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NEWS RELEASE

TSX Venture Exchange: NVC

NEOVASC INC. ISSUES INCENTIVE OPTIONS TO MANAGEMENT

January 27, 2011 - Vancouver, BC, Canada - Neovasc announced today that on January 26, 2011 the company's board of directors granted a total of 1,293,000 options to Neovasc directors and management. The options have an exercise price of \$1.00, equivalent to the Neovasc's closing market price of \$1.00 on January 26, 2011. Of these options 415,000 will vest immediately and 878,000 will vest on December 31, 2011, upon management achieving certain performance milestones established by the board of directors.

Neovasc Chairman Paul Geyer commented, "Neovasc has made significant progress in growing revenues and advancing its new product pipeline over the past year. The majority of these new options are contingent on the company's success in achieving ambitious objectives over the next 12 months that we expect will create both near and longer term value for Neovasc and our shareholders."

As of January 26, 2011 Neovasc had 691,736 options available for grant in its 10% rolling option plan, as approved by the shareholders at the last Annual General Meeting. To the extent that the number of options granted exceeds the options currently available under the plan, the issuance and exercise of these options are subject to specific approval by the shareholders, as well as the adoption and approval of a 20% fixed option plan by disinterested shareholders at the next Annual General Meeting to be held in June 2011. Review and approval by the TSX Venture Exchange are also required.

About Neovasc Inc.

Neovasc Inc. is a specialty vascular device company that develops, manufactures and markets medical devices for the rapidly growing vascular and surgical marketplace. The company's current products include the Neovasc Reducer™, a novel product in development to treat refractory angina, 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 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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