



Tuesday 29 September 2009

Company Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam:

Pulse Health Limited (ASX Code: PHG) (the "Company")

Company Update

On 14 August 2009, the Company advised that it was in discussions with a number of market participants in relation to the commencement of a capital raising program and the appointment of a Corporate Adviser.

The Company is pleased to announce that it has signed a mandate with State Equity Group Pty Ltd ("State Equity") to act as its Corporate Adviser.

State Equity is undertaking a process that will involve the identification, negotiation, structuring and settlement of:

- (i) an appropriate capital raising strategy;
- (ii) restructuring of existing debt facilities;
- (iii) raising of requisite equity facilities; and
- (iv) the potential acquisition of appropriate targets.

The Board of PHG is delighted to be working with State Equity in progressing the restructuring of PHG's capital base and the advancement of the business plan previously outlined to the market.

The Company is also well advanced in the process for the recruitment of a new Chief Executive Officer and Chief Financial Officer.

The Directors have now commenced the process of selling the Gympie Private Hospital land & buildings on a leaseback and have appointed an agent to undertake this process. The sale on leaseback basis of this property will enable the Company to repay a substantial proportion of bank debt. The Company does not intend to be a long term holder of land and buildings but rather an operator of the associated business assets.

It is the Board's position that Convertible note holders will be provided the opportunity to convert their holdings into ordinary shares on terms no less favourable than any equity issue. This is premised upon the conclusion of mutually satisfactory discussions and collaboration with the company's funders and any shareholder approval requirements.

ANDREW GREGORY

Director

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For more information of **Pulse Health** please visit www.pulsehealth.net.au