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

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**CARDIA SUPPLIES WATER TREATMENT PLANT TO CHINA'S LARGEST
TELECOMMUNICATIONS MANUFACTURER AND WIRELESS
SOLUTIONS PROVIDER**

The Board of Cardia Technologies Ltd is pleased to announce that through its wholly owned China subsidiary, it has sold an Aquenox Waste Water Recycle/Reclaim system to China's largest telecommunications manufacturers and wireless solutions providers, ZTE Corporation ("ZTE"). The sale to ZTE is further endorsement of market acceptance of the Aquenox technology in China, and follows the previously announced arrangements with Sinopec and Petrochina, and other major corporations in China.

The system will be used by ZTE's subsidiary Zhong Xing Xin Electroplating Co. Ltd, to treat the waste water created from its manufacturing and electroplating of mobile phone circuit boards and other electronic apparatus. The manufacturing process involves copper electroplating and the use of special imaging chemicals. The waste water created in this process has been treated by the Aquenox system, resulting in the removal of the major waste elements of copper, down to <1ppm and COD, down to <100ppm, meeting this client's requirements.

The system has been engineered to continuously treat 60 litres per minute of waste effluent, or approximately 70,000 litres per daily manufacturing cycle (20 hrs per day).

The Board is encouraged by this first sale into the hi-tech telecommunications / electroplating industry, demonstrating again the versatility of the Aquenox technology in achieving market acceptance in another different industry application. The electroplating industry is a major industry in China with serious waste water issues.

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The Aquenox system has now been introduced into Australia and China with sales or leasing arrangements to multinational corporations in a variety of industries such as:

- The oil industry via sales to Sinopec.
- The carwash industry with various end-users and including the current trial with Petrochina in Shanghai.
- A municipal truck wash-down facility in Xi'an China via Nanjing Haitian Transport Wash Equipment manufacturers.
- A stand-alone closed-loop recycle system in Australia using the collection of greywater from a carwash operation together with rainwater and the collection of stormwater from neighbouring industrial factories, piped back to a central Aquenox closed-loop water treatment system requiring *no fresh-water input*.
- Telecommunications / Electroplaters via ZTE subsidiary Zhong Xing Xin Electroplating Co. Ltd.
- The Mining industry in Australia.
- A Metals Refinery in Australia.

Cardia strongly believes its water treatment technology is demonstrating its versatility and value to a diverse range of industries and major corporations. It is continuing to actively pursue market opportunities for its Aquenox system and is currently working with several large Australian and Multi-National corporations to provide solutions to their waste water needs.

Should any of these opportunities materialise the market will be advised.

PAT VOLPE
Chairman