ventracor asx announcement

Shareholder Update

Sydney AUSTRALIA 27 February 2009: Ventracor Limited (ASX:VCR) reported today that confidential and incomplete discussions are continuing with two parties for an acquisition of the Company's assets in one case or a strategic stake in the Company in the other. Any potential transaction structure will require initial short term funding in the form of a private placement or bridging facility.

The Company is continuing discussions with the Australian Therapeutic Goods Authority (TGA) about the Model LVA4 VentrAssist® Left Ventricular Assist Device (LVAD) catalogue number VA166, which was subject to a Field Safety Notice on 6 February 2009. Investigation has revealed that in all confirmed cases of lead conductor fracture a contributing factor was not wearing the recommended lead support belt, or the fracture was caused by accidental damage. Subject to regulatory approvals, the Company plans to reintroduce the LVA4 in all markets with reinforced warnings and additional training but is unable at this time to determine the timetable for the reintroduction. In addition, the Company is exploring alternative methods for lead support and protection which could be introduced after validation and regulatory approval.

Sales of the Company's LVA3 VentrAssist LVAD have continued, and physicians continue to implant the VentrAssist LVAD.

The Company is not in a position to release financial statements for the half-year period ended 31 December 2008 by the due date of today. However, the Company is working to obtain sufficient further funding from one of the parties referred to above to enable the financial statements to conform to applicable accounting standards. The Company expects that it will be in a position to confirm before 31 March 2009 whether such matters have been so finalised.

The Company expects that trading in its securities will not be reinstated by ASX until the half-year financial statements are lodged and it is in a position to provide material information relating to the financial and operational impact of the Field Safety Notice, any reintroduction of the LVA4 Ventrassist LVAD and to clarify the intentions of the parties referred to above.

The Company further announced today that it has reduced its US operations by 13 staff and will close its Budd Lake (New Jersey USA) facility effective 31 March 2009.

The Company will continue to keep the market informed of developments in accordance with its continuous disclosure obligations.

About Ventracor

Ventracor is a global medical device company which produces an implantable blood pump, the VentrAssist® left ventricular assist device (LVAD), as therapy to improve the lives of heart failure patients and their families. Ventracor is dedicated to building partnerships with healthcare professionals to make the VentrAssist LVAD the standard-of-care worldwide.

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