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TO: COMPANY ANNOUNCEMENTS OFFICE

ASX LIMITED

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Cardia Compostable resin and process secures patents in USA

- United States Patent and Trademark Office grants patents for Cardia Compostable resin and process
- Intellectual Property underpins commercially successful Cardia Compostable product range
- Cardia Bioplastics' technical differentiation endorsed with patents
- Cardia capitalises on growth of bioplastics in the North American market

Cardia Bioplastics Limited is pleased to announce that it has secured patent protection for its Cardia Compostable resin family of products from the United States Patent and Trademark Office. The U.S. patents 8,067,485 and 8,232,348 were granted for Cardia's unique and innovative compostable resin formulations and production processes.

Please find attached the media release.

Richard Tegoni

Chairman

Cardia Bioplastics Limited

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On receiving the news, Dr. Frank Glatz, Managing Director of Cardia Bioplastics said, "This marks an important milestone for Cardia Bioplastics as granted patents further support the technical differentiation of our globally certified Cardia Compostable product offering and protect the intellectual property of the Company."

Cardia's proprietary compostable resins technology delivers homogeneous and well compatibilised materials that are differentiated in their product performance. Cardia Compostable films are strong and tough with good sealability and long shelf life. They display superior puncture, tear resistance and impact toughness. Cardia Compostable products are breathable and therefore great for controlling odour & dissipating moisture. The Cardia technical team has proven with third parties the Cardia Compostable products composting performance in industrial operations and at home.

These US patents expand Cardia Bioplastics growing intellectual property portfolio of 11 patent families, with 12 patents so far granted in USA, Australia, China, Japan, New Zealand and South Africa. The patents protect the composition formulation and manufacturing process invented by Cardia's R&D team.

Richard Tegoni Cardia Bioplastics Chairman stated, "Protecting Cardia's intellectual property is a high priority as it supports our businesses long-term growth strategy of creating new Compostable and Biohybrid™ resins that meet the needs of the growing market for resins and finished products."

Cardia Compostable resins are certified biodegradable and compostable to international standards including Europe EN13432, USA ASTM D6400, Australia AS4736 and Japan Green Pla and are used in a wide variety of applications from films, bags and moulded products to waste management items.

With the US Federal Trade Commission (FTC) announcing several enforcement actions against plastics companies for not complying with the FTC Green Guides and cities across the United States taking steps toward developing composting infrastructures, the demand for validated certified compostable bioplastics

is growing. Demand for bioplastics in the United States continues to grow and is predicted to reach 550 million pounds, valued at nearly \$700 million, in 2016¹.

Dr. Frank Glatz continues, “Customers like our resins and finished products. With our strong patent portfolio, biodegradable and compostable certification and high product performance, Cardia is gaining traction in the US market.”



Cardia Compostable retail carry bag, now patent protected

About Cardia Bioplastics

Cardia Bioplastics Limited (ASX: CNN) is an Australian developer and manufacturer of sustainable resins, films, bags and custom finished products derived from renewable resources for the global packaging and plastic products industries. Cardia holds a strong patent portfolio of sustainable resin technologies. Established in 2002 with its main headquarters in Melbourne, Australia, Cardia also has offices in USA, Brazil, Malaysia and China. Cardia’s Product Development Centre and manufacturing plant is in Nanjing, China.

Cardia Bioplastics is well positioned to benefit from the market shift towards sustainable packaging and organics diversion from landfill programs. Cardia offers customers the choice of using sustainable Cardia Biohybrid™ technology (less oil, lower carbon foot print) or Cardia Compostable technology (delivering certified compostability to international standards) for their packaging or plastic product solutions. The company’s materials are suitable for a broad range of packaging applications, including flexible film, injection moulding, blow moulding, foam, and extrusion applications. For further information visit www.cardiabioplastics.com

Further information:

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¹ The Freedonia Group