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NEWS RELEASE
TSX Venture Exchange: NVC

NEOVASC COMPLETES \$4.72 MILLION PRIVATE PLACEMENT

**--Will Fund New Initiative to Treat Mitral Valve Disease and Completion of COSIRA Trial
Designed to Support Marketing Approval of Neovasc Reducer™ for Treatment
of Refractory Angina--**

August 17, 2011 – Vancouver, BC, Canada – Neovasc Inc. (TSXV: NVC) today announced that it has completed a previously announced non-brokered private placement of 4,720,500 equity units at the price of \$1.00 per unit for aggregate gross proceeds of approximately \$4,720,500. Reflecting strong demand, the total amount of the financing was increased from the previously announced maximum of \$4 million. Proceeds of the offering will be used to complete the COSIRA clinical trial, which is designed to provide randomized, controlled safety and efficacy data for the Neovasc Reducer™, an innovative implantable product for treating refractory angina, as well as to advance Neovasc's Tiara™ project to develop a novel transcatheter medical device to treat mitral valve heart disease.

Each unit consists of one common share of Neovasc stock and one-half of one common share purchase warrant of Neovasc stock. Each whole warrant entitles the holder thereof to purchase one common share of Neovasc stock at the exercise price of \$1.25 per share for a period of two years after the closing date of the offering. The securities issued are subject to a four-month hold period from the date of issuance and the placement has been approved by the TSX Venture Exchange.

Participants in the placement included OPKO Health Inc. (NYSE Amex: OPK) which invested \$2 million and Gagnon Securities LLC, whose members invested \$1.42 million. Company directors and officers purchased 95,000 of the equity units issued.

Alexei Marko, CEO of Neovasc commented, "We are encouraged by the strong support we received from new investors in this oversubscribed financing. Completion of this placement provides Neovasc with the necessary funding to significantly advance our pipeline projects that we believe have substantial clinical and commercial potential."

About Neovasc Inc.

Neovasc is a specialty vascular device company that develops, manufactures and markets medical devices for the rapidly growing vascular marketplace. The company's current products include the Neovasc Reducer™, a novel product in development to treat refractory angina and Tiara™, a product being developed to treat mitral valve disease as well as a line of advanced biological tissue technologies that are used to enhance surgical outcomes and as key components in a variety of third party medical products such as transcatheter heart valves. For more information, visit: www.neovasc.com.

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words "anticipates," "believes," "may," "continues," "estimates," "expects," and "will" and words of similar import, constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others, the following: general economic and business conditions, both nationally and in the regions in which the Company operates; history of losses and lack of and uncertainty of revenues, ability to obtain required financing, receipt of regulatory approval of



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product candidates, ability to properly integrate newly acquired businesses, technology changes; competition; changes in business strategy or development plans; the ability to attract and retain qualified personnel; existing governmental regulations and changes in, or the failure to comply with, governmental regulations; liability and other claims asserted against the Company; and other factors referenced in the Company's filings with Canadian securities regulators. Although the Company believes that expectations conveyed by the forward-looking statements are reasonable based on the information available to it on the date such statements were made, no assurances can be given as to the future results, approvals or achievements. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not assume the obligation to update any forward-looking statements except as otherwise required by applicable law.

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