



***Pethealth Inc. Announces Dividend on Series I
6% Convertible Preference shares***

Oakville, ON – January 20, 2010. (TSX: PTZ) The Board of Directors of Pethealth Inc. (“Pethealth” or the “Company”) today announced that they declared a dividend of \$0.12 per series I 6% convertible preference shares (the “Convertible Preference Shares”), payable on January 25, 2010 to the holders of record at the close of business on January 20, 2010.

On January 21, 2004, by way of private placement, Pethealth issued 5,000,000 Convertible Preference Shares. Holders of Convertible Preference Shares are entitled to receive cumulative dividends at the fixed rate of 6% per annum, equal to \$0.12 per Convertible Preference Share.

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*, *PawsConnect.com*, *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.

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Pethealth Inc.

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