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19 March 2008

By Facsimile: 1300 135 638

Company Announcements
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Other Offices

Brisbane
Canberra
Melbourne
Sydney

**Independent
Affiliated Firms**

Hong Kong
Indonesia
Malaysia
People's Republic of China
Singapore
Taiwan
Thailand
Vietnam

Attention: The Manager

Our Ref: 2632864

Dear Sirs

Notice of ceasing to be a substantial shareholder - Pequot Parties

We act for Pequot Capital Management, Inc., Pequot Healthcare Emerging Markets Master Fund, Ltd., Pequot Healthcare Institutional Fund, L.P., Pequot Healthcare Offshore Fund, Inc., Pequot Healthcare Fund, L.P. and Pequot Diversified Master Fund, Ltd. (**Pequot Parties**).

On behalf of the Pequot Parties, in accordance with section 671B of the *Corporations Act* 2001, we attach a Notice of ceasing to be a substantial holder (Form 605) in respect of Heartware Limited ACN 111 970 257 (**Heartware**).

A copy of the attached notice is being provided to Heartware.

Yours faithfully

James Stewart
Partner
Deacons

Contact: James Stewart
Direct line: +61 (0)8 9426 3212
Email: james.stewart@deacons.com.au

Encl.

2632864/922224_1

As at 7 January 2008 our new Sydney address is Grosvenor Place, 225 George Street, Sydney. Telephone, postal and DX numbers remain the same.

Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme Heartware Limited
ACN/ARSN 111 970 257

1. Details of substantial holder (1)

Name Pequot Capital Management, Inc. and the parties set out in Item 1 of Annexure "A"
ACN/ARSN (if applicable) _____

The holder ceased to be a substantial holder on 17/03/08
The previous notice was given to the company on 11/10/07
The previous notice was dated 11/10/07

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
See Item 2 of Annexure "A"					

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

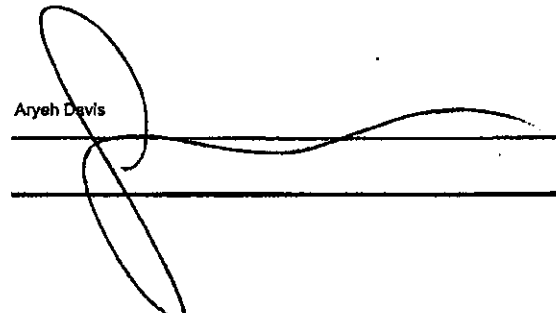
Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
See Item 1 of Annexure "A"	

Signature

print name Aryeh Davis capacity Secretary
sign here  date 19 10 2008

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 4 of the form.
- (2) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (3) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (4) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (5) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (6) The voting shares of a company constitute one class unless divided into separate classes.
- (7) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure "A"**Heartware Limited
ACN 111 970 257**

This is the Annexure "A" of 4 pages referred to in Form 605 – Notice of ceasing to be a Substantial Holder.

Item 1 – Details of Substantial Holders

Name	Address
Pequot Capital Management, Inc.	500 Nyala Farm Road, Westport Connecticut 06880 USA
Pequot Healthcare Emerging Markets Master Fund, Ltd.	Walkers SPV Limited, Walker House, Mary Street, PO Box 908GT, George Town, Grand Cayman, Cayman Islands
Pequot Healthcare Institutional Fund, L.P.	1209 Orange Street, Wilmington, Delaware, 19801 USA
Pequot Healthcare Offshore Fund, Inc.	Craigmuir Chambers P.O. Box 71, Road Town, Tortola, British Virgin Islands
Premium Series PCC Ltd. Cell 32	P.O. Box 474, Helvetia Court, South Esplanade, St. Peter Port, Guernsey GY1 6AZ
Pequot Healthcare Fund, L.P.	1209 Orange Street, Wilmington, Delaware, 19801 USA
Pequot Diversified Master Fund, Ltd.	Ogier Fiduciary Services (Cayman) Limited, P.O. Box 1234, Queensgate House, South Church Street, George Town, Grand Cayman, Cayman Islands K&1-1108

Item 2 – Change in relevant interests

Date of change	Person whose relevant interest changed	Nature of change	Consideration (AUD)	Number of ordinary shares	Person's votes affected	
10/10/2007	Pequot Capital Management, Inc.	Pequot Healthcare Institutional Fund, L.P.	On-market acquisition	\$3,354.00	5,200	5,200
19/12/2007			On-market acquisition	\$38,439.21	66,700	66,700
20/12/2007			On-market acquisition	\$12,834.00	23,000	23,000
21/12/2007			On-market acquisition	\$19,116.00	35,400	35,400
24/12/2007			On-market acquisition	\$4,007.25	7,500	7,500
28/12/2007			On-market acquisition	\$5,445.00	9,900	9,900
02/01/2008			On-market acquisition	\$4,081.32	7,558	7,558
10/10/2007			Pequot Healthcare Offshore Fund, Inc.	On-market acquisition	\$3,741.00	5,800
13/11/2007	On-market disposal	\$22,950.00		30,600	30,600	
14/11/2007	On-market disposal	\$15,525.00		20,700	20,700	
04/01/2008	On-market acquisition	\$34,941.84		63,600	63,600	
07/01/2008	On-market acquisition	\$1,421.68		2,600	2,600	
08/01/2008	On-market acquisition	\$1,375.00		2,500	2,500	
09/01/2008	On-market acquisition	\$2,255.00		4,100	4,100	
10/01/2008	On-market acquisition	\$23,155.00		42,100	42,100	
11/01/2008	On-market acquisition	\$57,318.25		104,500	104,500	
15/01/2008	On-market acquisition	\$10,339.00		19,600	19,600	
22/01/2008	On-market acquisition	\$4,386.33		11,700	11,700	
10/10/2007	Premium Series PCC Cell 32	On-market acquisition		\$2,902.50	4,500	4,500
19/12/2007		On-market acquisition		\$36,018.75	62,500	62,500
20/12/2007		On-market acquisition		\$12,052.80	21,600	21,600
21/12/2007		On-market acquisition	\$17,928.00	33,200	33,200	
24/12/2007		On-market acquisition	\$3,793.53	7,100	7,100	
28/12/2007		On-market acquisition	\$5,115.00	9,300	9,300	
02/01/2008		On-market acquisition	\$3,780.00	7,000	7,000	
04/01/2008		On-market acquisition	\$122,461.26	222,900	222,900	
07/01/2008		On-market acquisition	\$4,921.20	9,000	9,000	

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- 3 -

08/01/2008	Pequot Capital Management, Inc.	Premium Series PCC Cell 32	On-market acquisition	\$4,785.00	8,700	8,700
09/01/2008			On-market acquisition	\$7,975.00	14,500	14,500
10/01/2008			On-market acquisition	\$81,070.00	147,400	147,400
11/01/2008			On-market acquisition	\$29,454.45	53,700	53,700
15/01/2008			On-market acquisition	\$5,327.75	10,100	10,100
22/01/2008			On-market acquisition	\$2,249.40	6,000	6,000
10/10/2007			Pequot Healthcare Fund, L.P.	On-market acquisition	\$6,935.04	10,752
19/12/2007	On-market acquisition	\$67,081.32		116,400	116,400	
20/12/2007	On-market acquisition	\$22,408.16		40,158	40,158	
21/12/2007	On-market acquisition	\$33,330.42		61,723	61,723	
24/12/2007	On-market acquisition	\$7,052.76		13,200	13,200	
28/12/2007	On-market acquisition	\$9,557.35		17,377	17,377	
02/01/2008	On-market acquisition	\$7,150.68		13,242	13,242	
04/01/2008	On-market acquisition	\$185,496.67		337,635	337,635	
07/01/2008	On-market acquisition	\$7,446.32		13,618	13,618	
08/01/2008	On-market acquisition	\$7,260.00		13,200	13,200	
09/01/2008	On-market acquisition	\$12,100.00		22,000	22,000	
10/01/2008	On-market acquisition	\$122,620.85		222,947	222,947	
11/01/2008	On-market acquisition	\$71,853.50		131,000	131,000	
15/01/2008	On-market acquisition	\$12,923.75		24,500	24,500	
22/01/2008	On-market acquisition	\$5,472.79		14,598	14,598	
10/10/2007	Pequot Diversified Master Fund, Ltd.	On-market acquisition		\$1,677.00	2,600	2,600
13/11/2007		On-market disposal		\$14,550.00	19,400	19,400
14/11/2007		On-market disposal		\$9,900.00	13,200	13,200
15/11/2007		On-market disposal		\$33,124.50	45,000	45,000
16/11/2007		On-market disposal		\$37,250.00	50,000	50,000
19/11/2007		On-market disposal	\$53,438.40	72,000	72,000	
20/11/2007		On-market disposal	\$20,440.00	28,000	28,000	
19/12/2007		On-market acquisition	\$11,180.22	19,400	19,400	
20/12/2007		On-market acquisition	\$3,738.60	6,700	6,700	

21/12/2007	Pequot Capital Management, Inc.	Pequot Diversified Master Fund, Ltd.	On-market acquisition	\$5,562.00	10,300	10,300	
24/12/2007			On-market acquisition	\$1,175.46	2,200	2,200	
28/12/2007			On-market acquisition	\$1,540.00	2,800	2,800	
02/01/2008			On-market acquisition	\$1,188.00	2,200	2,200	
04/01/2008			On-market acquisition	\$79,333.36	144,400	144,400	
07/01/2008			On-market acquisition	\$3,171.44	5,800	5,800	
08/01/2008			On-market acquisition	\$3,080.00	5,600	5,600	
09/01/2008			On-market acquisition	\$5,170.00	9,400	9,400	
10/01/2008			On-market acquisition	\$52,580.00	95,600	95,600	
11/01/2008			On-market acquisition	\$16,893.80	30,800	30,800	
15/01/2008			On-market acquisition	\$3,059.50	5,800	5,800	
22/01/2008			On-market acquisition	\$1,274.66	3,400	3,400	
11/03/2008			Pequot Healthcare Emerging Markets Master Fund, Ltd.	On-market disposal	\$28,389.76	70,029	70,029
17/03/2008				On-market disposal	\$1,017,571.25	2,906,516	2,906,516

Signed:

Date: March 19, 2008

Name: Aryeh Davis, Secretary of Pequot Capital Management, Inc. on behalf of the Substantial Holders