



Pethealth Announces the Launch of ThePetangoStore.com

ecommerce platform to take advantage of the Company's growing relationship with pet owners who adopt their dogs and cats

Oakville, ON – November 17, 2009. (TSX: PTZ) Pethealth Inc. ("Pethealth" or the "Company"), is pleased to announce that it has launched its ecommerce web site www.thepetangostore.com. The products available, effective today, which include both pet medication and pet specialty retail, are being offered to the Company's U.S. customers only. The launch of ThePetangoStore.com is part of the natural evolution in the Company's move to become the dominant goods and services provider to those pet owners who choose to adopt their dogs and cats.

The platform for the store is being built off of the Company's leading edge SaaS-based animal management software application, named PetPoint, now used by nearly 1,300 animal welfare organisations in North America. Year to date, these organisations have adopted nearly 600,000 animals through PetPoint and the Company expects nearly 900,000 to be adopted through its application in 2010.

As a hosted solution tied to the Company's 24PetWatch microchip program, the Company has a natural advantage over other goods and services providers wishing to service this growing demographic of new pet owners as the new pet owner and the adopted pet become the Company's customer before any other for profit company gains access to them.

Additionally, Pethealth has the advantage in that its incremental acquisition cost per customer via its shelter platform is near zero, as compared to other online pet pharmacy stores which report acquisition cost per customer of between \$33 and \$38. This advantage means Pethealth can offer aggressive pricing on all products it offers to new pet owners.

"We are delighted to be announcing the launch of ThePetangoStore.com today," said Mark Warren, President and Chief Executive Officer of Pethealth. "Its launch is the next stage in the build out of our non-insurance revenue model which is tied to the growing success of PetPoint, now without question the most popular and widely used animal management application in North America. We are also very pleased that ThePetangoStore.com will be able to further assist financially those animal welfare organisations taking advantage of PetPoint, our free animal management software application, and related programs. Shelters and humane societies have difficulty in generating repeat retail business from their adopters. Via ThePetangoStore.com, for every purchase a financial contribution will be given directly to the organisation from which the pet was acquired."

The Company intends to use its pricing advantage to incentivise participating animal welfare organisations as purchases through ThePetangoStore.com will generate revenue for PetPoint users.

“We think this is great news for our shelter,” said Barbara Carr, Executive Director of Erie County SPCA. “The launch of ThePetangoStore.com adds further value to our relationship with Pethealth. Not only are we able to access free management software, low cost microchips and a pet health insurance program which allows us to transfer post-adoption health care issues to an insurance company, but we will now also be able to generate a recurring revenue stream off of our adopters who we know will be eager to take advantage of the very competitive pricing for the products they need to be good pet parents.”

As of today’s launch, 1,200 skus are being made available, including well-known brands for flea, tick and heartworm medications, as well as non-prescription products such as DogEared, Vetrin and VetriLean. Also available are a variety of leashes, toys, shampoos and bedding for dogs and cats.

“I also want to thank the team at Pethealth for seeing this project through to completion,” added Warren. “In particular, Glen Tennison, our Chief Financial Officer, who really spearheaded the project, and Mike Woodard who has acted as the lead adviser to Glen and the rest of the team.”

Mike Woodard was formerly Senior Vice President of Business Development for PETCO Animal Supplies, Inc. until his retirement in 2007. At PETCO, his responsibilities included the development and operation of www.petco.com. Additionally, the Company has partnered with a well-established pet supply and pharmacy fulfilment house based in the United States which, under contract with Pethealth, will be responsible for all inventory management and shipping activities.

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 program 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*.

Pethealth is based in Oakville, Ontario. To find out more about Pethealth, visit the website at www.pethealthinc.com.

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