



ACN 064 755 237

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

**Date: 6th October 2003.**

**BIOGLOBAL SIGNS HEADS OF AGREEMENT WITH CSIRO FOR WOOD PRESERVATION.**

The Board of Cardia Technologies Limited is pleased to announce that its 42% owned agricultural biotechnology company Bioglobal Pty Ltd ("Bioglobal") has signed a Heads of Agreement (HoA) with the CSIRO Forestry and Forest Products Division ("CSIRO") to collaborate in the development of a novel preservative for the treatment of timber products.

Bioglobal, through previous contract research with CSIRO, has identified a biologically active compound as a potential preservative for timber. It displays broad spectrum fungicidal and insecticidal activity.

CSIRO has previously identified several strategies for improving the permanence of small organic molecules in wood. These same strategies may in principle be applied to Bioglobal's compound. The combination of the two strategies (active and immobiliser) presents an opportunity for Bioglobal and CSIRO to collaborate in the development of a novel preservative for the treatment of timber products.

Wood preservation to protect internal and external timbers from termite and fungal attack is a significant market throughout the world. The chemical market is estimated to be approximately \$35 million per year in Australia, and approximately \$330 million in the USA. With current toxic treatments using chemicals under review, or in the process of being phased out, more environmentally benign alternatives are being sought. The USA has withdrawn the use of chromated copper arsenate from selected applications as from January 2004 ([http://www.epa.gov/epahome/headline\\_021202.htm](http://www.epa.gov/epahome/headline_021202.htm)), and the Australian Pesticides and Veterinary Medicines Authority (APVMA,

**CARDIA TECHNOLOGIES LTD**  
REGISTERED OFFICE  
Level 1, 89 High Street, Kew 3101 Australia.  
Telephone +61 3 9853 3566 Email: [cardia@bigpond.com](mailto:cardia@bigpond.com)

<http://www.apvma.gov.au/>) has instigated a review of these treatments, with the emphasis on the manufacturers to prove safety.

This HoA shows the intent of the parties for future collaboration. Prior to commencing the collaboration, CSIRO will perform further studies to assess if their strategies are applicable to Bioglobal's compound. These studies are targeted for completion by 31<sup>st</sup> January 2004. Until then, both Bioglobal and CSIRO agree not to pursue other collaborative ventures with other parties that explore whether the strategies previously identified by CSIRO may be applicable to immobilisation of Bioglobal's actives.

The two parties will then decide if a collaboration is warranted to bring together the active and the immobilisation strategy for further development. This HoA does not transfer any interest in any existing intellectual property and/or know-how from or to either party, and does not oblige either party to enter into any further agreements about the subject matter of the agreement.

For further information see Bioglobal's website at [www.bioglobal.com.au](http://www.bioglobal.com.au).

Pat Volpe  
Chairman  
0412 088858