

**ASX CODE : CNN**

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**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 22 August 2014**

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**SHARE SALE FACILITY OF LESS THAN MARKETABLE PARCELS**

Cardia Bioplastics Limited (ASX: CNN) (“Cardia” or “the Company”) would like to advise that it will be implementing a share sale facility of fully paid ordinary shares for shareholders who hold less than a Marketable Parcel of shares in the Company (Share Sale Facility). Under ASX Listing Rules, any shareholding at less than \$500 is considered to be less than a Marketable Parcel.

The sale of holdings that are less than a Marketable Parcel is permitted under ASX Listing Rule 15.13 and Clause 2.10 of Cardia’s Constitution. Cardia has initiated the share sale facility to enable shareholders holding less than a Marketable Parcel to have their shares sold without paying brokerage. Cardia will organize payment of all the transaction costs of sale for those shareholders who take advantage of the Share Sale Facility (although any tax consequences from the sale will be the shareholder’s responsibility).

The Record Date for purpose of establishing holders of less than Marketable Parcels is the close of trade on **21 August 2014**. The closing price of the Company’s shares on the Record Date was \$0.003 (0.3 cents) and on that basis less than a Marketable Parcel is 166,666 shares.

Approximately **1968** or **70.38%** of the Company’s shareholders hold less than Marketable Parcels making up only approximately **2.47%** of the Company’s fully paid ordinary shares on issue. By facilitating the sale of less than marketable parcels, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings.

A letter outlining the procedures of the Share Sale Facility will be mailed to eligible shareholders on 3 September 2014 and you do not need to do anything until you receive these details.

Below is an indicative timetable for the sale of the less than Marketable Parcels:

Record Date to determine less than marketable parcels	Thursday, 21 August 2014
Share Sale Facility Opens	Wednesday, 3 September 2014
Share Sale Facility Closes	Thursday, 16 October 2014
Selling of less than marketable parcels commences	As soon as practicable after 16 October 2014
Expected Date for Payment	10 business days after the last sale

Richard Tegoni  
**Chairman**