DyeVert's contrast reduction attributes.

The trial's primary objective was to examine whether use of the DyeVert System leads to a reduction in contrast volume in patients undergoing diagnostic coronary angiography. Patients scheduled for a diagnostic coronary angiogram were randomized to angiography with or without the DyeVert System. Image quality was evaluated by an independent blinded reviewer. The study enrolled 96 patients, evenly randomized at 48 per group. Results showed DyeVert had a significant 41.0% reduction in the volume of contrast used, while maintaining image quality.

Osprey's selection for the TCT conference is a strong vote of confidence in Osprey's technology and offers another opportunity to accelerate commercialization of the DyeVert System. ■

Key Podium	Presented by
Dye Saving Tips: The DyeVert PLUS System	Professor Steffen Desch University of Schleswig-Holstein, Lubeck, Germany
Practical Application: Incorporating a Hydration and Dye Savings Protocol for Patients at High Risk of AKI	Dr. Prakash Balan UT Health Science Center, Houston, TX
A Novel System to Save Contrast During Coronary Angiography: The DyeVert Randomized Controlled Study	Professor Steffen Desch University of Schleswig-Holstein, Lubeck, Germany
Contrast Reduction Strategies in the Patient with CKD	Dr. Roxana Mehran Mount Sinai Medical Center, New York, NY

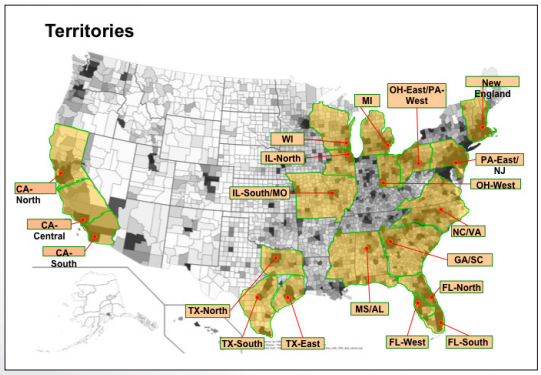
Sales Force Expands Market Footprint

In support of revenue growth targets, we continue sales force expansion in key territories, with a focus on population areas that have a high prevalence of Chronic Kidney Disease. By the end of 2016, we anticipate broadening our footprint with the goal of reaching 20 territories across the United States.

We only select reps that have a track-record of sales success, cath lab experience, and established relationships with key customers. Finally, these individuals undergo an in-house and structured field time training program to ensure that they have the necessary tools and knowledge to sell our products effectively. ■

Target areas are now extending beyond the original deep-south to states such as Ohio, California and Missouri. Our most recent hires were within the metropolitan areas of Pittsburgh, Cincinnati, St. Louis and San Francisco.

Supplemental to geographical placement of reps, our hiring plan incorporates significant vetting to ensure seasoned, high-quality professionals that can produce rapid results.



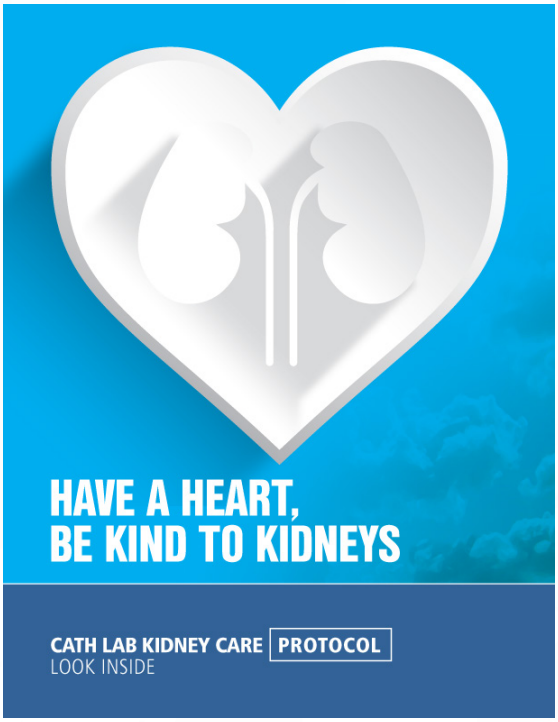
Kidney Care Campaign Launch Embraced by Customers

Compelling economic advantages exist for hospitals to reduce acute kidney injury (AKI). This is because contrast-induced AKI is considered by payers as a hospital-acquired condition and kidney complications following the angiogram (stent or diagnostic) procedure are not reimbursed. Magnification of hospital metrics, for example, are becoming common-place as mechanisms such as the National Cardiovascular Data Registry (NCDR) compare individual hospitals to the national median experience of patient outcomes.

The amount of contrast dye used during angiographic imaging procedures increases the risk of AKI in patients suffering from chronic kidney disease, diabetes, older age, or other risk factors. The risk of contrast-induced AKI can be dramatically reduced by implementing a cath lab kidney care protocol that identifies at-risk patients, increases hydration, and reduces contrast.

Osprey recently launched a "*Be Kind to Kidneys*" outreach program, which is designed to increase the awareness of contrast-induced AKI among interventional cardiologists, cath lab and nursing staff, and to provide the information and tools they need to boost positive patient outcomes.

Getting hospitals to adopt this integrated patient care approach within their cath lab protocols helps to make the process the "standard-of care," for which DyeVert becomes an instrumental component. This enables broader usage of DyeVert within hospital accounts.



Advanced Contrast Reduction System Broadens Portfolio

In November, Osprey announced the expansion of its portfolio with introduction of the DyeVert PLUS Contrast Modulation/Monitoring System. This new system integrates the current DyeVert contrast reduction technology with enhanced patient management and monitoring capabilities.

The DyeVert PLUS allows for the DyeVert to wireless interface with a disposable "smart syringe" and a reusable LCD monitor. The proprietary system offers substantial benefits:

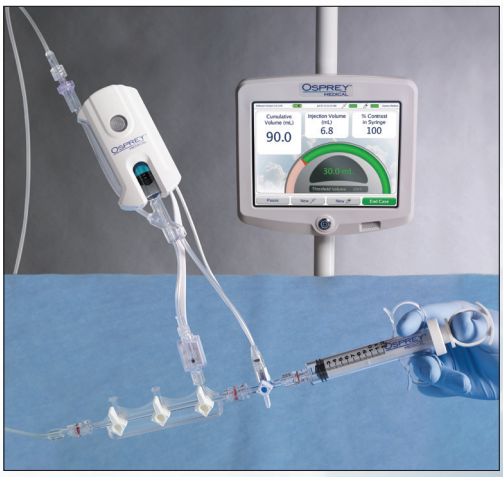
- Monitors and displays the calculation of contrast dose levels to be used based on a patient's kidney function;
- Automatically provides real-time tracking of contrast injected during a procedure which allows physician ability to better manage a patient; and
- Provides a more accurate method of recording dosage given to the patient.

Earlier this year, the industry-guiding Society for Cardiovascular Angiography and Interventions (SCAI) published an expert-consensus best practice update. Updated guidelines communicated heightened focus on contrast management of kidney-impaired patients, for which the DyeVert PLUS addresses. Aspects included minimization of contrast dose, contrast monitoring in *real-time*, and physicians being informed when limits (dose based on kidney function ratios) are reached.

Osprey's commercialization strategy encompasses continued technology advancement, to augment an expanding sales force with tools to ensure sustained growth. Given the US healthcare system's increased scrutiny of patient outcomes, the DyeVert PLUS platform is well situated to address new industry guidelines.

The DyeVert PLUS has already received European CE Mark approval and US FDA clearance is pending. The Company anticipates availability Q1 2017.

DyeVert™ Contrast Modulation/Monitoring System PLUS

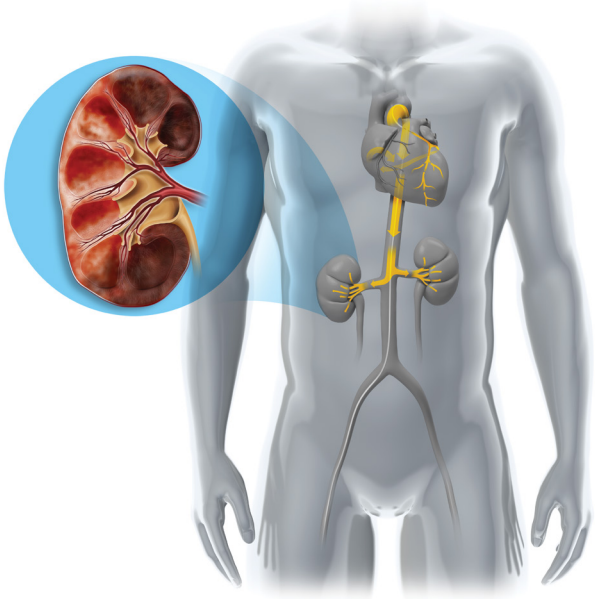


Osprey Hosts Acute Kidney Injury Symposia

Incorporation of a team oriented patient-centric approach continues to be amplified within today's US healthcare system. Management of patient outcomes expands beyond physician into the purview of multiple professionals within a hospital.

A key driver of growth for Osprey's products is the involvement of multiple stakeholders, such as cath lab nurses, technicians and coordinators, in understanding standard-of-care practices. In September, we hosted our 1st Acute Kidney Injury Symposia, held at our corporate office in Minnesota and attended by key customers across the US.

The symposia encompassed topics relating to cath lab protocols and broadening the acceptance of procedural aspects for potential reduction of contrast-induced AKI. The conference received very positive feedback with attendees reporting that they have already implemented lessons learned within their hospitals. This event, combined with Osprey's new Kidney Care Campaign, has helped to drive increased awareness of the DyeVert System. ■



Cath Lab Nurses and Techs discuss Acute Kidney Injury Patient protocols with Osprey VP of Sales Hank Butcher.

FORWARD LOOKING STATEMENTS

This document contains certain forward-looking statements, relating to Osprey Medical's business, which can be identified by the use of forward-looking terminology such as "promising," "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialization of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property.

DyeVert™ Systems Regulatory Status:

- Europe – CE Mark obtained
- Australia – TGA approval obtained
- United States – 510(k) cleared

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