

ASX CODE CNN

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 24 December 2014

SPP RESULTS AND UPDATE ON MERGER WITH STELLAR FILMS GROUP

Share Purchase Plan Update

Following the closing of Cardia Bioplastics Limited's (ASX: CNN) (Company) share purchase plan on 23 December 2014, the Company is pleased to advise that it has received very good support from its shareholders.

The Company has received applications for **469,750,000** shares raising a total **A\$939,500**. Upon the clearance of all amounts received an Appendix 3B will follow.

The Company wishes to thank its shareholders for their support of the share purchase plan.

Update on Merger with Stellar Films Group

The Company wishes to advise that the merger with Stellar Films Group is progressing well with the parties working cooperatively towards finalising the remaining due diligence items and the transaction documentation well progressed.

Unfortunately the Christmas period and subsequent public holidays has caused some delays in finalisation of these matters. The parties are committed to working through the Christmas break to finalise the due diligence and the transaction documentation. The parties have agreed that transaction documentation will now be executed on or before 12 January 2015.

Richard Tegoni
Chairman