



Notice of Annual General Meeting 2006

Notice of Meeting and Information for Shareholders

HeartWare Limited

Annual General Meeting information:

Date: 23 May 2006
Time: 10am AEST
Location: Grant Thornton
Level 17
383 Kent Street
Sydney NSW 2000

NOTICE OF ANNUAL GENERAL MEETING

The first Annual General Meeting of shareholders of HeartWare Limited (the **Company** or **HeartWare**) will be held at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney, NSW on **23 May 2006** commencing at **10 a.m** AEST. The purpose of the meeting is to transact the business referred to in this Notice of Annual General Meeting.

The Explanatory Statement that accompanies and forms part of this Notice of Meeting provides information in relation to each of the matters to be considered and contains a glossary of defined terms.

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

The business of the Annual General Meeting is as follows:

Ordinary Business

Receipt of Annual Report, Financial Statements, Directors' and Audit Reports

"To receive and consider the Annual Report, Financial Statements of the Company and its controlled entities, together with the Directors' Report and the Audit Report for the reporting period ended 31 December 2005."

This item of business is for discussion and is not for resolution.

Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report (which forms part of the Directors' Report) for the reporting period ended 31 December 2005 be adopted."

Resolution 2 – Re-Election of Mr Robert Thomas as a Non-Executive Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Robert Thomas, who retires by rotation in accordance with the Company's Constitution, and being eligible offers himself for re-election as a Director, be re-elected as a Non-Executive Director."

Special Business

Resolution 3 – Re-Appointment of Auditors

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Grant Thornton of 383 Kent Street, Sydney, NSW be re-appointed as auditors of the Company on terms to be agreed by the Board.”

Resolution 4 - Approval of Employee Share Option Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 7.2, Exception 9, and for all other purposes, shareholders of the Company approve the Company's consolidated Employee Share Option Plan constituted and administered in accordance with the Rules of the Employee Share Option Plan which are summarised in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by a Director and any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Increase in Directors' Fees

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration out of the funds of the Company to which the Directors are entitled in each year for their services as Directors be increased from \$340,000 to \$550,000 being distributed in such proportions and manner as the Directors may decide. Such increase to take effect from the date of the Annual General Meeting.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5 by any Director and any associate of a Director. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 - Approval of Share Issue

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“For the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders of the Company approve and authorise the Directors to issue and allot Shares up to a total value of \$30,000,000, at a price per Share no less than 80% of the average market price (as defined in the ASX Listing Rules) for Shares calculated over the 5 trading days prior to the date of issue of the Shares on the terms and conditions contained in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6 by a person who may participate in the proposed issue and a person who might obtain a benefit if the Resolution is passed (except a benefit solely in the capacity of a holder of ordinary securities) and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Entitlement

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 7.00 p.m. (AEST) on 21 May 2006 (the **Entitlement Time**). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Annual General Meeting.

Proxy Instructions

1. The Proxy Form is enclosed with this Notice of Meeting. Replacement Proxy forms may be obtained by Shareholders from the Company's share registry, whose contact details are:

Registries Limited

Office Address: Level 2, 28 Margaret Street, Sydney NSW, Australia

Telephone: +61 2 9290 9600

2. A shareholder entitled to attend and vote at a general meeting may appoint not more than two proxies to attend such meeting and vote on behalf of the shareholder. A proxy need not be a shareholder. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the shareholder's votes. If no such proportion is specified, each proxy may exercise half of the shareholder's votes.

3. A proxy form must be signed by a shareholder (or its attorney) and does not need to be witnessed. If the shareholder is a corporation, the proxy form must be executed in accordance with that corporation's constitution or by a duly authorised attorney. If a share is held jointly a proxy form may be signed by any one of the joint holders.
4. The proxy form and any power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company's share registrar, Registries Limited, by **10am AEST on 21 May 2006** (being the last day which is at least 48 hours before the time for holding the meeting), at:

Hand deliveries: Level 2
28 Margaret Street

Postal address: PO Box R67
Royal Exchange
Sydney NSW 1223

Fax number: +61 2-9279-0664

5. A proxy may decide whether to vote on a Resolution, except where the proxy is required by law or the Company's Constitution to vote or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit. If a shareholder appoints two proxies and the appointments specify different ways to vote on a Resolution, neither may vote on a show of hands.

By Order of the Board



David McIntyre
Company Secretary

13 April 2006

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders in connection with the first Annual General Meeting of shareholders of the Company to be held at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney, NSW on **23 May 2006** commencing at **10 a.m AEST**.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. A glossary of defined terms is contained at the end of this Explanatory Memorandum.

The Directors recommend that shareholders vote in favour of Resolutions 1, 2, 3, 4, 5 and 6.

Ordinary Business

Receipt of Financial, Directors' and Audit Reports

HeartWare's Constitution and the *Corporations Act* require the Financial Report, the Directors' Report, the Directors' Declaration and the Audit Report to be received and considered at the meeting. Each of the reports and the declaration are contained in the 2005 Annual Report which accompanies this Notice of Meeting.

Shareholders will be given a reasonable opportunity to raise questions or make comments on the reports and the management of HeartWare at the Meeting.

Resolution 1 – Adoption of Remuneration Report

The *Corporations Act* requires the Company to include in the Directors' Report a detailed Remuneration Report setting out certain prescribed information relating to directors' and executives' remuneration, and submit this for adoption by resolution of the shareholders at the Meeting. The Remuneration Report is set out in the 2005 Annual Report which accompanies this Notice of Meeting and discusses matters including (but not limited to):

- Board policies for determining the remuneration of Directors and executives; and
- certain remuneration details of the Directors and executives of the Company.

Shareholders are asked to adopt the Remuneration Report. The shareholder vote is for advisory purposes only and does not bind the Directors of the Company.

Resolution 2 – Re-Election of Mr Robert Thomas

Under clause 26.6 of HeartWare's Constitution, at each Annual General Meeting of the Company one-third of the Directors are subject to retirement by rotation (or, if the number of Directors is not a multiple of three then the number nearest to but not exceeding one-third of the Directors must retire from office as Directors), and such Directors, being eligible, are entitled to offer themselves for re-election as a Director at the Annual General Meeting which coincides with his or her retirement.

At this meeting, Mr Robert Thomas automatically retires and, being eligible, offers himself for re-election. Mr Robert Thomas is the Non-Executive Chairman of the Company, Chairman of the Company's Nomination & Remuneration Committee and a member of the Audit & Compliance Committee and the Continuous Disclosure Committee. Further details on Mr Thomas' qualifications and experience may be found in the 2005 Annual Report.

If re-elected, Mr Thomas will be re-appointed as the Chairman of the Board of Directors.

Special Business

Resolution 3 – Re-Appointment of Auditors

The *Corporations Act* provides that an auditor appointed by the Directors only holds office until the first Annual General Meeting of the Company. In addition, the *Corporations Act* requires that shareholders appoint an auditor at a company's first Annual General Meeting.

Grant Thornton, which was appointed auditor of the Company by the Directors on 15 December 2004, has consented to continue as the auditor of the Company.

Resolution 4 - Approval of Employee Share Option Plan

Background

Prior to listing of the Company on ASX, HeartWare adopted the HeartWare Limited Employee Share Option Plan (**ESOP**) which allows the Company or an associated body corporate to grant options over Shares and issue Shares to eligible employees and Directors of the Company (or their nominated associate). The ESOP is designed to provide eligible employees and Directors of the Company with the opportunity to participate in the growth and success of the Company and to provide an incentive for such participants to have a greater involvement with, and to focus on the long term goals of, the Company. The Directors believe that this is important for the long-term development of the Company.

Terms of the ESOP

The terms of the ESOP are set out in the Rules, which are available for inspection at the registered office of the Company during normal business hours by appointment with the Company Secretary and are summarised below.

An offer of options under the ESOP is not permitted if the total of:

- the number of Shares which would be issued if all outstanding options were exercised; and
- the number of Shares issued during the previous five years pursuant to the exercise of options under the ESOP or under any other employee share scheme adopted by the Company,

exceeds 11% of the total number of issued Shares at the time of the offer of the options.

Each option issued under the ESOP allows the holder to subscribe for and be issued the number of Shares specified in the option (which is at the discretion of the Board). The exercise price (or the formula for determining the exercise price) for each option is determined by the Board prior to the offer, but the exercise price must not be less than the weighted average sale price of Shares sold during the five days (or such other period as the Board determines) prior to the issue of the option.

Options may generally be exercised after they have vested and prior to the specified expiry date if applicable exercise conditions are met. Unless otherwise determined by the Board, options vest as to 25% on each anniversary of the issue date (ie. 25% vest one year after issue, then a further



25% vest on the second anniversary, a further 25% on the third anniversary and the final 25% on the fourth anniversary of issue of the Options).

Exercise conditions are determined by the Board and may include performance criteria set by the Board. In addition, options may be exercised at any time if the Company enters into a scheme of arrangement or a takeover occurs, or if an entity acquires a relevant interest in sufficient Shares to enable them to replace all or a majority of the Board of Directors.

There are a number of events that may cause options to lapse under the ESOP, including, for example, where a participant ceases to be an employee or Director of the Company for whatever reason.

Option holders will not be entitled to participate in new issues of capital offered to shareholders of the Company. However, in the event of any bonus issue of Shares by the Company, the number of Shares which an option holder is entitled to on exercise of the option will be adjusted accordingly.

Options issued under the plan are not transferable, except during a takeover in which case the options can be transferred to the bidder.

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each holder is entitled or the exercise price of his or her Options or both or any other terms will be reconstructed in a manner determined by the Board (and otherwise in accordance with the ASX Listing Rules).

ESOP Options Issued to Date

Since the listing of the Company on ASX, the terms of the ESOP have been amended once (on 5 April 2005). The following ESOP options have been issued by the Company to the date of this Notice of Meeting:

- (a) 11,589,544 ESOP options were granted on 24 January 2005 to employees and a director at various exercise prices between \$0.20 and \$1.50. The breakdown of these options were described in the Company's IPO prospectus.
- (b) 4,101,022 ESOP options were granted on 27 April 2005 to a range of employees at various exercise prices between \$0.50 and \$1.50.
- (c) 764,204 ESOP options were granted on 15 December 2005 to an executive at an exercise price of \$0.75.

At the date of this Notice of Meeting, 395,400 of the above ESOP options have been exercised and a total of 1,413,960 ESOP options have been cancelled or expired. The outstanding ESOP Options are as follows:

Grant Date	Expiry Date	Exercise Price	Category	Number Under Option
24 January 2005	24 January 2010	\$0.20	ESOP	4,621,804
24 January 2005	24 January 2010	\$0.60	ESOP	1,337,358
24 January 2005	24 January 2010	\$0.75	ESOP	1,337,358
24 January 2005	24 January 2010	\$1.00	ESOP	1,337,358
24 January 2005	24 January 2010	\$1.50	ESOP	1,337,358
27 April 2005	27 April 2010	\$0.60	ESOP	191,051
27 April 2005	27 April 2010	\$0.75	ESOP	191,051
27 April 2005	27 April 2010	\$1.00	ESOP	191,051
27 April 2005	27 April 2010	\$1.50	ESOP	191,051
27 April 2005	27 April 2015	\$0.50	ESOP	3,145,766
15 December 2005	15 December 2012	\$0.75	ESOP	764,204

14,645,410

Purpose of Resolution

The Company seeks the approval of shareholders of the ESOP pursuant to ASX Listing Rule 7.2. This rule provides that securities issued pursuant to an employee incentive scheme are an exception to ASX Listing Rule 7.1, provided the scheme has been approved by shareholders within the three previous years. ASX Listing Rule 7.1 provides generally that a company may not issue shares or securities convertible into shares equal to more than 15% of the company's issued share capital in any 12 months without obtaining shareholder approval, unless the issue falls within one of the exceptions under ASX Listing Rule 7.2.

Accordingly, shareholder approval will result in all options issued under the ESOP being excluded from the restrictions in ASX Listing Rule 7.1 for three years from the date of approval of the ESOP. This approval will give the Company maximum flexibility for raising new capital going forward. The Directors believe that this ESOP will assist in the attraction, retention and motivation of appropriately qualified personnel.

Resolution 5 – Increase in Directors' fees

Background

As set out in the Company's Annual Report, there are five directors of the Company of whom four are Non-Executive Directors. By way of background the base remuneration of all directors is as follows:

- Mr Rob Thomas (Non Executive Chairman and Chairman of the Nomination & Remuneration Committee) – base remuneration, \$120,000 plus superannuation, per annum;

- Dr Seth Harrison (Non Executive, Deputy Chairman) – base remuneration, \$100,000 plus superannuation, per annum;
- Dr Christine Bennett (Non Executive Director and Chairman of the Audit & Compliance Committee) – base remuneration, \$60,000 plus superannuation, per annum;
- Dr Denis Wade (Non Executive Director) – base remuneration, \$60,000 plus superannuation, per annum;
- Mr Stuart McConchie (Chief Executive Officer and Executive Director) – Mr McConchie has a contract to provide executive services and receives no additional remuneration for being a director of the Company.

Purpose of Resolution

The Company seeks the approval of shareholders under ASX Listing Rule 10.17 to increase the total amount of fees to which Directors are entitled each year, for their services as Directors, to \$550,000 from \$340,000 (being an increase of \$210,000). The present maximum aggregate was affected on 1 January 2005.

As previously advised, it is the Board's present intention to further increase the depth and experience of the Board via the appointment of additional Non-Executive Directors. Specifically, the Company will seek to appoint suitably qualified individuals with experience relevant to the business interests and aspirations of the Company.

In this regard the Board envisages, in the short term, engaging at least one Non-Executive Director who has the requisite background which shall include, as a minimum, significant North American and / or European experience, in line with HeartWare's target markets.

The proposed increase to Directors' Fees will be utilised primarily for the purposes of attracting and remunerating suitably qualified individuals for the position of Non-Executive Director.

Resolution 6 - Approval of Share Issue

Background

HeartWare's commercialisation plans have proceeded on time and accordance with expenditure estimates. This includes the recent successful commencement of human clinical trials, following from a number of pre-clinical activities during 2005.

The Directors believe that HeartWare is now well positioned to progress the combined EU/Australian clinical trials towards a targeted CE mark as well as the commencement of US clinical trials and capitalising on the promising early animal trials of the miniaturised ventricular assist device or MVAD programme.

In order to meet these objectives, HeartWare has previously indicated that it would raise additional capital in 2006 after the first human implants.

Under the proposed resolution, the Company seeks the approval of shareholders under ASX Listing Rule 7.1 to issue Shares up to a total value of \$30,000,000 (the "**Placement**").

The Directors wish to ensure shareholder value is maximised and will target the highest price per Share achievable for the Placement. As the Directors have not nominated a fixed price for the purposes of this resolution, the ASX Listing Rules require that the resolution set a minimum "floor price" per Share for the Placement of not more than a 20% discount to the average market price

(as defined in the Listing Rules) for Shares calculated over the 5 trading days prior to the date of issue of the Share (the **New Shares**) by way of placement to sophisticated and institutional investors.

The Shares to be issued under the Placement are to be allotted and issued within three months of the date of the Annual General Meeting.

Under ASX Listing Rule 7.1, the prior approval of shareholders is required to the issue of the New Shares if the total of those securities would represent more than 15% of the Company's ordinary securities then on issue.

This resolution is sought by the Directors to assist the Company to manage its future capital raising requirements and shareholder approval will provide the Company with the necessary flexibility to raise capital if appropriate opportunities arise.

Funds raised by any issue of the New Shares will be primarily applied for the purposes of meeting costs associated with the Company's human clinical trials, product development (including in relation to the Company's miniaturised ventricular assist device, known as the MVAD), regulatory and other compliance costs as well as for general working capital and to meet the expenses of any issue.

Additional Information required by ASX Listing Rule 7.3

In addition to the information for shareholders set out above, for the purposes of ASX Listing Rule 7.3 the following information is provided:

1. The maximum number of New Shares to be issued under Resolution 6 will be calculated according to the following formula:

A = B ÷ C, where:

A = the maximum number of New Shares to be issued;

B = 30,000,000; and

C = the average issue price of all New Shares (after issue of all of the New Shares).

By way of example, if the average issue price of all New Shares (after issue of all of the New Shares) is:

- (a) \$1.20, then the maximum number of New Shares to be issued would be 25,000,000, which would represent 13.8% of the total issued Shares of the Company immediately following the issue of all of the New Shares; or
- (b) \$0.95, then the maximum number of New Shares to be issued would be 31,578,947, which would represent 16.83% of the total issued Shares of the Company immediately following the issue of all of the New Shares.

This example is for illustration only and the actual issue price will vary depending on market conditions and the response of investors to the Placement.

2. The issue price of a New Share will be not be more than a 20% discount to the average market price (as defined in the ASX Listing Rules) for Shares calculated over the 5 trading days prior to the date of issue of the New Share. As noted above, the Directors wish to

ensure shareholder value is maximised and will target the highest price per Share achievable for the Placement.

3. If approved, the New Shares will be issued and allotted progressively but in any event not later than three months from the date of the Annual General Meeting or such later date as approved by the ASX.
4. The allottees of the New Shares will be determined at the absolute discretion of the Directors from sophisticated and institutional investors who apply for Shares in the Company in connection with any proposed capital raising.
5. Any New Shares issued will be fully paid ordinary shares and will rank equally in all respects with the existing fully paid ordinary shares in the capital of the Company. As soon as practicable after the allotment of the Shares, the Company will seek their quotation on the ASX.

Advantages of Passing the Resolution

If passed, the resolution will allow the Company to issue Shares to raise up to \$30,000,000 which the Directors believe can offer the following advantages to the Company and its current shareholders:

- (a) The funds raised will allow the Company to advance its commercialisation and technology development activities.
- (b) These funds are expected to assist the Company to receive maximum commercial advantage from its technology. Without the funds from the Placement, the Company would have to curtail its commercialisation plans until alternative funding is available, which may or may not see the Company lose some of its competitive positioning.
- (c) The Company will be in a stronger financial position as a result of the funds from the Placement than at present. This will also enable the Board and management to focus on the Company's operations and commercialization strategy.

Disadvantages of Passing the Resolution

The issue of Shares to raise up to \$30,000,000 under the Placement could bring the following disadvantages to the Company and its current shareholders:

- (a) The Placement will dilute the shareholdings of current Shareholders. Accordingly, the relative voting power of each Shareholder and the corresponding control over the affairs of the Company will be reduced.
- (b) If the Company was unsuccessful in commercialising its technology, the Company may or may not be in a worse position as a result of the Placement. However, the Company will likely also have greater financial resources than present.

Glossary

AEST	Australian Eastern Standard Time
Annual Report	means the Company's Annual Report for the reporting period ended 31 December 2006, as released to the ASX on 27 March 2006
Board	means the board of directors of the Company from time to time
Company or HeartWare	means HeartWare Limited (ACN 111 970 257)
Corporations Act	means the <i>Corporations Act 2001 (Cth)</i>
dollar or \$	The lawful currency of the Commonwealth of Australia
Directors	mean the directors of the Company from time to time
Listing Rules	mean the Listing Rules of the Australian Stock Exchange Limited
Shares	mean fully paid ordinary shares in the capital of the Company



PROXY FORM

HeartWare Limited ABN 34 111 970 257
Annual General Meeting 2006
Proxy Form

All correspondence to:
Registries Limited
P O Box R67
Royal Exchange, Sydney NSW 1223
Enquiries: 61 2 9290 9600
Facsimile: 61 2 9279 0664
www.registriesltd.com.au
registries@registriesltd.com.au

«NameAddress_1»
«NameAddress_2»
«NameAddress_3»
«NameAddress_4»
«NameAddress_5»
«NameAddress_6»

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions at the bottom of the page.

I/We being a shareholder/shareholders of HeartWare Limited pursuant to my/our right to appoint not more than two proxies, appoint

The Chairman of the Meeting (mark with an "X") **OR**
or failing him/her

Write here the name of the person you are appointing if this person is **someone other than** the Chairman of the Meeting.

Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above) the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney NSW 2000 on **23 May 2006** at **10:00 am** and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.

If you do not wish to direct your proxy how to vote, please place a mark in the box. If you have appointed the Chair of the meeting to exercise your proxy, by marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chair intends to vote 100% of all open proxies in favour of the resolution. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Voting directions to your proxy – please mark to indicate your directions

RESOLUTION	For	Against	Abstain*
1. Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr Robert Thomas as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Appointment of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Increase in Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.
Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director & Sole Company Secretary	Director	Director / Company Secretary

Dated this _____ day of _____ 2006

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **Your pre-printed name and address is as it appears on the share register of HeartWare Limited. If you are Issuer Sponsored and this information is incorrect or incomplete (i.e. J Jones, ABC Company etc), please make the correction on the form and return it to Registries Limited at the address shown below duly signed.** Security holders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Annual General Meeting.
3. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. **Signing Instructions**

You must sign this form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, all of the shareholders should sign.
- Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person.
- If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone.
- Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

9. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 10.00am on Sunday 21 May 2006 (48 hours before the commencement of the meeting). Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand deliveries

**Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000**

Postal address:

**Registries Limited
PO Box R67
Royal Exchange NSW 1223**

Fax number:

+ (61 2) 9279 0664