

HEARTWARE LIMITED

ABN 34 111 970 257



Level 57
MLC Centre
19-29 Martin Place
Sydney NSW 2000
Ph: (+61 2) 9238 2064
Fax: (+61 2) 9238 2063
www.heartware.com.au

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

11 July 2008
BY E-LODGE MENT

Dear Sir / Madam

Issue of Options to Non-Executive Director – Mr Tim Barberich

I refer to the Company's ASX Announcement earlier today confirming that Resolution No. 7 was passed at the Extraordinary General Meeting.

This resolution approves of the grant of 200,000 options to Mr Tim Barberich, Non-Executive Director, with an exercise price of A\$0.60 per option (and otherwise in the accordance with the rules of the Company's ESOP).

Please find an Appendix 3B attached, together with an Appendix 3Y.

Yours faithfully

David McIntyre
**Chief Financial Officer &
Company Secretary**

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

HEARTWARE LIMITED

ABN

34 111 970 257

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Options (unquoted) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 200,000 options (unquoted) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 200,000 Options (unquoted) exercisable at A\$0.60 per Option in accordance with the Company's ESOP. These Options vest in four equal annual tranches commencing on the 1 st anniversary of the grant date (i.e. 11 July 2009). |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Not applicable – the Options are not quoted.</p> <p>However, any ordinary shares issued on exercise of Options will rank equally on conversion.</p>
<p>5 Issue price or consideration</p>	<p>200,000 Options (unquoted) issued with an exercise price of A\$0.60 per Option and in accordance with the Company's ESOP.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issue of 200,000 Options pursuant to the Company's Employee Share Option Plan.</p>
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>11 July 2008</p>

+ See chapter 19 for defined terms.

	Number	+Class
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	310,356,839 Fully paid ordinary shares.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<div>13,344,252</div> <div>Options (unquoted) exercisable at various prices between A\$0.60 and A\$1.50 per option pursuant to the ESOP. (HTWAO).</div> <div>4,273,804</div> <div>Options (unquoted) exercisable at A\$0.20 per option pursuant to the ESOP. (HTWAW)</div> <div>944,204</div> <div>Options (unquoted) exercisable at A\$0.50 per option pursuant to the ESOP. (HTWAQ)</div> <div>2,750,000</div> <div>Performance rights (unquoted) exercisable at A\$0.00 per performance right (with unvested performance rights lapsing on the 5th anniversary of the grant date). (HTWA1)</div> <div>764,204</div> <div>Options (unquoted) exercisable at prices between A\$0.75 per option pursuant to the ESOP. (HTWAZ)</div> <div>1,850,000</div> <div>Incentive Options (unquoted) exercisable at various prices between A\$0.60 and A\$1.50 per option. (HTWAY)</div> <div>1</div> <div>Convertible note (unquoted) for A\$1.42 million accruing interest at 2% per annum calculated monthly in arrears. Principal and capitalised interest are repayable from 24 January 2007. The note is convertible at anytime into ordinary shares at the rate of A\$1.00 per ordinary share.</div>

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
----	--	-----

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A

+ See chapter 19 for defined terms.

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

+ See chapter 19 for defined terms.

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

+ See chapter 19 for defined terms.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

--

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..

(Director/Company secretary)

Date:11 July 2008.....

Print name: ..David McIntyre.....

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	HEARTWARE LIMITED
	ABN 34 111 970 257

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Timothy Barberich
Date of last notice	30 April 2008

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	N/A.
Date of change	11 July 2008
No. of securities held prior to change	NIL
Class	Not Applicable
Number acquired	200,000 options (unquoted) under the Company's ESOP and exercisable at A\$0.60 each
Number disposed	Nil
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	The 200,000 options were granted under the terms of the Company's ESOP

C:\Documents and Settings\dmcintyre\My Documents\Syd # 9 July 2008\Filings\Barberich\ID\ App 3Y Tim Barberich 071108.doc

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

No. of securities held after change	200,000 options (unquoted) under the Company's ESOP and exercisable at A\$0.60 each
Nature of change <small>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</small>	On-market trade

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Nil
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change <small>Note: Details are only required for a contract in relation to which the interest has changed</small>	
Interest acquired	
Interest disposed	
Value/Consideration <small>Note: If consideration is non-cash, provide details and an estimated valuation</small>	
Interest after change	