

HEARTWARE LIMITED

ABN 34 111 970 257



HeartWare
Level 46

2 Park Street

Sydney NSW 2000

Ph: (+61 2) 8215 7600

Fax: (+61 2) 8215 7650

www.heartware.com.au

Manager of Company Announcements
ASX Limited
Level 6
20 Bridge Street
SYDNEY NSW 2000

26 June 2007

BY E-LODGE MENT

Dear Sir / Madam

Share Purchase Plan

Please the attached documents that are presently being distributed to shareholders.

Yours faithfully

David McIntyre
Chief Financial Officer &
Company Secretary

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21 June 2007

Dear HeartWare Shareholder

HeartWare Limited – Share Purchase Plan

I am pleased to offer you the opportunity to participate in the HeartWare Limited Share Purchase Plan, dated 21 June 2007 (**Plan**). The Plan allows you to purchase up to A\$5,000 worth of ordinary shares in HeartWare Limited (**Heartware** or the **Company**) at A\$0.60 per share free of any brokerage or transaction costs.

HeartWare has recently received commitments to raise in excess of A\$30 million through a private placement to sophisticated and institutional investors in Australia, the United States and Europe at an issue price of A\$0.60 (the **Private Placement**). Completion of the Private Placement is subject to the approval of shareholders at the Extraordinary General Meeting, which is presently scheduled to be held on 26 July 2007. By making this offer to HeartWare's Australian and New Zealand shareholders under the Plan, HeartWare is providing those shareholders with the opportunity to acquire shares at the same price that was made available under the Private Placement.

Funds raised by the issue of shares under the Plan (and the Private Placement) will be used primarily to fund the clinical development and commercialization of HeartWare's HVAD™ Left Ventricular Assist Device, the completion of the EU and Australian clinical trials and commencement of the US trials, and general working capital.

Participation in the Plan is open to all shareholders registered as holders of ordinary shares in HeartWare as at 5pm (Sydney time) on 13 June 2007 and whose address in HeartWare's share register is in Australia or New Zealand. Due to the high regulatory and legal costs of preparing and lodging the required documents in overseas jurisdictions, HeartWare will not be making an offer under the Plan to any other overseas shareholders (including in the United States of America, where securities laws restrictions apply).

As announced on 14 June 2007, the issue price of shares being offered under the Plan is A\$0.60 and this price is a 17.8% discount to the weighted average market price of HeartWare shares traded on the Australian Securities Exchange during the five trading days prior to the announcement of the offer under the Plan on 14 June 2007.

Shareholders should note that the market price of HeartWare shares may rise or fall between the date of this offer and the date on which the shares are issued to you under the Plan. This means that the issue price you pay for shares offered under the Plan may exceed the market price of those shares at the date of allotment of the shares under this offer. The Board of HeartWare recommends that you obtain advice from your financial, legal or other advisors in relation to this offer and consider, without limitation, price movements of shares in HeartWare before accepting this offer. An investment in HeartWare should be considered to be speculative in nature.



If you would like to participate, your application for shares under the Plan must, at your choice, be for either 5,000 shares (with a total issue price of A\$3,000.00), 6,667 shares (with a total issue price of \$4,000.20) or 8,333 shares (with a total issue price of A\$4,999.80).

Participation in the Plan is entirely at the option of shareholders, however, your entitlement to participate in the Plan is non-renounceable. This means that your right to participate in the Plan cannot be transferred to anyone else.

The full Terms and Conditions of the Plan are enclosed and you should carefully review them. If you wish to participate in the Plan, you should:

1. Complete the attached Application Form, indicating how many shares you wish to apply for under the Plan; and
2. Enclose your cheque payable to “**Heartware Limited – Share Purchase Plan**” and submit it to the Company's share registry, (in the enclosed reply paid addressed envelope if mailed within Australia) at:

Registries Limited
PO Box R67
Royal Exchange NSW 1223

To be received no later than 5.30pm (Sydney time) on 17 July 2007

Shares to be issued under the Plan will be issued within 15 business days after the closing date for applications and HeartWare will, promptly after issue of shares under the Plan, apply for the shares to be listed for quotation on the official list of ASX.

As set out in the Explanatory Memorandum to the Notice of Extraordinary General Meeting scheduled for 26 July 2007 (Explanatory Memorandum), the Company is now treated as a domestic filer for US securities law purposes and is therefore subject to the same registration and reporting requirements as other US domestic companies, with the result that all HeartWare shares issued under the Plan cannot be resold into the United States following issue except in certain limited circumstances as permitted under US securities law. In order to comply with the requirements of US securities law and so as to facilitate electronic trading of HeartWare shares on the ASX, the Company is required to institute the FORUS designation on all shares issued under the Plan, which will prohibit the purchase of those shares by US persons. At the same time, the Company will also apply the FORUS designation to all of the HeartWare shares issued under the Private Placement and all existing ordinary shares in the Company. Please refer to the Explanatory Memorandum for further detail.

US Securities Law Disclosure

The offer and sale to you of the shares under the Plan have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or the laws of any state or other jurisdiction in the United States but rather the shares will be issued in reliance on an exemption from registration contained in Regulation S under the Securities Act for offers and sales made outside of the US. As a result, the shares constitute “restricted securities” as such term is defined under Rule 144 of the Securities Act.



By participating in the Plan, you acknowledge that you may not and will not offer, sell, pledge, transfer or otherwise dispose of any shares in the United States or for the account or benefit of a U.S. person (as defined in Regulation S of the Securities Act) ("US Person") unless and until the shares are registered under the Securities Act (which you acknowledge HeartWare has no obligation to do) or offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the Securities Act or the laws of any state or other jurisdiction in the United States.

In addition, by participating in the Plan you agree to abide by the restrictions of Regulation S and are deemed to have made the following representations:

- (a) You are not a US Person and are not acting for the account or benefit of a US Person.
- (b) You will not engage in hedging transactions with regard to the shares offered under the Plan unless in compliance with the Securities Act.
- (c) You acknowledge and agree that, in order to ensure that US Persons do not purchase any shares issued to you, a number of procedures governing the trading and clearing of the Placement Shares will be implemented, including the application to the shares of the status of Foreign Ownership Restriction (FOR) securities under the ASTC Settlement Rules and the addition of the notation "FORUS" to the shares' description on ASX trading screens and elsewhere, which will inform the market of the prohibition on US Persons owning the shares.

If you have any questions in relation to the Plan or any of the enclosed documents, please contact Howard Leibman on (02) 8215 7604.

I welcome your participation in the Plan and thank you for your continued support of HeartWare.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Rob Thomas".

Rob Thomas
Chairman

HEARTWARE LIMITED SHARE PURCHASE PLAN TERMS AND CONDITIONS

Offer

HeartWare Limited ABN 34 111 970 257 (**HeartWare**) offers eligible shareholders the opportunity to acquire either 5,000, 6,667 or 8,333 fully paid ordinary shares in HeartWare (**Shares**) at A\$0.60 per fully paid ordinary share under the HeartWare Limited Share Purchase Plan (**Plan**), (collectively, **Offer**).

Opening and closing date of the Offer

The Offer opens on 21 June 2007 and closes at 5.30pm (Sydney time) on 17 July 2007. **No late applications will be accepted.**

Shareholders eligible to participate

Shareholders of HeartWare that are registered in HeartWare's register of members with an Australian or New Zealand address as at 5pm (Sydney time) on 13 June 2007 may apply for Shares pursuant to the Offer (**Eligible Shareholders**).

Joint holders may apply for Shares in addition to any individual application either of them has made and a trustee with multiple holdings for specified beneficiaries may apply once on behalf of each specified beneficiary.

Participation in the Plan is optional and is subject to these terms and conditions. The Offer is non-renounceable (ie Eligible Shareholders may not transfer their rights to buy Shares offered under the Plan to anyone else).

Purchase Price

The Purchase Price for each Share to be issued under the Plan is A\$0.60 which represents a discount of approximately 17.8% to the weighted average market price of HeartWare shares traded on the Australian Securities Exchange (**ASX**) during the 5 trading days prior to announcement of the Offer on 14 June 2007.

Application

An Eligible Shareholder may purchase Shares under this Offer by choosing **one** of the following options on the Application Form:

Offer	Number of Shares	Amount payable
Offer A	5,000	A\$3,000.00
Offer B	6,667	A\$4,000.20
Offer C	8,333	A\$4,999.80

Please provide a cheque or bank draft for the exact amount. If you do not do so, HeartWare reserves the right to return your Application Form and cheque or bank draft. If that occurs, no Shares will be issued to you. By applying for Shares under the Plan, you will have agreed to be bound by these terms and conditions.

Not Conditional on Private Placement

This Offer is not conditional upon the Company's private placement to raise approximately \$30 million. The private placement is subject to

shareholder approval, being sought on or about 26 July 2007.

Participation costs

The only cost to you in relation to the Offer is the Purchase Price of the number of Shares you wish to acquire. Under the Offer, you do not have to pay for brokerage, commission or other transaction costs.

Issue of Shares

Shares to be issued under the Plan will be issued within 15 business days after the closing date of the Offer and will rank equally in all respects with all other fully paid ordinary shares in HeartWare from the date of issue.

Shareholding statements or CHES notification will be issued in respect of all Shares issued under the Plan. HeartWare will, promptly after the issue of Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

HeartWare may modify or terminate the Plan at any time.

HeartWare will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, HeartWare may issue to any person fewer Shares than the person applied for under the Plan if the issue of the applied for Shares would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

HeartWare may settle any dispute in relation to the Plan in any manner it thinks fit whether generally or in relation to any participant, application, or Shares and the decision of HeartWare will be conclusive and binding on all shareholders and other persons to whom that determination relates.

HeartWare reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of HeartWare under these terms and conditions may be exercised by the directors of HeartWare or any delegate of the directors of HeartWare.

Important information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current market price of HeartWare shares which can be obtained from the financial pages of daily newspapers, your stockbroker or ASX.

Questions and contact details

If you have any questions regarding the Plan or the Offer, please contact your stockbroker or professional adviser or Howard Leibman of HeartWare on (02) 8215 7604.



SHARE PURCHASE PLAN - APPLICATION FORM

Record Date: 13 June 2007
 Offer Closes: 17 July 2007
 Purchase Price: \$0.60 per share

<ADDRESS1>
 <ADDRESS2>
 <ADDRESS3>
 <ADDRESS4>
 <ADDRESS5>
 <ADDRESS6>

SUB-REGISTER
 <ISSUER SPONSORED / CHESS>

HIN/SRN
 <NO.>

A Offer Choice and Payment Details

I/We wish to apply for the number of shares marked below in accordance with the terms and conditions of the HeartWare Limited Share Purchase Plan as set out in the accompanying letter dated 21 June 2007.

Indicate your choice below by marking one box only

<input type="checkbox"/>	Offer A 5,000 shares A\$3,000.00	<input type="checkbox"/>	Offer B 6,667 shares A\$4,000.20	<input type="checkbox"/>	Offer C 8,333 shares A\$4,999.80
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I/We enclose my/our payment for the amount shown above being payment of A\$0.60 per new Share. I/We hereby authorise you to register me/us as the holder(s) of the Shares issued to me/us, and I/we agree to be bound by the Constitution of the Company.

Record cheque details below

Drawer	Cheque Number	BSB Number	Account No.	Amount A\$

PAYMENT INSTRUCTIONS:

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted. Your cheque or bank draft must be made payable to "HeartWare Limited - Share Purchase Plan". Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.
- Payments must be made via cheque or bank draft accompanying the Application Form.
- Cash will not be accepted via the mail or at the HeartWare Share Registry.
- Payments cannot be made at any bank.

B Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

C Declarations and Acknowledgments

By lodging this form with your cheque or bank draft you acknowledge and confirm that you have read, understood and agreed to the terms and conditions of the HeartWare Limited Share Purchase Plan (the Plan) and certify that the aggregate of the application price paid by you for the Shares the subject of this Application Form and any other ordinary shares applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission of this Application Form does not exceed A\$5,000.

HeartWare may settle, in any manner it deems appropriate, any dispute or anomalies which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any applicant or application for shares. The decision of HeartWare will be conclusive and binding on all persons to whom the determination relates. HeartWare reserves the right to waive compliance with any provision of the Plan terms and conditions. The Directors reserve the right to withdraw the offer of shares under the Plan, or reduce the amount of shares that may be subscribed for under the Plan in a pro-rata manner, at any time prior to allotment. Any excess application moneys will be refunded. No interest will be paid on any refunded application moneys.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Application Forms and cheques must be received no later than 5.30 pm (Sydney time) on 17 July 2007 at:

MAILING ADDRESS
 Registries Limited
 PO Box R67
 Royal Exchange
 SYDNEY NSW 1223

DELIVERY ADDRESS
 Registries Limited
 Level 2
 28 Margaret Street
 SYDNEY NSW 2000

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the Plan.