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NEOVASC TO RAISE UP TO \$2 MILLION IN NON-BROKERED PRIVATE PLACEMENT

--Proceeds will be Used to Fund Reducer™ COSIRA Multi-Center Clinical Trial--

January 7, 2010 - Vancouver, BC, Canada – Neovasc Inc. (TSXV: NVC) today announced that it intends to undertake a non-brokered private placement of approximately 3.7 million units at the price of \$0.27 per unit for aggregate gross proceeds of \$1.0 million. The private placement will include an over-allotment provision enabling the placement of an additional approximately 3.7 million units for total aggregate gross proceeds of \$2.0 million. The proceeds of the offering will be used primarily to fund the COSIRA (**C**oronary **S**inus Reduction for Treatment of **R**efractory **A**ngina) Trial – a multicenter clinical trial intended to demonstrate the safety and efficacy of the company's Reducer™ product for treating refractory angina. The completion of the private placement is subject to TSX Venture Exchange approval and the execution of definitive documentation with investors. The securities issued pursuant to the offering will be subject to a four-month hold period from the date of issuance.

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 will entitle the holder thereof to purchase one common share of Neovasc stock at the exercise price of \$0.40 per share for a period of one year after the closing date of the offering.

"This financing provides Neovasc with the necessary funding to conduct our COSIRA clinical trial, which is designed to further demonstrate the safety and efficacy of our Reducer product for treating refractory angina in patients lacking other treatment options," said Alexei Marko, chief executive officer of Neovasc. "The COSIRA study, which is expected to expand the positive clinical data obtained from our initial 15-patient Reducer trial, will be conducted by leading physicians at internationally recognized medical centers. We anticipate that the results will provide key data for our CE mark application in Europe and will also help drive adoption of this exciting new product once it is cleared for marketing. We expect that our biological tissue product business will be profitable this year and therefore the proceeds of this financing can be substantially allocated to underwriting the COSIRA trial."

Neovasc also announces that effective immediately, Efreem Kamen has resigned from his position as a member of Neovasc's Board of Directors.

About Neovasc Inc.

Neovasc Inc. 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, 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 percutaneous 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. Forward-looking statements contained in this news release include the Company's intention to use the proceeds of the proposed financing to fund the COSIRA clinical trial and the expectation that the Company's biological tissue business will be profitable in 2010. 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. There can be no assurance that all of the anticipated cost savings can be applied to further development to the Neovasc Reducer. 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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