



ACN 064 755 237

**TO: COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE LIMITED**

DATE: 6 June 2003

PROGRESS OF THE DEVELOPMENT OF FOOD TOXIN PROJECT FOR TYPE 1 DIABETES.

The Board of Cardia is pleased to announce that it has reached in-principal agreement with the International Diabetes Institute ("IDI") to exercise its option to extend its support to the above Project. The Project continues to show promising links between certain foods and the occurrence of Type 1 diabetes.

Cardia originally announced the establishment of a 12 month option agreement with IDI on 18 July, 2002, whereby Cardia would fund the research and development of the Project covered under Patent No. 5956/01.

Cardia established a wholly owned subsidiary company, BigPharma Ltd ("BigPharma") late in 2002, into which its medical biotechnology projects will be assigned and Cardia Chairman, Mr Pat Volpe, said the extended support for the Type 1 Project was subject to the successful raising of funds through a proposed offering by BigPharma to Cardia shareholders.

Plans for such an offering are underway and will be announced when completed. They are in line with the Company's general strategy of enhancing shareholder value by separate offerings of its individual businesses.

In addition to the Type 1 Project, Cardia continues to support research into the insulin sensitizing factor relating to a new drug for Type 2 diabetes, the current status of which was announced to the market on 25 March, 2003.

Both Diabetes Projects are being conducted in collaboration with IDI and Monash University.

Pat Volpe
CHAIRMAN