



## PARTICIPANT BULLETIN

### HEARTWARE LIMITED ("HEARTWARE") - ASTC SETTLEMENT RULE 5.18.2 INCLUSION OF ORDINARY FULLY PAID SHARES OF HEARTWARE LIMITED AS FOR FINANCIAL PRODUCTS – REGULATION S UNDER THE US SECURITIES ACT

This Bulletin contains important information and should be read carefully by Participants.

The following class of Financial Products is expected to be included in Schedule 1 of the ASTC Settlement Rules as an FOR Financial Product, effective 2 August 2007.

Issuer	Financial Product	ASX Code
Heartware Limited	Ordinary Fully Paid Shares of Heartware Limited – Excluded US Person Prohibited	HTW

In order to ensure that foreign ownership restrictions can be monitored and that Heartware's Financial Products are not held by or for the account or benefit of any Excluded US Person, ASTC has agreed:

- (a) to classify Heartware's Financial Products as FOR Financial Products under the ASTC Settlement Rules and to include Heartware's Financial Products in Schedule 1 of the ASTC Settlement Rules; and
- (b) to implement certain additional procedures as contemplated in Guidance Note 4 of the ASTC Settlement Rules (Financial Products subject to Foreign Ownership Restrictions) in relation to Heartware's Financial Products.

The following conditions apply to Heartware's Financial Products as FOR Financial Products:

#### Foreign Person

A "Foreign Person" is an "Excluded US Person" as that term is defined in the attachment to this bulletin.

#### Level of Foreign Ownership

The relevant foreign ownership level is zero.

Heartware as Issuer of the Financial Products, has agreed to be bound by the additional obligations of an Issuer of FOR Financial Products under Rule 5.18 of the ASTC Settlement Rules.

Heartware's Financial Products are being offered and will be traded on the ASX market in reliance on the safe harbour provisions of Regulation S under the US Securities Act and the no-action letter dated 7 January 2000 given to ASX by the staff of the United States Securities and Exchange Commission (SEC) in respect of such offerings on the ASX market. That relief was given subject to compliance with certain procedures described in the no-action letter. These procedures include application of the status of FOR Financial Products to Heartware's Financial Products under the ASTC Settlement Rules.

### **Definition of "Foreign Person"**

A definition of "Foreign Person" is provided by Heartware for the purposes of flagging and establishing Holder Records, and for the guidance of Participants. In this case, "Foreign Person" is an "Excluded US Person" as that term is defined in the attachment to this bulletin.

### **Foreign Ownership Percentage Level**

The relevant Foreign Ownership Percentage Level in respect of Heartware's Financial Products is zero.

This means that no Excluded US Person may purchase or hold Heartware's Financial Products.

Where a holder is currently designated as "F" or "M", and wishes to hold Heartware's Financial Products, but is not an Excluded US Person, a new holder record should be established for that holder designated as "D", for the purposes of holding Heartware's Financial Products.

Where a holder is currently designated as "F" or "M", and is an Excluded US Person, that person cannot purchase or hold Heartware's Financial Products.

Participants should liaise with clients intending to hold Heartware's Financial Products and make all necessary enquiries to ensure that those clients are not Excluded US Persons. Failure to do so may result in client loss. Similarly, Participants may be liable for any failure to establish a new Holder Record designated as "D" or effect a change of residency indicator where it is necessary.

### **Foreign & Mixed Holdings**

Heartware's Financial Products cannot be held by an Excluded US Person in holdings designated as "Foreign" or "Mixed" under any circumstances, as they may be subject to divestment action by the Issuer as set out under ASTC Settlement Rule 5.18.3.

### **Divestment Periods and Procedure**

If the Foreign Ownership Percentage Level is breached, that is, if any Excluded US Person designated as "F" or "M" is registered as holding Heartware's Financial Products, Heartware reserves the right, to the maximum extent permitted by law, to take divestment or forfeiture action in respect of those Financial Products.

Any queries in respect of this information should be directed to Heartware or Registries Limited on (02) 9290 9600.