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Sydney Stock Exchange

**Date** 29 June 2009

**Attention** Company Announcements  
Office  
Australian Stock Exchange

**Facsimile** 1300 135 638

**From** Steve Sherman

**Pages** 3

**Subject** **Ventracor Limited (Subject to Deed of Company Arrangement)**  
**ACN 003 180 372**

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Dear Sir / Madam

Please refer to the attached notice to shareholders dated 29 June 2009 with respect to Ventracor Limited (ASX: VCR).

affiliated through  
Kroll Worldwide  
UNITED STATES  
UNITED KINGDOM

Yours Faithfully  
**Ventracor Limited**

  
**S.J. Sherman**  
Deed Administrator


**FERRIER HODGSON**
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29 June 2009

**NOTICE TO SHAREHOLDERS**

Dear Sir / Madam

**Ventracor Limited (Subject to Deed of Company Arrangement)  
ACN 003 180 372  
("the Company")**

I refer to the appointment of Peter James Gothard and I as Joint and Several Voluntary Administrators of Ventracor Limited on 19 March 2009, pursuant to Section 436A of the Corporations Act 2001 ("the Act").

At the second meeting of creditors held on 29 May 2009, creditors resolved *"that pursuant to Section 439C of the Corporations Act 2001, the Company be required to execute a Deed of Company Arrangement ("DOCA") under Part 5.3A of the Corporations Act 2001 in the same form as the proposal statement outlined in the Administrators' report to creditors dated 20 May 2009."*

The major component of the DOCA was contingent upon the exchange of a sale agreement between Sigro Inc and Ventracor Limited and its subsidiaries.

On 5 June 2009, a Business Sale Deed was exchanged between the parties incorporating the sale of the majority of the assets held by the Ventracor Group to Sigro Inc. Completion of this Business Sale Deed was expected to result in continuity of employment for the majority of employees and a 100 cents in the dollar return for all creditors.

On 15 June 2009, a Deed of Company Arrangement was entered into by Ventracor Limited and its subsidiaries with Peter James Gothard and I becoming the Joint and Several Deed Administrators of the DOCA.

A key condition of the Business Sale Deed was that for any period between exchange and settlement, Sigro Inc would be required to provide bridging finance to Ventracor in order to continue the operations of the group. On exchange, bridging finance to the 12<sup>th</sup> of June was paid by Sigro, and a further payment to fund the operations to the 19<sup>th</sup> of June was also made.

A further bridging payment was required to be paid by Sigro on 19 June 2009. Sigro advised on that day that they would not be in a position to make the bridge payment as a result of uncertainty surrounding their capital investors to finance completion of the sale and to raise the funding required to continue the operations in the long term.

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Sigro subsequently withdrew their interest, resulting in termination of the Business Sale Deed.

In order to exhaust all avenues for preserving the business, immediately upon Sigro's withdrawal, I contacted both the Shareholder Group and Horizon Healthcare (parties who had previously expressed an interest but had failed to put forward a viable proposal) providing them with an opportunity to put forward bridge funding to continue the operations as an interim measure with a view to conducting due diligence for the purposes of acquiring the Ventracor Group.

Both the Shareholder Group and Horizon Healthcare were advised that I would have no alternative but to cease operations unless the funds required to sustain the operations were transferred to the Ventracor Ltd bank account during the course of Monday 22 June 2009.

Despite numerous discussions with both parties and assurances that the cash transfer would be made, I was not provided with any funds within the necessary timeframe. This is notwithstanding that the timeframe for providing these funds was extended to Tuesday 23 June 2009.

In the absence of the requested funding being received, I have had no alternative but to cease the operations of Ventracor Limited and commence to effect a wind down as of the evening of Tuesday 23 June 2009. This has included the termination of a number of employees and notifications to regulators, hospitals and centres.

I have also commenced a process to identify any interest in the residual assets of the company whilst maintaining contact with the regulators to explore options which may be available for patients currently implanted with an LVAD.

The Company's creditors will be meeting on 3 July 2009 to determine if the DOCA will continue or be terminated and the Company proceed to liquidation.

On the basis that there will be no sale of the Ventracor business, at this time it is not expected that there will be any return to shareholders of the Company.

Yours faithfully  
**Ventracor Limited**

A handwritten signature in black ink, appearing to read 'S J Sherman', is written over a large, stylized circular flourish.

**S J Sherman**  
Deed Administrator