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**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

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Cardia Bioplastics: New China Supply Deal

Melbourne, 13 September, 2010: Australian manufacturer of sustainable packaging products and resins, Cardia Bioplastics Limited, (ASX: CNN) has struck a major agreement with a Chinese bag manufacturing company - its third China deal in three months.

The new agreement with the un-named company will ensure a minimum USD\$0.8m p.a. of Cardia Bioplastics will be purchased by the Chinese bag company, to apply Cardia's resin technology to manufacture compostable bags.

These products will then be exported to the company's local and international client base.

This agreement follows on from a series of deals in China across different market segments recently announced to the ASX, and adds to the company's growing international reputation.

In the past quarter, Cardia has announced supply agreements with:

- Bens Land – A USD\$1.5m annual agreement for nappy and feminine products
- Beifa Group – An agreement with China's largest pens and stationery supplier to manufacture pens from sustainable resins rather than traditional plastics.

Cardia also recently announced an agreement with Australian owned Nature Organics for the supply of its bioplastic resin technology for "bottles and cap closures" for a range of products.

Cardia's Chairman Mr. Pat Volpe said the recent deals demonstrated the momentum Cardia was gaining in the international marketplace, and also highlighted its broad product offerings using patented technology surrounding the use of bioplastics and sustainable resins.

He said the bag company was not being named to protect commercial sensitivities.

"These last four agreements cover nappies and feminine hygiene, pens, bags, bottles and closures," Mr Volpe said.

“This demonstrates the vast potential for sustainable resins. Companies around the world are in need of internationally accredited, quality bioplastics.

“A substantial percentage of the worlds plastic products are manufactured out of China. The accelerated interest in bioplastics makes it logical that Cardia is now receiving a great amount of interest from Chinese companies which have an established portfolio of international clients..”

Mr Volpe said this USD \$0.8m minimum annual order contract was won because Cardia’s compostable resins met stringent international compostability standards.

He noted that the range of renewable biohybrid and certified compostable resins was creating “significant” interest in China where the company’s manufacturing plant was located, but also in other countries which were aggressively pursuing greener alternatives.

“Our bioplastics will be used in day to day consumer products including shopping bags but also in other finished consumer products.”

“Cardia is working with several other companies at the retail consumer end as well as in packaging products that are being developed.”

“We are positioned to expand and this supply agreement is further endorsement of that.”

Mr Volpe said Cardia was getting close on other development projects, and if these were successfully commercialized, Cardia’s sales numbers would “significantly increase”.

Pat Volpe
CHAIRMAN



Cardia Compostable bag products certified to the compostable standards.

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References: ASX release 15/07/2010; Bens land contract
ASX release 15/07/2010 Beifa negotiation
ASX release 06/09/2010 Nature organics contract
ASX release 22/07/2010 Sulo and Cardia launch waste food management

About Cardia Bioplastics

Cardia Bioplastics Limited (ASX CODE: CNN), through its 100% owned subsidiary Cardia Bioplastics Australia Pty Ltd, develops, manufactures and markets sustainable resin technology and finished products derived from renewable resources for the global packaging and plastic products industries. The company holds a strong patent portfolio and its growth is fuelled by the global trend towards sustainable packaging. Established in 202, the company Headquarters and Global Applications Development Centre is in Melbourne, Australia. The Product Development Centre and manufacturing plant is in Nanjing, China. There are Cardia Bioplastics offices in the Americas, Europe and China, and a network of leading distributors across Australia, the Americas, Asia and Europe. Visit www.cardiabioplastics.com



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