

ASX CODE: CNN

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 3 December 2014

PLACEMENT AND SHARE PURCHASE PLAN (SPP)

Cardia Bioplastics Limited (ACN 064 755 237) (“**Cardia**” or “the **Company**”) is pleased to announce that the Company has made a placement of 50 million new ordinary shares (“**Shares**”) at an issue price of \$0.002 per Share to a professional investor to raise gross proceeds of \$100,000 (“**Placement**”).

In addition to the Placement, Cardia will make offers today to eligible shareholders with registered addresses in Australia and New Zealand who held shares in the Company at 5.00pm (AEDT) on 2 December 2014 (“**Eligible Shareholders**”) the opportunity to subscribe for Shares at an issue price of \$0.002 through a share purchase plan (“**SPP**”) (“**Offer**”). The issue price is the volume weighted average market price for existing shares on issue, calculated over the last 5 days on which sales in the shares were recorded before 3 December 2014.

The Company is seeking to raise up to \$1 million under the Offer but may accept oversubscriptions up to 30% of the capital of Cardia currently on issue pursuant to the ASX Listing Rules without shareholder approval.

Proceeds raised through the Placement and Offer will be applied for general working capital purposes and assist with transaction costs in respect of the merger with Stellar Films Group as announced by the Company on 25 November 2014 (“**Merger**”).

Accompanying this announcement are a copy of the SPP cleansing notice in accordance with ASIC Class Order CO 09/425, the terms and conditions of the SPP and a pro forma application form. The terms and conditions of the SPP and personalised application forms will be dispatched to Eligible Shareholders on 5 December 2014.

Under the Offer, Eligible Shareholders can subscribe for Shares at an issue price of \$0.002, up to \$15,000 worth of Shares. The minimum application under the SPP is \$1,000. All applications must be in increments of \$500. New Shares issued under the SPP will rank equally with existing shares on issue.

Under the terms and conditions of the SPP, the Company has the right to scale back or withdraw the Offer.

The table below sets out important dates in respect of the Offer:

Date*	Event
2 December 2014	Record date
5 December 2014	Personalised documents mailed to eligible shareholders
5 December 2014	Offer opens

Date*	Event
23 December 2014	Offer closes
30 December 2014	Allotment date
31 December 2014	Dispatch of holding statements
5 January 2015	New shares commence trading on ASX

* The above timetable is indicative only and the Company may at its discretion vary any of the above dates by making an announcement to ASX.

Important Information

Non-Investment Advice

This document, the terms and conditions of the SPP, the Offer application form and any accompanying documents (collectively, “**SPP Documents**”) do not constitute financial product advice and do not take into account the investment objectives, financial situation, tax position or particular needs of individuals. If you are in doubt as to the course of action you should follow, you should consult your stockbroker, accountant, taxation advisor, solicitor or other professional advisor before participating in the Offer.

Foreign Jurisdictions

The SPP Documents do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any US person (as defined in Regulation S under the *United Securities Act of 1933*, as amended (“**US Securities Act**”). Shares referred to in the SPP Documents may not be offered or sold in the United States absent registration under the provisions of the US Securities Act or an exemption from that registration. The SPP Documents have been prepared for publication in Australia and New Zealand only and may not be released elsewhere.

Sale of Unmarketable Parcels

As announced by the Company on 3 September 2014, the Company has entered into a share sale facility of shares for shareholders who hold unmarketable parcels of shares in the Company (“**Share Sale Facility**”).

The Company wishes to announce that in light of the Merger and the SPP, it has suspended the Share Sale Facility until the Merger is finalised.

Participation in the Share Sale Facility of unmarketable parcels was announced to the market on 22 August 2014 and closed on 16 October 2014.

The suspension of sale of the unmarketable parcel of ordinary shares is in accordance with clause 8 of terms and conditions of Share Sale Facility. The Company confirms that no unmarketable parcels were sold as a result of the Share Sale Facility.

The Directors of Cardia invite eligible shareholders to consider this investment opportunity and thank them for their ongoing support to the Company.

For more information, please contact:
Rekha Bhambhani
Financial Controller/Company Secretary
Cardia Bioplastics Limited
T : +0395620122

Yours sincerely,

Richard Tegoni
Chairman

ASX CODE: CNN

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 3 December 2014

ASIC CLASS ORDER CO 09/425 NOTICE -SHARE PURCHASE PLAN

Cardia Bioplastics Limited (ACN 064 755 237) ("**Cardia**" or "**Company**") announced today that it would offer eligible shareholders of the Company the opportunity to subscribe for new shares ("**Shares**") at a price of \$0.002 per Share under a share purchase plan ("**SPP**"). The issue price of \$0.002 is the volume weighted average market price for existing shares on issue, calculated over the last 5 days on which sales in the shares were recorded before 3 December 2014.

The Company is seeking to raise up to \$1 million under the SPP but may accept oversubscriptions up to 30% of the capital of the Company currently on issue pursuant to the ASX Listing Rules without shareholder approval.

Cardia gives notice under paragraph 7(f)(ii) of ASIC Class Order CO 09/425 that:

- (a) Cardia will make offers on 3 December 2014 to issue Shares to eligible Cardia shareholders under the SPP without disclosure to investors under Part 6D.2 of the *Corporations Act 2001* (Cth) (**Corporations Act**);
- (b) this notice is given in accordance with ASIC Class Order CO 09/425;
- (c) as at the date of this notice, Cardia has complied with:
 - (i) the provisions of Chapter 2M of the *Corporations Act* as they apply to Cardia; and
 - (ii) section 674 of the *Corporations Act*; and
- (d) as at the date of this notice, there is no 'excluded information' (in accordance with the requirements of sub-sections 708A(7) and (8) of the *Corporations Act* as if the notice were a notice under paragraph 708A(5)(e) of the *Corporations Act*).

Yours sincerely,

Richard Tegoni
Chairman



cardiabioplastics.com
info@cardiabioplastics.com

3 December 2014

Dear Shareholder,

Share Purchase Plan

On behalf of the Board, I am pleased to offer you the opportunity to subscribe for shares in Cardia Bioplastics Limited (ACN 064 755 237) (ASX : CNN) ("**Cardia**") through the introduction of a Share Purchase Plan ("**SPP**").

Cardia is seeking to raise up to \$1 million under the Offer but may accept oversubscriptions up to 30% of the capital of Cardia currently on issue pursuant to the ASX Listing Rules without shareholder approval.

Proceeds raised through the SPP will be applied for general working capital purposes and assist with transaction costs in respect of the merger with Stellar Films Group as announced by Cardia on 25 November 2014.

Under the SPP you can subscribe up to \$15,000 worth of new shares in Cardia. New shares acquired under the SPP will be free of brokerage, commissions or other transaction costs.

The price at which the new shares will be issued under the SPP will be \$0.002, which is the volume weighted average market price for existing shares on issue, calculated over the last 5 days on which sales in the shares were recorded before 3 December 2014.

You are entitled to participate in the SPP if you are an eligible Australian or New Zealand shareholder who held shares on the record date of **2 December 2014**.

Full details of the SPP, including key dates, are set out in the enclosed SPP Terms and Conditions. Before making any decision on whether to participate in the SPP, you should read the terms and conditions carefully, including the Application Form and seek your own investment or other professional advice.

Yours sincerely,

Richard Tegoni
Chairman

SHARE PURCHASE PLAN –TERMS AND CONDITIONS

Eligible Shareholders have the opportunity to participate in the Share Purchase Plan (“SPP”) by subscribing for up to \$15,000 of new fully paid ordinary shares (**New Shares**) in Cardia Bioplastics Limited (“**Cardia**” or “**Company**”) without incurring brokerage, commissions or other transaction costs.

The issue price for each New Share is \$0.002, which is the volume weighted average market price for existing shares on issue calculated over the last 5 days on which sales in the shares were recorded before 3 December 2014.

All New Shares issued under the SPP will rank equally with existing fully paid ordinary shares from the date of issue and will carry the same voting rights, dividend rights and other entitlements as existing fully paid ordinary shares.

KEY DATES

Date*	Event
2 December 2014	Record date
5 December 2014	Personalised documents mailed to eligible shareholders
5 December 2014	Offer opens
23 December 2014	Offer closes
30 December 2014	Allotment date
31 December 2014	Dispatch of holding statements
5 January 2015	New shares commence trading on ASX

*Cardia may vary any of the above dates at its discretion (even if the SPP has opened, or if BPAY payment or Application Forms have been received) by lodging a revised timetable with ASX.

IMPORTANT NOTICES

The Offer to participate in Share purchase plan is not recommendation to acquire shares. If you are in any doubt about whether you should participate in this SPP, you should consider obtaining professional or taxation advice to assist you (taking into account your own financial situation, needs and objectives). Nothing in these Terms and Conditions, the Application form or any other accompanying document constitutes investment or financial product advice or is intended to influence whether or not to participate in the SPP.

If you apply to participate in the SPP by completing and returning the Application Form or making a BPAY® payment, you are accepting the risk that the market price of Cardia Shares may change between the date of this offer, the date on which you send in an Application form or make a BPAY® payment and the Allotment Date. This means that it is possible that up to or after the Allotment Date, you may be able to buy shares at a lower price than the issue price.

Cardia encourages you to seek your own professional advice regarding your participation in the SPP. Investments in Cardia are subject to investment risk. Cardia does not guarantee any particular rate of return or the performance of Cardia, nor does it guarantee the repayment of capital from Cardia.

This document is not a prospectus, and has not been lodged with ASIC. The issue of a prospectus is not required for the purpose of the SPP. This document does not contain the types of disclosures required to be contained in a prospectus. You must rely on your own knowledge of Cardia, previous disclosures made by the Company and, if necessary, consult your professional adviser when deciding whether or not to participate in the SPP.

UNITED STATES

This document does not constitute an offer of securities for sale in the United States or to “U.S. persons” (as defined in Regulations under the *U.S. Securities Act of 1933*, as amended (“**U.S. Securities Act**”)) (“**U.S. Person**”) and may not be

sent or disseminated in, directly or indirectly, the United States or to any U.S. Person in any place. New Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, for the account or benefit of, any U.S. Person except in compliance with the registration requirements of the U.S. Securities Act and any other applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

NOTICE TO NEW ZEALAND SHAREHOLDERS

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand as at the Record Date to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

ELIGIBLE SHAREHOLDER

You are eligible to participate in the SPP ("**Eligible Shareholder**") if you were a registered holder of fully paid ordinary at 5.00pm (AEDT) on **2 December 2014** ("**Record Date**"), with an address on the share register in Australia or New Zealand (as shown on Cardia's share register) unless :

- a) you hold Cardia Shares on behalf of another person who resides outside Australia or New Zealand in which case you will not be eligible to participate in respect of Cardia Shares of that person;
- b) you are, or acting for the account or benefit of , a U.S. person); or
- c) your participation in the SPP would be in breach of ASIC Class Order 09/425 ("**Class Order**").

The Offer is being made to New Zealand shareholders in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002*.

Cardia has determined that it is not practical for holders of fully paid ordinary shares with addresses on the share register outside Australia or New Zealand jurisdictions to participate in the SPP.

PARTICIPATION BY ELIGIBLE SHAREHOLDERS

The following rules apply to participation by Eligible Shareholders in the SPP.

Single Holders- If you are the registered holder of a holding of fully paid ordinary shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for up to a maximum amount of A\$15,000 of New Shares.

Joint Holders- If you are recorded with one or more other persons as the joint holder of a holding of fully paid ordinary shares ,that joint holding is considered to be a single registered holding for the purpose of the SPP. Joint holders are only entitled to participate in the SPP in respect of that single holding. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply for one maximum amount of \$15,000 of New Shares.

Custodians, Trustees and Nominees- If you are expressly noted on Cardia's share register as a custodian, trustee or nominee within the definition of 'custodian' in the Class Order ("**Custodian**"), you may apply for up to a maximum \$15,000 worth of shares for each person or persons on whose behalf you or a downstream custodian hold shares (each "**Participating Beneficiary**") (but joint holders are taken to be a single holder). This is subject to you providing Cardia with notice in writing in which you certify to us the matters required by condition 9 of the Class Order ("**Custodian Certificate**").

A Beneficiary is a person for whom a Custodian (being an Eligible Shareholder) held fully paid ordinary shares on behalf of the person on the Record Date and who is not ,or is not acting for the account or benefit of a US person.

If you hold shares as a trustee or nominee for another person, but are not a Custodian within the definition of the Class Order, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings outlined above applies.

Custodians wishing to participate on behalf of one or more beneficiaries should contact the Company's share registry, Advanced Share Registry, on +61 8 9389 8033 to obtain further information on how to apply and the form of custodian certificate to be given to Cardia.

HOW TO APPLY FOR NEW SHARES UNDER THE SPP

The SPP offer opens on **5 December 2014**. Under the SPP, you may apply for New Shares in \$500 increments from a minimum of \$1000 up to a maximum of \$15,000 (subject to scale back described further below).

If you would like to apply for New Shares under the SPP, you can either:

- complete the enclosed Application Form and return it together with your cheque, bank draft or money order made payable to "Cardia Bioplastics Share Subscription Account" drawn on an Australian bank and in Australian dollars for the correct amount to following address of the Company's share registry:

By Mail : Advanced Share Registry Ltd
 P O Box 1156
 Nedlands WA 6909

In Person: Advanced Share Registry Ltd
 110 Stirling Highway
 Nedlands WA 6009; or

- for shareholders with an Australian bank account, make a BPAY payment on the internet or by telephone by using the personalised customer reference number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY you do not need to return your Application Form, but are taken to make the

certifications and representations described in this booklet.

Applications with payments must be received by 5 pm (AEDT) on **23 December 2014**. Applications received after that time will not be accepted.

Applications may only be made for parcels of New Shares in \$500 increments from a minimum \$1,000 up to a maximum of \$15,000. If the amount of the cheque, bank draft or money order tendered with your Application Form or your BPAY payment is :

- less than \$1,000- Cardia will not allot any New Shares to you and will refund your application money to you;
- greater than \$15,000- subject to scale back, Cardia will allot the maximum number of New Shares to you in relation to \$15,000 and will refund the excess application money to you; or
- for an amount between \$1,000 and \$15,000 that is not a multiple of \$500 –subject to scale back, Cardia will allot to you the number of New Shares that would have been allotted had you applied for a multiple of \$500 that is nearest to but less than the amount of your cheque, money order or BPAY payment, and will refund the excess application money to you.

Cardia will refund application monies received from ineligible shareholders, subject to compliance with its legal obligations.

If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred. If your cheque is dishonoured, it will not be re-presented.

If your Application Form is incomplete, contains errors or is otherwise invalid or defective, Cardia may, in its sole discretion, accept, reject, correct or

amend your application money, or take any combination of these actions. Any refund will be paid to you shortly after the close of the SPP. No interest will be paid to applicants on any refunded money.

Applications and payments under the SPP may not be withdrawn once they have been received by Cardia. Application money will not bear interest as against Cardia under any circumstances. Please read the enclosed Application Form for further details of how to apply for New Shares under the SPP.

RISKS

Subscription for New Shares under the Offer is a speculative investment and the market price is likely to change between the date you apply for New Shares and the allotment and issue of New Shares to you. Importantly, there is a risk that during the period between when you apply for New Shares and when the New Shares are allotted and issued to you, the price at which Shares are traded on ASX may be less than the issue price payable under the Offer.

You should consider the information the Company has previously announced to ASX about risks of making an investment in the Company.

In particular, the Company announced on 25 November 2014 its proposed merger with Stellar Films Group (“**Merger**”). The Merger may result in:

- further dilution of each shareholder’s interest in the Company; and
- a reorganisation of the Company’s share capital.

The Merger is subject to due diligence investigations and may not be finalised.

This document is not a prospectus and has not been lodged with ASIC. The issue of a prospectus is not required for the purposes of the Offer. This document does not contain the types of disclosure required to be contained in a prospectus.

In making any decision about whether or not you will participate in the Offer, and (if applicable) the extent of any such participation, you must rely on

your own knowledge of the Company, previous disclosures made by the Company to ASX and, if necessary, consult your professional adviser when deciding whether or not to participate in the Offer.

PARTICIPATION IS OPTIONAL

Participation in the SPP is entirely optional (subject to the eligibility criteria set out in this booklet). The Offer to acquire New Shares is not a recommendation. If you are in any doubt about the SPP or how participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this offer. Cardia also recommends that you monitor Cardia’s share price and any Cardia ASX announcements, which can be found on Cardia’s website at cardiabiooplastics.com or on the Australian Securities Exchange (ASX) website at asx.com.au (ASX code : CNN).

LIMITATION ON APPLICATIONS

Under the SPP, you may apply for a parcel of New Shares in \$500 increments from a minimum of \$1,000 up to a maximum of A\$15,000. The Offer under the SPP needs to comply with the Class Order. Under that Class Order, Eligible Shareholders may only acquire up to a maximum of \$15,000 of New Shares under a share purchase plan or similar plan in any 12 month period (except in certain circumstances as described in “Participation by Eligible Shareholders” above).

This limitation applies even if you receive more than one Application Form or if you hold Cardia Shares in more than one capacity –e.g if you are both a single and joint holder of Cardia Shares, as set out on page 2 of this booklet. The \$15,000 limit applies irrespective of the number of fully paid ordinary shares you hold on the Record Date.

SCALEBACK

Cardia reserves absolute discretion regarding the amount to be raised under the SPP, including the right to scaleback applications.

If there is a scaleback, you may not receive the full parcel of shares for which you have applied. If a scaleback produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded up to the nearest whole number of New Shares.

If there is a scale back, Cardia may, at its absolute discretion, determine to apply the scale back to the extent and in the manner that it seems fit. Please note that under the ASX Listing Rules there is an upper limit on the number of shares which may be issued under an SPP without prior shareholder approval, which represents 30% **(1,114,329,751 shares)** of the issued capital of Cardia currently on issue.

In the event of a scale back the difference between the application monies received, and the number of New Shares allocated to you multiplied by the issue price, will be refunded to you (as described below), without interest payable to you, as soon as practicable following allotment.

HOW WILL APPLICATION MONIES BE REFUNDED

Any application monies refunded by Cardia will be paid by cheque or direct credit (the payment method will be determined by Cardia at its absolute discretion) in Australian currency. By applying for New Shares, you authorise Cardia to pay any monies to be refunded by using your payment instructions recorded in the Company's Share Registry's records if Cardia should elect to pay in this manner.

ISSUE PRICE

The issue price per New Share under the SPP is \$0.002, which is the volume weighted average market price for existing shares on issue, calculated over the last 5 days on which sales in the shares were recorded before 3 December 2014.

UNDERWRITING

The SPP is not underwritten.

CERTIFICATIONS, ACKNOWLEDGMENTS, REPRESENTATIONS & AUTHORISATIONS

By completing and submitting the Application Form (together with a cheque, bank draft or money order) or making a BPAY payment:

- you certify that the aggregate of the application price paid by you for:

- the New Shares the subject of your Application Form or BPAY payment; and
- any other New Shares applied for by you under the SPP or any similar share purchase plan arrangement operated by Cardia in the 12 months prior to the date of lodgement of the Application Form or BPAY payment (Cardia has not conducted a share purchase plan or similar plan in the prior 12 months),

does not exceed \$15,000, unless you are applying as a Custodian for one or more Beneficiaries;

- you represent that you are an Eligible Shareholder;
- you authorise Cardia to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;
- you acknowledge that Cardia may determine that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- you accept the risk associated with any refund that may be sent to your address or to your nominated bank account as shown on Cardia's share register;
- you are responsible for any dishonour fees or other costs Cardia may incur in presenting a cheque for payment that is dishonoured;
- you acknowledge that no interest will be paid on any application monies paid in connection with the SPP and that are held pending the allotment of the New Shares or subsequently refunded to you for any reason;
- you acknowledge that you have been provided with investment advice or financial product advice by Cardia or Cardia's share registry and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in, or the extent of such participation in the SPP;
- you acknowledge that Cardia is not liable for any exercise of its discretions referred to in these Terms and Conditions;

- you irrevocably and unconditionally agree to these Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP;
- you acknowledge that the New Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws;
- you agree not to send any materials relating to the SPP to any person in the United States that is, or is acting for the account or benefit of a US person;
- you represent that you are in compliance with all relevant laws and regulations (including, without limitation, section 1043A of the Corporations Act (insider trading) and laws and regulations designed to restrict terrorism financing or money laundering); and
- you represent that you are not a “designated person” or “designated entity” (or other like term) for the purpose of any domestic or international law or regulation implementing United Nations sanctions.

Cardia reserves the right to reject any application for New Shares under the SPP (in whole or in part), including where it considers that the application (whether alone or in conjunction with other applications) does not comply with these or any legal requirements.

Custodians wishing to apply on behalf of more than one Beneficiary should contact the Company Secretary or Advanced Share Registry for more details.

CALCULATION OF THE NUMBER OF NEW SHARES TO BE ISSUED TO YOU

If you apply for Shares under the SPP you will apply for a certain parcel value rather than a certain number of Shares. Subject to these Terms and Conditions, the number of Shares you are allocated will be determined by:

- a) if there is no scaleback applied to your allotment, dividing the value of the parcel of Shares you have applied and paid for, by the issue price; or
- b) if there is a scaleback applied to your allotment, the scaled back amount of your parcel divided by the issue price.

If the calculation above produces a fractional number, the number of Shares you will be allotted will be rounded up to the nearest whole number.

ALLOTMENT AND QUOTATION DATES

New Shares are expected to be allotted under the SPP on **30 December 2014** and Cardia expects to apply for those New Shares to be listed for quotation on ASX on **31 December 2014**.

Cardia expects to dispatch a holding statement or confirmation advice in respect of the New Shares allotted to you under the SPP on **31 December 2014**. You should confirm your holding before trading in any New Shares you before trading in any New Shares you believe have been allotted to you under the SPP.

RIGHTS ATTACHING

The rights and obligations of the New Shares are contained in the Constitution. The New Shares will be allotted on the same terms as all other Shares and the Company will apply for the New Shares to be quoted on ASX. If the New Shares are not quoted on ASX, the New Shares will not be issued and all application moneys will be refunded.

PRIVACY

By receiving completed Application Forms, the Company collects personal information about shareholders of the Company. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. To the extent restricted by law, the Company will not disclose personal information about a shareholder to a third party. To the extent permitted by law, Shareholders are able to access, upon request, personal information about them held by the Company.

DISPUTE RESOLUTION

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP. The decision of the Company will be conclusive and binding on all participants and other persons to whom the determination relates. The Company's rights may be exercised by the Board or any delegate of the Board.

ADDITIONAL INFORMATION

The Offer to purchase New Shares under the SPP is non-renounceable. This means that you cannot transfer your right to acquire New Shares under the SPP to anyone else.

No brokerage is payable by you in respect of the issue of New Shares under the SPP.

The Offer is made in accordance with the Class Order, which grants relief from the requirement to prepare a prospectus for the offer of New Shares under the SPP.

By accepting the Offer, you agree to be bound by the Terms and Conditions in this booklet and Cardia's Constitution.

Once submitted, applications for New Shares under the SPP cannot be withdrawn or altered.

The entitlement to participate in the SPP is in respect of fully paid ordinary shares only.

Cardia reserves the right to waive strict compliance with any provision of the Terms and Conditions of the SPP and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where Cardia does not notify you of that event. Cardia may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application.

Any determination by Cardia will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Cardia's right may be exercised by the Board of Cardia or any delegate of the Board.

All amounts are in Australian Dollars, unless otherwise stated.

The Offer is governed by the law in force in Victoria, Australia and are to be interpreted in accordance with their spirit, intention and purpose.

QUESTIONS

If you have any questions about this SPP Offer, please call:

The Company Secretary, Cardia Bioplastics Limited on +61 3 95620122 or Advanced Share Registry on +61 8 93898033.

CARDIA BIOPLASTICS LIMITED
ACN 064755237

Share Purchase Plan Application Form

Step 1: Registration Name & Offer Details

Registration Name: Mr Sam Sample Flat 123 123 Sample Street Sampleville VIC 3030 HIN/SRN No : xxxxxxxx	Offer Details : Record date : 2 December 2014 Offer Closing date: 5.00 pm (AEDT), 23 December 2014. Minimum value available to purchase: A\$1,000 Maximum value available to purchase: A\$15,000
--	---

Step 2: Make your Payment

 Biller Code : 212969 Ref No : xxxxxxxx	Pay by Mail Make your cheque, money order or bank draft payable to Cardia Bioplastics Share Subscription Account. Return your cheque with this Application form to: By Mail : Advanced Share Registry Ltd P O Box 1156 Nedlands WA 6909 In Person: Advanced Share Registry Ltd 110 Stirling Highway Nedlands WA 6009
	Contact your financial institution to make your payment from your cheque or savings account

Privacy Statement

Personal information is collected on this form by Advanced Share Registry Limited ("ASW") as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW.

Purchase Details for Cardia Bioplastics Limited

<input type="checkbox"/> A\$1,000 worth of securities	OR	<input type="checkbox"/> A\$5,000 worth of securities	OR	<input type="checkbox"/> A\$7,500 worth of securities
<input type="checkbox"/> A\$10,000 worth of securities	OR	<input type="checkbox"/> A\$12,500 worth of securities	OR	<input type="checkbox"/> A\$15,000 worth of securities

OR other amount between A\$1,000 and A\$15,000 in A\$500 increments

A\$

Payment must be received by 5.00pm (AEDT) 23 December 2014.

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

Instructions to Share Purchase Plan Application Form

Your payment must be received by 5.00pm (AEDT), Tuesday 23 December 2014.

This is an important document that requires your immediate attention.

It can only be used in relation to the securityholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Custodians should not use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To apply for Shares on behalf of distinct beneficiaries, custodians must obtain a separate custodian certificate/form from the Company's share registry- Advanced Share Registry Services Ltd .(ASW)

By making payment you agree to be bound by the Constitution of Cardia and that the submission of this payment constitutes an irrevocable offer by you to subscribe for Cardia securities on the terms and conditions of the Share Purchase Plan (SPP).

In addition, by submitting this Application form or making your payment via BPay, you certify that the aggregate of the application price paid by you for:

- the securities the subject of this Application form or the BPay payment; and
- any other securities and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of this Application form or the making your payment via BPay, does not exceed A\$15,000.

Cardia may make determinations in any manner it thinks fit, in relation to any difficulties which may arise in connection with the SPP whether generally or in relation to any participant or application.

Any determinations by Cardia will be conclusive and binding on all eligible securityholders and other persons to whom the determination relates. Cardia reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions or to suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all eligible securityholders even where Cardia does not notify you of that event.

Step 1 : Registration Name

Please check the details provided and update your address with Advanced Share Registry if any of the details are incorrect.

Step 2 : Make Your Payment

Note that securities may be purchased in increments of A\$500 subject to purchase of the minimum value and not exceeding the maximum value. Note that the amount chosen may be subject to scaleback in accordance with the terms of the SPP.

Choose one of the payment methods shown below.

BPAY®: See overleaf. **If you pay via BPay, you do not need to return this Application Form.**

By Mail: Complete this Application Form and return with your payment. Make your cheque or bank draft payable in Australian dollars to Cardia Bioplastics Share Subscription Account. Cash is not accepted.

Payment will be processed on the day of receipt. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

If you have any enquiries concerning this Application Form or your entitlement, please contact ASW on (61 8) 9389 8033.