CARDIA TECHNOLOGIES LIMITED

ACN 064 755 237

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

DATE: **15 June 2007**

NEW ISSUE OF SECURITIES IN AQUENOX LIMITED

The attached letter will be despatched today to all the Cardia Technologies Ltd's securityholders summarising their Entitlements in new securities in Aquenox Limited as detailed in Offer Information Statement.

PAT VOLPE
Chairman

CARDIA TECHNOLOGIES LTD
REGISTERED OFFICE
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15 June 2007

Dear Securityholder,

New Issue of Securities

Further to the announcement of Entitlements Issue released to the market on 12 June 2007, Offer Information Statement ("OIS") has been lodged with ASX on 13 June 2007 and is available on ASX website www.asx.com.au and on the Cardia Technologies Ltd's website www.cardia.com.au . In accordance with section 727(3) of the Corporations Act 2001 ('the Act"), the OIS is subject to an exposure period of seven (7) days from the date of lodgment with ASIC. This period may be extended by ASIC for a further period of up to seven (7) days.

In summary, the terms of Entitlements Issue are as follows:

- Up to 89,366,210 fully paid ordinary shares on the basis of 1 fully paid ordinary share in Aquenox Ltd for every 3 shares held in Cardia.
- Up to 68,080,276 options on the basis of 1 new option to acquire an ordinary share in Aquenox for every 3 options held in Cardia.
- The issue price of the shares and options will be $0.01 per share and $0.001 per option.
- The options are exercisable at 20 cents on or before 31 December 2015 for one ordinary share per option exercised.
- The Entitlements are non –renounceable.
- The issue will raise approximately $ 961,742.
- The funds raised will be used for the development of Aquenox's water treatment technology and for general working capital purposes.
- The issue will be underwritten by Trayburn Pty Ltd a company associated with Patrick John Volpe, a director of the company, for a 5% underwriting fee which will be approx $48087.10
- Issue will round up.

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Important Dates to the Issue can be noted as below:

Cardia Shares and Options trade ex-entitlement on ASX	Monday ,25 June 2007
Record Date to determine Cardia security holders' entitlements to the Issue (Opening Date)	Friday ,29 June 2007
Despatch of Offer to Cardia Members and Cardia Optionholders	Tuesday ,3 July 2007
Closing Date –Latest date for acceptance and payment in full	Tuesday ,17 July 2007
Allotment of Shares and Options	Monday ,23 July 2007
Despatch of Certificates	Tuesday ,24 July 2007

This letter is to provide all the existing securityholders with the details of the new issue.

There is Option Exercise form attached for the option holders, if they wish to exercise cardia options to participate in share issue of Aquenox Limited.

If you have any questions in regards to the above please do not hestitate to contact the Company.

Yours faithfully,

PAT VOLPE
Chairman

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