



ACN 064 755 237

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

DATE: 5th May 2004

CARDIA SELLS WATER TREATMENT SYSTEM TO SINOPEC, CHINA'S BIGGEST OIL COMPANY

Cardia Technologies Ltd (ASX:CNN) has made a substantial breakthrough into the water treatment market in China with the sale of two water treatment units to Sinopec, China's biggest oil company.

The sale – worth \$30,000 – was between Cardia's wholly-owned water treatment subsidiary in China, and Sinopec's Jiangnan Oilfield Company.

The two units will be treating the waste oil water pumped from their oil wells in central China. The units are designed to separate oil and other impurities from waste water and the combined systems will treat about 30 tones per day.

Mr Pat Volpe, the executive chairman of Cardia, said today the Sinopec sale proves that the expansion of the environmental portfolio is working effectively.

"These sales are likely to be followed by other opportunities at other Sinopec sites," Mr Volpe said.

"While initially small, they position Cardia well to breakthrough into commercialization and market acceptance in China where there is potentially a huge market in water treatment.

"Cardia's equipment can now be sourced from the company's newly-established manufacturing and assembly operations in mainland China, administered through Hong Kong.

"Cardia's growth strategy is for its environmental division to become a stand-alone operating business via its wholly owned subsidiary, Aquenox Pty Ltd.

The Aquenox solution meets Explosion Proven standard EXD II BT4 with its chemical free, water treatment methods.

The system will be deployed initially in the Jiangnan oil fields in Hubei Province, central China. This area is one of the oldest oil production fields in China with annual production capability of 1,652 million tones of crude oil and 129 million cubic meters of natural gas.

CARDIA TECHNOLOGIES LTD

MELBOURNE OFFICE

Suite 510 Level 5, Pacific Tower, 737-741 Burwood Road, Hawthorn. VIC. 3122. Australia
Telephone (03) 9813 3228 Facsimile (03) 9813 2668 Email cardia@bigpond.com

Sinopec is the largest producer and marketer of oil products in China. It is also the number one supplier of petro chemical products and the second largest crude oil producer in China. It is listed in Shanghai, Hong Kong, New York and London.

This sale endorses the Cardia Board's belief that its water treatment technology has diversified applications with sales and rental income being received from the oil industry, the car wash and drinking water markets, the mining sector and from the treatment of blue green algae.

About Cardia Technologies Limited

Cardia Technologies Limited (ASX-CNN) acts as an incubator for businesses specializing in next generation technologies. Its core competency is in identifying and investing in emerging markets and in creating the best corporate structure for each of its business units that will generate shareholder value. The company has four business units including medical biotechnology, environmental technologies, agricultural biotechnology and natural pharmaceuticals. Cardia Technologies Limited has been listed on the Australian Stock Exchange since 1996 with headquarters in Melbourne, Australia.

**Pat Volpe
Chairman**