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TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 10 October 2013

SHARE PLACEMENT UNDER LISTING RULE 7.1A

The Board of Cardia Bioplastics Limited ("Cardia") is pleased to announce that it has further raised $200,000 from the placement of 80 million ordinary shares at 0.25 cents ($0.0025) per share.

The placement was made to professional and sophisticated investors who do not need disclosure under section 708 of the Corporations Act.

Funds raised will be used for general working capital requirements of the Company.

80 Million fully paid ordinary shares will be issued pursuant to the Company's placement capacity available under Listing Rule 7.1A

The Board of Cardia is pleased with the result of capital raising and interest shown by the existing shareholders and new investors. Including the above placement, the Company has raised $800,000 in total via placement to professional and sophisticated investors. Of the total amount raised, $600,000 was placed under the approval given by shareholders at a general meeting held on 10 July 2013.

In relation to the above placement, the Company provides the following information in accordance with ASX Listing Rule 3.10.5A.

a) Dilution to existing shareholders :

The dilutive effect of the placement on existing shareholders is as follows:

Placement issue under Listing Rule 7.1A (80,000,000) Ordinary Shares)	3.22%
Total Dilution as a result of the Placement	**3.22%**

Further details of the approximate percentage of the issued capital post the Placement held by the pre-placement shareholders and new shareholders are as follows. Please note that this information relates specifically in relation to the portion of shares under Listing Rule 7.1A (80,000,000 Ordinary Shares).

Pre-Placement shareholders who did not participate in the Placement	**96.78%**
Pre-Placement shareholders who did participate in the Placement	**-**
Participants in the Placement who were not previously shareholders	**3.22%**

b) Cardia considered the Placement as the most efficient and expedient method for raising the funds required for general working capital requirements.Cardia also considered that there were significant benefits in introducing new investors to promote a more diverse shareholder base.Cardia also considered that the Company had completed capital raising via Share Purchase Plan in December 2012.

c) No underwriting agreements were in place for the Placement.

d) No Brokerage costs or fees were incurred for the placement.

An Appendix 3B applying for quotation of new securities is attached.

Cleansing Notice as required by section 708A (5) (e) of the Corporations Act 2001 (Cwlth) is also attached.

Pat Volpe
Chairman

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CLEANSING NOTICE-SHARE PLACEMENT

In relation to the Placement, the Company provides the following information in accordance with sections 708A (5) (e) and (6) of the Corporations Act 2001 (Cwlth) ("the Act").

a) the Placement was made without disclosure to investors under Part 6D.2 of the Act;
b) this Notice is given under section 708A(5)(e) of the Act;
c) as at the date of this Notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company and section 674 of the Act;
d) The Company has been working on several development projects and other sales opportunities with number of global or known brand owners, packaging companies and government bodies. No assurance can be given about any commercial outcomes of these opportunities and/or their timings.

   Other than the above qualification, as at the date of this Notice, there is no excluded information as defined under sections 708A (7) and (8) of the Act.

Pat Volpe
Chairman

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Cardia Bioplastics Limited

ABN

89064755237

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	Fully Paid Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	80 Million Ordinary Shares
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 ranking equally with ordinary shares from date of allotment.

+ See chapter 19 for defined terms.

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	Yes
5	Issue price or consideration	$0.0025 (0.25cents) per Share **- $200,000**
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Share Placement to professional and sophisticated investors to raise funds for general working capital purposes
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	29/11/2012
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	80 Million Ordinary Shares
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of securities issued under an exception in rule 7.2	N/A
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes. Shares agreed to be issued on 10 October 2013, the 15 days VWAP calculated under rule 7.1A.3 was $0.0026 The issue price is 96.60% of this 15 dayVWAP. Source: Trading data collated by the Company
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	As per Annexure 1
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	11 October 2013

8 Number and +class of all +securities quoted on ASX (*including* the securities in section 2 if applicable)

Number	+Class
2,486,557,931	Fully Paid Ordinary Shares
221,285,642	Listed Options (Expiry 30/6/2015 , Exercise price 1.5 cents)

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in section 2 if applicable)	100,000,000	Unlisted Options (Expiry 15/7/2014, Exercise Price 0.35 cents)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

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 applicable)	N/A
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

+ See chapter 19 for defined terms.

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

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A
39	Class of +securities for which quotation is sought	N/A
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	N/A
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)	N/A

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

Number	+Class
N/A	

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.

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: **10/10/2013**
(Director/Company secretary)

Print name: Rekha Bhambhani
Company Secretary

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,567,057,896
Add the following: • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period *Note:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	199,500,035 504,983,684
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	-
"A"	2,271,541,615

Step 2: Calculate 15% of "A"	
"B"	0.15 *[Note: this value cannot be changed]*
Multiply "A" by 0.15	340,731,242
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period *not counting* those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 *Note:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	-
"C"	-
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	340,731,242
Subtract "C" *Note: number must be same as shown in Step 3*	-
Total ["A" x 0.15] – "C"	*340,731,242* *[Note: this is the remaining placement capacity under rule 7.1]*

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	2,271,541,615
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	227,154,162
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A *Notes:* • *This applies to equity securities – not just ordinary securities* • *Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed* • *Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained* • *It may be useful to set out issues of securities on different dates as separate line items*	215,016,316
"E"	215,016,316

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	227,154,162
Subtract "E" *Note: number must be same as shown in Step 3*	215,016,316
Total ["A" x 0.10] – "E"	***12,137,846*** *Note: this is the remaining placement capacity under rule 7.1A*