



Pethealth Inc's 24PetWatch Microchip Brand Records Over 300,000 in Unit Sales in Q1

17% Year-on-Year Growth Confirms 24PetWatch as the Industry Leader

Oakville, ON – April 13, 2010. (TSX: PTZ) Pethealth Inc. (“Pethealth” or the “Company”) is pleased to announce that it recorded microchip sales of 301,083 units under its 24PetWatch brand during Q1 2010 vs 257,825 in Q1 2009. The 17% increase in year-on-year unit sales was driven largely through the continued expansion of the Company’s distribution network of animal welfare organisations (“AWOs”) using **24PetWatch microchips** as part of their adoption process. Additionally, the Company reported that, as at 31st March, total pet owner/pet subscriptions in the Company’s 24PetWatch database exceeded 3.27-million subscribers, a net increase of 218,798 subscribers over the quarter.

The Company also reported that it received 51,214 inbound calls from subscribers to the **24PetWatch** call centre during Q1 2010, representing a 24.4% increase over 2009. Subscribers representing 28.5% of total inbound calls chose to purchase one or more of the Company’s products and services during the quarter vs 22.6% in Q1 2009.

“With leading competitors indicating mid single digit year-on-year growth, our 17% increase in unit sales represents an outstanding performance by all those involved in our 24PetWatch business unit,” said Mark Warren, President and Chief Executive Officer of Pethealth Inc. “Equally, I am pleased with the performance of our call centre, which in addition to doing a terrific job reuniting **lost pets** with their owners also continues to make progress in generating additional revenue out of our growing subscriber base.”

During Q2, the Company will roll out its new marketing program in Canada directed principally to owners of veterinary clinics whereby clinic owners will be able to generate travel reward miles based on the number of microchips purchased and subscriptions to 24PetWatch generated. The program will be offered to veterinarians in Ontario, British Columbia, Alberta and Nova Scotia.

Further growth is expected on the back of the Company’s expanded presence in the U.K. market and the increased number of AWOs in both the United States and Canada converting to the Company’s SaaS-based animal management application, PetPoint. Year to date, over 70 AWOs had moved to PetPoint, bringing the total of licensed users to 1,372.

The Company intends to issue its full financial results for Q1 2010 on or before May 12.

About Pethealth

Pethealth is North America’s second largest provider of medical insurance for dogs and cats to pet owners, operating in Canada, the United States and the United Kingdom. In addition, the Company is the leading provider of management software to North American animal welfare organisations through its SaaS-based application and is the leading provider of pet related database management services to the North American companion animal industry. Pethealth offers a unique range of products and services for veterinarians, shelters and pet owners through a number of wholly owned subsidiaries using a range of brand names including *PetCare*, *24PetWatch*, *Pet Protect*, *Petpals Direct*, *ShelterCare*, *PetPoint*, *Petango.com* and *ThePetangoStore.com*.

Pethealth is based in Oakville, Ontario. To find out more about Pethealth, visit the web site at [*www.pethealthinc.com*](http://www.pethealthinc.com).

For further information contact:

Mark Warren, President and Chief Executive Officer

Glen Tennison, Chief Financial Officer

Steve Zeidman, Chief Technology Officer

Pethealth Inc.

(905) 842 2615