

ASX CODE: CNN



TO: COMPANY ANNOUNCEMENTS OFFICE

ASX LIMITED

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DATE: 19 December 2014

MERGER WITH STELLAR FILMS GROUP – UPDATE

Further to Cardia Bioplastics Limited's (ASX: CNN) (**Company**) announcement on 25 November 2014, the Company wishes to advise the market that it is in the process of finalising the due diligence process in respect of the proposed merger with Stellar Films Group Pty Ltd and Stellar Developments Pty Ltd as trustee for the Stellar Unit Trust (**Stellar**) (**Transaction**).

The Company is pleased to announce the parties have commenced negotiation of merger documentation in respect of the Transaction (subject to shareholder approval), which is expected to be executed on or before Wednesday, 24 December 2014. Further information as to the terms of the Transaction and the indicative timetable will be released at that time. The parties have agreed to extend the due diligence satisfaction date to Monday, 22 December 2014 and expects to be in a position to announce the satisfaction of due diligence findings on the same date.

The Company refers to its announcement dated 3 December 2014 in respect of the share purchase plan (**SPP**) and would like to take this opportunity to remind eligible shareholders of the Company that the SPP offer is due to close on Tuesday, 23 December 2014. The Company encourages all eligible shareholders who intend to take up the SPP offer to lodge their applications as soon as possible, and in any event before 5pm on Tuesday, 23 December 2014.

Yours sincerely,

Richard Tegoni

Chairman

For more information, please contact:
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