CARDIA TECHNOLOGIES LIMITED

ACN 064 755 237

TO: COMPANY ANNOUNCEMENTS OFFICE
AUSTRALIAN STOCK EXCHANGE

Date: 14 July 2004.

BIOGLOBAL REALISES $1.77M FOR ITS SHAREHOLDING IN BIOCONTROL LTD

The Board of Cardia Technologies Limited has been advised by Bioglobal Ltd ("Bioglobal") (Cardia has a 42% interest) that it has sold its 13.57% interest in Biocontrol Ltd for $ 1.77m, based on an independent valuation prepared by Deloitte.

The sale was made to Biocontrol Limited as part of a share buy back approved by Biocontrol shareholders at general meeting held on the 13th of July 2004.

ShinEtsu Chemical Company (of Japan) is the major shareholder of Biocontrol Limited holding a 70 % interest before the share buy back.

Consideration for the sale was the acquisition by Bioglobal of the Australian operations of Biocontrol valued at $929,604 and a cash payment of $841,512 – a total of $1,771,116.

The assets of Biocontrol's Australian operations to be acquired consist of:-

	$
Cash	500,000
Stock	333,000
Goodwill	96,604
	$929,604

Revenues generated from the Australian operations of the Biocontrol pheremone technology products over the past two years were:-

	Audited June 2003	Unaudited 30 June 2004
Revenues	$1,850,000	$1,640,000
Net profit (BI&T)	$15,000	$ 73,000

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As part of the transaction, Bioglobal has signed an exclusive three year Supply Agreement with ShinEtsu Chemical, the world's leading pheremone manufacturer, to supply the ISOMATE trademarked product for the Australian market. All trademarks, intellectual property and product registration with the APVMA (Australian Pesticide and Veterinary Medicine Agency) have also been assigned to Bioglobal.

Cardia acquired its interests in Bioglobal in 2001 for $210,000 by the issue of 3 million shares and options. As recorded in Cardia's 2003 Annual Report, Cardia's investment in Bioglobal was valued at $491,824.

Bioglobal has since raised funds via private placements with the latest issue being at 17 cents per share. At that price, Cardia's 42% interest would be valued at $3.74m.

The sale of Bioglobal's interest in Biocontrol and the acquisition of that Company's Australian operations will contribute to Bioglobal's future revenues and cashflow. The cash received from the transaction, will enable Bioglobal to further develop its product research, commercialisation policy and marketing strategy for the other products in its portfolio.

What the transaction means

Biocontrol Limited is an Australian unlisted public company marketing pheremone products under the brand name ISOMATE into the USA, South America and Australia. The ISOMATE pheremone products are the only products marketed by Biocontrol.

Bioglobal had a passive equity investment in Biocontrol of 13.57%. Biocontrol reported a net profit for the year ending 30 June 2003 of $3.26m (before interest, tax, foreign exchange fluctuations and amortization) on global sales of $19m and net assets of $7.5m.
Bioglobal has acquired the exclusive rights to the Australian operations for the ISOMATE pheremone products for a minimum period of three years. The transaction means that Bioglobal no longer has an interest in the Biocontrol operations outside of Australia nor any equity interest in Biocontrol.
However, the transaction means that Bioglobal now has 100% control of the ISOMATE marketing in Australia with direct access to the cashflow of that business.

This transaction is in line with the Cardia's strategy of seeking cash flow revenue either through its investments or through products developed from its intellectual product portfolio. The Australian sales of ISOMATE products will compliment and contribute to expected cashflows generated by the marketing by Bayer of Bioglobal's LuciTrap blowfly products and promote the company's brand awareness strategy.

Over the past five years, revenue from Biocontrol's Australian operations of the pheremone business (specifically the horticultural markets of apples, pears, peaches and grapes) has generated revenues of between $1.5m and $1.8m per annum. The marketing and distribution infrastructure, including staff, will be transferred to Bioglobal.

The ISOMATE products enable growers to establish integrated pest management (IPM) programmes to reduce chemical spraying and residues on the apple, pear, grape and peach crops.

Bioglobal's Product Portfolio
Bioglobal's main business revolves around naturally-based chemical products for crop protection, animal health and environmental insecticide markets. The portfolio contains a mix of products, some of which are market-ready, and others still under development.

Bioglobal's main focus is on:

- Marketing and distribution of the Biocontrol ISOMATE pheremone mating-disruption technology for the Australian territory
- Commercialisation of its market-ready products including the LuciTrap sheep blowfly trap that is exclusively marked in Australia and NZ by Bayer and the BioAttract brand of "attract and kill" technology for the major moth pest control and grain legumes, fruit and vegetables
- Its R&D product development portfolio

For further information see Bioglobal's website at www.bioglobal.com.au.

Pat Volpe
Chairman

If there are any q4ueries please contact Cardia on 03 9813 3228.