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FOR IMMEDIATE RELEASE

Toronto Stock Exchange: PTZ

December 4, 2009.

Pethealth Inc. Announces \$4.5 Million Bought Deal Offering

Oakville, Ontario: December 4, 2009 - Pethealth Inc. ("Pethealth" or the "Corporation") is pleased to announce that it has entered into an agreement with Industrial Alliance Securities Inc. (the "Underwriter") under which the Underwriter has agreed to purchase on an underwritten basis 3,103,449 common shares (the "Common Shares") of Pethealth at a price of \$1.45 per Common Share for total gross proceeds to Pethealth of \$4,500,000. Under the agreement, the Underwriter has an over-allotment option to purchase up to an additional 465,517 Common Shares for \$675,000 in gross proceeds. The proceeds of the offering shall be used primarily for general and administrative expenses and for working capital.

The Common Shares to be sold under this offering will be offered by way of a short form prospectus in the Provinces of British Columbia, Alberta and Ontario and the Common Shares to be sold under this offering will be offered in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended.

The offering is scheduled to close on December 23, 2009 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the Toronto Stock Exchange and other applicable securities regulatory authorities.

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 organizations 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, PawsConnect and Petango.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking

statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Pethealth Inc., or developments in Pethealth Inc's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. Pethealth Inc. cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things, the finalization of a definitive underwriting agreement. The risks and uncertainties that may affect forward-looking statements include, among others: economic market conditions; the ability of the parties to conclude a definitive underwriting agreement on mutually agreeable terms; and other risks detailed from time to time in Pethealth Inc's filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and Pethealth Inc. does not undertake any obligation to update forward-looking statement should assumptions related to these plans, estimates, projections, beliefs and opinions change.

For more information please visit the Corporation's website at www.pethealthinc.com or contact

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