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ASX CODE CNN
OTCQX CODE: CDRBY

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 16 June 2011

SUCCESSFUL $4.5M CAPITAL RAISING - DESPATCH OF HOLDING STATEMENTS

Following the Company's announcement released yesterday advising that Cardia Bioplastics Limited ("Cardia" or "the Company") has successfully completed the renounceable rights offer ("Offer") to shareholders and has raised the full $4,472,750, the company now wishes to advise that the allotment and issue of the 447,274,855 new shares and 223,637,482 new options pursuant to the Company's renounceable rights issue offer has been completed and holding statements will be dispatched today.

An Appendix 3B applying for the quotation of new shares and new options allotted and issued under the renounceable rights issue is attached.

The Directors of the Company are very pleased with the outcome of the Offer and acknowledge the support from its shareholders and Patersons Securities Limited for managing the Offer and underwriting the shortfall.

Cardia Chairman, Mr. Pat Volpe, said, "We are very pleased to have raised these funds in what is currently a challenging market. This underscores the fact the Cardia has made significant advancements in the commercialization of our bioplastics products. The market for bioplastics is large and rapidly growing.Cardia's significant groundwork in product and market development is now gaining real traction.

Cardia believes it is well placed to capitalize on potential sales opportunities with the expected global growth in the Bioplastics market in the short term."

Pat Volpe
Chairman

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Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Cardia Bioplastics Limited

ABN

89 064 755 237

We (the entity) give ASX the following information.

Part 1 - All issues
You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Ordinary Shares & Options
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Up to 447,274,855 Ordinary Shares and 223,637,482 Options

+ See chapter 19 for defined terms.

3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares. Options to acquire ordinary shares with an expiry date of 30 June 2012 and exercise price of 1.5 cents.
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	The ordinary shares will rank equally with current quoted ordinary shares from the date of allotment. Shares issued upon the exercise of options will be ordinary shares that will rank equally with the then current quoted ordinary shares from the date of issue.
5	Issue price or consideration	1 cent per share. NIL per option

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued pursuant to a fully underwritten renounceable rights issue of: ◦ 1 new share for every 2 ordinary shares. ◦ 1 new option for every 4 New shares accepted ◦ 1 new option for every 4 New shares underwritten, being Underwriter options per the Underwriting Agreement. To raise the funds for further growth and development of its bioplastics business.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	16th June 2011

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	1,341,824,564	Ordinary Shares
		581,992,197	Options expiring 30th of June 2011 exercisable at 10 cents.
		223,637,482	Options expiring 30th June 2012 exercisable at 1.5 cents

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	Nil	

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Board of Directors will consider establishing a dividend policy upon achievement of profitable operations.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A.
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A

19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if	N/A

+ See chapter 19 for defined terms.

	applicable)	
30	How do +security holders sell their entitlements *in full* through a broker?	N/A
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) ☑ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the *information or documents*

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	
39	Class of +securities for which quotation is sought	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	

Number	+Class

42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)		

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

- There is no reason why those +securities should not be granted +quotation.

- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

+ See chapter 19 for defined terms.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here... Date**: 16th June 2011**

Print name: REKHA BHAMBANI
Company Secretary