

Osprey Medical Announces Oversubscribed A\$28 Million Private Placement

Highlights

- Commitments received from an oversubscribed private placement to sophisticated and institutional investors raising approximately A\$28 Million at an issue price of A\$0.28 per CDI
- Proceeds to be used primarily as expansion capital to accelerate Osprey's commercialisation efforts in the United States
- Security Purchase Plan to be offered to existing holders of CDIs at same issue price, capped at A\$1 Million

Placement

Minnesota, United States and Melbourne, Australia – August 4, 2016 – Osprey Medical, Inc. (ASX:OSP) (**Osprey** or **Company**) today announces that it has received commitments from sophisticated and institutional investors to subscribe for 100 Million CHES Depository Interests (**CDIs**) (representing 50 Million shares of Common Stock) at A\$0.28 per CDI to raise approximately A\$28 Million (**Placement**).

The Placement will be completed in two tranches with Tranche 1 consisting of approximately 38.5 Million CDIs (representing approximately 19.3 Million shares of Common Stock) to be issued within Osprey's 15% placement capacity under ASX Listing Rule 7.1 and its 10% placement capacity under ASX Listing Rule 7.1A. Tranche 2 will consist of approximately 61.5 Million CDIs (representing approximately 30.8 Million shares of Common Stock) to be issued subject to stockholder approval at a special meeting of stockholders (**Special Meeting**) to be convened by the Company on or about Tuesday, 30 August 2016.

The funds raised from the Placement will be primarily used by the Company to:

- expand commercialisation of the DyeVert™ System;
- continue research and development of the product portfolio, including DyeVert™ Plus;
- ongoing clinical evaluations for scientific presentation and publication; and
- provide expansion capital to accelerate growth.

Brandon Capital Partners, a 16.1% CDI holder in the Company (pre-Placement), has committed A\$10 Million to the Placement (to be invested in Tranche 2).

Mike McCormick, President and CEO of Osprey, commented: "We are delighted with the oversubscribed placement. It reflects a strong endorsement from the investment community and places Osprey in a very strong position to aggressively expand its sales and marketing team in the US."

"Our commercialisation efforts in the US have resulted in strong sales traction to date with 7 quarters of consecutive growth in sales and samples. Our original sales territory, San Antonio Texas, was profitable in June 2016 with other territories following a similar sales trajectory."

Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited acted as the Joint Lead Managers to the Placement. Vesparum Capital is acting as financial advisor to Osprey.

The CDIs under the Placement and Security Purchase Plan (described below) will be issued on the same terms as, and will rank equally with, the existing CDIs of Osprey.

Indicative Timetable¹²	
Trading halt	Tuesday, 2 August 2016
Record date for SPP	Wednesday, 3 August 2016
Placement and SPP announced and Company resumes trading	Thursday 4 August 2016
Settlement of issue of Placement CDIs under Tranche 1	Wednesday, 10 August 2016
Allotment of issue of Placement CDIs under Tranche 1	Thursday, 11 August 2016
Special Meeting for approval of issue of Placement CDIs under Tranche 2	On or around Tuesday, 30 August 2016
Settlement of Placement CDIs under Tranche 2 ³	Monday, 5 September 2016
Allotment of Placement CDIs under Tranche 2 ³	Tuesday, 6 September 2016

(1) The timetable above is indicative only and may be varied subject to the ASX Listing Rules

(2) All times are in AEST

(3) Assumes stockholder approval (>50%) is granted at the Special Meeting

Security Purchase Plan

In addition to the Placement, the Company is offering existing holders of CDIs with registered addresses in Australia and New Zealand the opportunity to subscribe for up to approximately A\$15,000 or approximately 53,571 CDIs under a Security Purchase Plan (**SPP**). The issue price under the SPP is A\$0.28 per CDI, which is the same price as under the Placement. The amount raised under the SPP will be capped at A\$1 Million. The proceeds of the SPP will be used by the Company for the same purposes as the Placement.

The record date for the SPP is 7pm (Melbourne time), Wednesday, 3 August 2016. Full details of the SPP will be released to the ASX and mailed to eligible CDI holders shortly.

About Osprey

Osprey Medical is focused on protecting patients from the harmful effects of X-ray dye (contrast) used during commonly performed angiographic imaging procedures. The Company's core technologies originated from research conducted by Dr David Kaye at Melbourne's Baker IDI Heart and Diabetes Institute. Its proprietary dye reduction and monitoring technologies are designed to help physicians minimize dye usage. The Company's DyeVert™ System is a next-generation product that reduces contrast while maintaining image quality in a self-adjusting easy-to-use design. Osprey Medical's Board and Management are comprised of experienced and successful personnel with established track records covering medical device development, regulatory approvals, sales and marketing, and mergers-acquisitions. Osprey Medical's advisory board comprises world-recognised experts in heart and kidney diseases.

Forward-Looking Statements

This announcement contains or may contain forward-looking statements that are based on management's beliefs, assumptions and expectations and on information currently available to management. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to our ability to commercialize our products

including our estimates of potential revenues, costs, profitability and financial performance; our ability to develop and commercialize new products including our ability to obtain reimbursement for our products; our expectations with respect to our clinical trials, including enrolment in or completion of our clinical trials and our associated regulatory submissions and approvals; our expectations with respect to the integrity or capabilities of our intellectual property position. Management believes that these forward-looking statements are reasonable as and when made. You should not place undue reliance on forward-looking statements because they speak only as of the date when made. Osprey does not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Osprey may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements.

Restrictions on resale of securities in the United States

The securities to be offered have not been registered under the United States Securities Act of 1933, as amended (**U.S. Securities Act**), or any state securities laws, and until so registered, may not be offered or sold in the United States (**U.S.**) except pursuant to an exemption from the registration requirements of the US Securities Act and applicable state securities laws.

The Placement was made available to investors in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act for offers of securities which are made outside the U.S. This means that the CDIs issued in the Placement are subject to restrictions under Regulation S.

In order to comply with the requirements of Regulation S, investors may not re-sell any Placement CDIs (or underlying securities) into the U.S. to a U.S. person or for the account or benefit of a U.S. Person for a period of one year after the date of issue of the securities unless the re-sale of the securities is registered under the U.S. Securities Act or an exemption from registration is available.

Accordingly, in order to enforce the above transfer restrictions whilst ensuring that holders can still trade their CDIs on ASX, the CDIs will bear a "FOR US" designation on ASX. As a result of the imposition of the "FOR US" designation, all shareholders of the Company will be restricted from selling their CDIs on ASX to U.S. persons.

This announcement is not an offer to sell, nor a solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which the offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction or an applicable exemption therefrom.

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