



ASX Announcement

Sunshine Heart Appoints New US Board Member

— Gregory Waller's US Financial Management and Governance Experience to Support Growth Initiatives —

Sydney, Australia and Eden Prairie, MN; August 3, 2011: Sunshine Heart, Inc. (ASX:SHC), a global medical device company focused on innovative technologies for moderate heart failure, today announced the appointment of Gregory Waller as an independent non-executive director. Mr. Waller brings more than 30 years of financial management and industry experience to Sunshine Heart with an established history of serving on the boards of several successful medical device companies. He is the second US-based board member to be appointed this year following the appointment of Paul Buckman in January.

Mr. Waller was with the public company, Sybron Dental Specialties, for 25 years until he retired as Chief Financial Officer in 2005. During his career with Sybron, Mr. Waller contributed to the company's growth from \$10 million to \$750 million in sales. Serving in a variety of operational and financial management positions, he was instrumental in closing multiple rounds of financing for the company. In addition, he oversaw Sybron's initial public offering and its acquisition of more than 30 companies worldwide until its eventual sale to Danaher Corporation in 2006 for \$2.6 billion (representing a \$2.1 billion gain to shareholders).

"Few industry veterans have taken a company to the success that Gregory Waller has and we are honored to welcome him onto our board," said Nick Callinan, Sunshine Heart's Chairman. "Mr. Waller has an outstanding track record on the boards of fast growing medical technology businesses, many of which have now become established public companies. His vast experience with the cardiovascular market will also be extremely valuable to us."

Mr. Waller currently serves on the board of Endologix Inc., which develops and manufactures minimally invasive treatments for vascular disease. He helped develop the strategic direction for Endologix, assisted in the development of the audit committee procedures and processes and helped raise substantial capital, taking Endologix's market cap from \$175M to \$470M.

In addition, he has previously held board positions with Alsius, Inc., Cardiogenesis Inc., Clariant, Inc., and SenoRx, Inc., where he played an instrumental role in each company's acquisition or IPO.

"It is a privilege to join the board of Sunshine Heart as I believe the Company has an exciting future ahead of it," said Mr. Waller. "The unique C-Pulse system has the potential to become a leading treatment for Class III heart failure, representing a tremendous opportunity in the cardiovascular heart failure market. I am particularly looking forward to working with Dave Rosa, CEO of Sunshine Heart, to help navigate the continued financial success of the Company."

Mr. Waller has been a featured speaker for the Center of Corporate Governance as well as a panelist at the Forum for Corporate Directors meetings.

“The diversified expertise that Mr. Waller brings in financial management, corporate governance, auditing and fundraising will support Sunshine Heart’s growth and the continued achievement of our corporate goals,” Mr. Callinan added. “These include securing additional capital to complete a U.S. FDA pivotal trial for our C-Pulse Heart Assist system, to support regulatory approvals outside the U.S., as well as to fund continued enhancements to the C-Pulse system.”

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.

About the C-Pulse® Heart Assist System

The C-Pulse Heart Assist System utilizes the proven 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 novel extra-aortic approach of the C-Pulse technology offers greater flexibility allowing patients to disconnect as necessary or desired. The C-Pulse system’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 therapies, such as left ventricular assist devices (LVADs), artificial hearts or transplants.

About Sunshine Heart®

Sunshine Heart is a global medical device company committed to the commercialization of the C-Pulse Heart Assist System, a minimally invasive, implantable, non-blood contacting, heart assist therapy for the treatment of moderate heart failure. C-Pulse relieves 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. The Company has completed enrolment of an approved US Food and Drug Administration (FDA) 20patient U.S. clinical trial with the C-Pulse System. Sunshine Heart is a Delaware-based Corporation headquartered in Minneapolis with a subsidiary presence in Australia. The Company has been listed on the 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., the possibility the Company may be unable to raise the funds necessary for the development and commercialization of its products, the possibility the Company may be unable to successfully list its securities on a U.S. securities exchange, 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.

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