



ACN 064 755 237

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

DATE: 18 May 2009

PROPOSED PLACEMENT OF NEW SECURITIES

The Board of Cardia Technologies Limited (“Cardia”) advises that it is proposing to make a placement of 80 million new fully paid Ordinary Shares being less than 15% of the total ordinary shares on issue.

The issue price of the new shares will be 2.7 cents (\$0.027) per share raising \$2,160,000.

The funds raised will be utilized for further expansion of the operations of its recently acquired subsidiary Biograde Limited and for general working capital purposes including expanding its China manufacturing capacity for resins and finished products and expanding its international marketing and sales presence.

The Placement is being managed by Australian stockbroker BGF Equities Pty Ltd.

An Appendix 3B applying for quotation of the new securities will be lodged upon completion of the Placement.

PROPOSED NAME CHANGE

To better reflect the changing nature of the Company’s activities following the acquisition of Biograde Limited and subject to the approval of shareholders the Board intends to change the Company’s name to Cardia Bioplastics Limited.

MINERAL EXPLORATION

The Board also advises that it is currently considering the structure and funding of its wholly owned subsidiary Cam Bow Holdings (Pty) Ltd (“Cam Bow”).

CARDIA TECHNOLOGIES LTD

REGISTERED OFFICE

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Cam Bow, which is the Botswana based subsidiary of Cardia, holds 11 uranium and base metal prospecting licences in that country. Ground Exploration has commenced with a field team currently conducting ground surveys, geo-chemistry and work-chip sampling following the anomalies identified by the Company's aeromagnetic results reported late last year and by Falconbridge and Urangesellschaft in the 1970's.

JOHN WILSON
Company Secretary

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