

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 23 May 2012

OPTION EXPIRY NOTICE

Further to the earlier announcement, the Company wishes to add the following information to the Option Expiry Notice, as is required by Listing Rule 6.24, Appendix 6A of the Australian Securities Exchange Limited (ASX).

Market Sale Price of Cardia Options (CNOB)

The market sale price of quoted Cardia Options (CNOB) on the ASX was 0.2 cents (\$0.002) on 22nd May 2012, being the last trading day prior to the date of this notice.

During the three months preceding the date of this notice:

- the highest market price of CNOB on the ASX was 0.3 cents on 16 April 2012 & 21 May 2012 ; and
- the lowest market price of CNOB on the ASX was 0.1 cent on 22nd March 2012 & 3rd April 2012.

Option Expiry Notice will be sent out to all Listed Option Holders today.

**Rekha Bhambhani
Company Secretary**

23 May 2012

cardiabioplastics.com
info@cardiabioplastics.com

Dear Optionholder

NOTICE TO OPTION HOLDERS

We write to you as a registered holder of the above number of options (CNNOA) as at today's date. These options entitle you to acquire ordinary fully paid shares in Cardia Bioplastics Limited.

You are formally advised that these options will expire at 5.00 pm AEST on 30 June 2012.

Options may be exercised wholly or in part by completing the exercise of options form and payment of 1.5 cents (\$0.015) for each option exercised, by no later than 30 June 2012. If the "Application for Shares upon exercise of Options" form and payment is not received by 5.00 pm AEST on 30 June 2012 the options will not be exercised and will result in the forfeiture of any rights that you as an optionholder may have in relation to ordinary shares.

Each option exercised, entitles you to acquire one ordinary fully paid share with one free attached piggy back option and the exercise price is 1.5 cents (\$0.015) per option.

Please note that piggyback options (free attached) will only be issued under a disclosure document to be lodged with ASIC probably in July 2012. The piggy back options can be exercised at 2 cents each on or before the expiry date of 30 June 2013.

Pursuant to Listing Rule 6.24, Appendix 6A of the Australian Securities Exchange Limited (ASX), the Company provides the information contained in this notice.

Market Sale Price of Quoted Securities

- The market sale price of ordinary fully paid shares in Cardia Bioplastics Limited on the ASX was 0.6 cents (\$0.006) 22nd May 2012, being the last trading day prior to the date of this notice.

During the three months preceding the date of this notice:

- the highest market price on the ASX was 0.8 cents on 10th, 18th & 19th of April 2012 ; and
- the lowest market price on the ASX was 0.4 cents on 16th May 2012.

- The market sale price of quoted Cardia Options (CENNOB) on the ASX was 0.2 cents (\$0.002) on 22nd May 2012, being the last trading day prior to the date of this notice.

During the three months preceding the date of this notice:

- the highest market price of CENNOB on the ASX was 0.3 cents on 16 April 2012 & 21 May 2012 ; and
- the lowest market price of CENNOB on the ASX was 0.1 cent on 22nd March 2012 & 3rd April 2012.

Last Date of Quotation on ASX

Last date of quotation of the options on ASX will be Friday, 22 June 2012.

A "Notice of Exercise of Options and Applications for Shares" form is enclosed for your completion.

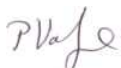
How to Exercise your Options

Please complete the enclosed "Applications for Shares upon exercise of Options" form and then forward it together with your cheque, to be received by 5.00pm AEST on 30 June 2012 to:

Advanced Share Registry Limited
PO Box 1156
NEDLANDS WA 6909
Telephone: (08) 93898033
Facsimile: (08) 93897871

Payments must be in Australian Dollars only, and cheques should be made payable to Cardia Bioplastics Limited and crossed "Not Negotiable" and drawn on an Australian bank.

Yours Sincerely,



Pat Volpe
Chairman

CARDIA BIOPLASTICS LIMITED

CNNOA

ACN 064 755 237

INCORPORATED IN VICTORIA

APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

I/We _____

Securityholder Reference Number (S.R.N) / Holder Identification Number (H.I.N) _____

Contact Telephone Number _____

The registered holder(s) of the Options hereby exercise my/our Option for: _____
In figures *In words*

Ordinary Fully Paid Shares and enclose application money of \$0.015 per share \$.....
(amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Signature Of Shareholder(s) (All joint holders must sign)	Companies Only - Executed in accordance with the Company's Constitution and the Corporations Law.
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Sole Director and Sole Secretary Date
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Director Date <input checked="" type="checkbox"/> _____ Secretary Date
<input checked="" type="checkbox"/> _____ Signature Date	<input checked="" type="checkbox"/> _____ Director Date <input checked="" type="checkbox"/> _____ Director Date

Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry.
The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.

TERMS AND CONDITIONS OF OPTIONS

- Each Option entitles the holder to, subject to any Shareholder approval under Item 7 of section 611 of the Corporations Act (if required), subscribe for one Share in the Company at the exercise price of 1.5 cents. If an Option is exercised by the Option Expiry Date, the Optionholder is entitled to receive a Piggy Back Option for no additional consideration. The Piggy Back Options will only be issued under a disclosure document to be lodged with ASIC probably in July 2012.
- Each Option will expire at 5.00pm EST on 30 June 2012 (**Option Expiry Date**).
- Each Share allotted as a result of the exercise of an Option will rank in all respects pari passu with the existing Shares in the Company on issue at the date of allotment.
- Options do not have any voting rights at general meetings of the Company.
- Subject to the Constitution of the Company and the Corporations Act, the Options will be freely transferable .
- An Optionholder may exercise Options at any time prior to the Option Expiry Date by submitting the relevant Option Exercise Form to the Company's Share Registry. Forms for exercising New Options are available from the Company's share registry, the Company's website or by contacting the Company directly.
- There are not participating entitlements inherent in the options to participate in new issues of capital, which may be offered to shareholders during the currency of the Options. Prior to any new pro rata issue of securities to shareholders, holders of Options will be notified by the Company and will be notified 10 Business Days before the record date (to determine entitlements to the issue), to exercise Options.
- In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of holders of Options will be changed to the extent necessary to comply with the Listing Rules at the time of the reorganisation.
- Shares issued pursuant to the exercise of an Option will be issued not more than 14 days after the Notice of Exercise.

Cheques should be made payable to **CARDIA BIOPLASTICS LIMITED** and crossed "Not Negotiable" and drawn on an Australian Bank and posted to Advanced Share Registry Limited, PO Box 1156, Nedlands, Western Australia 6909.

NOTE: OPTIONS NOT EXERCISED BY 5.00 PM AEST 30 JUNE 2012 WILL AUTOMATICALLY EXPIRE.