

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Cardno Limited

ABN

70 108 112 303

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in Cardno Limited |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Approx 15,085,077 ordinary shares to be issued under a renounceable Rights Issue (refer to the Information Booklet lodged with the ASX on 5 July 2010) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The principal terms of the new ordinary shares are the same as the existing fully paid ordinary shares |

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the new fully paid ordinary shares will rank pari passu in all respects with existing fully paid ordinary shares.</p>														
<p>5 Issue price or consideration</p>	<p>\$3.25</p>														
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To assist with funding the acquisitions of ENTRIX Holding Company and Environmental Resolutions, Inc and to strengthen the company's balance sheet.</p>														
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>11 August 2010</p>														
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1182 995 1218">Number</th> <th data-bbox="995 1182 1291 1218">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1218 995 1375">Up to 105,595,538</td> <td data-bbox="995 1218 1291 1375">Fully Paid Ordinary (CDD)</td> </tr> </tbody> </table>	Number	+Class	Up to 105,595,538	Fully Paid Ordinary (CDD)										
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<p>9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1406 995 1442">Number</th> <th data-bbox="995 1406 1291 1442">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1442 995 1541">330,000</td> <td data-bbox="995 1442 1291 1541">Options (exercise date 25/10/10)</td> </tr> <tr> <td data-bbox="695 1541 995 1639">1,538,500</td> <td data-bbox="995 1541 1291 1639">Options (exercise date 05/12/10)</td> </tr> <tr> <td data-bbox="695 1639 995 1738">2,258,000</td> <td data-bbox="995 1639 1291 1738">Options (exercise date 05/12/11)</td> </tr> <tr> <td data-bbox="695 1738 995 1836">135,000</td> <td data-bbox="995 1738 1291 1836">Rights (exercise date 22/10/2013)</td> </tr> <tr> <td data-bbox="695 1836 995 1935">224,000</td> <td data-bbox="995 1836 1291 1935">Rights (exercise date 02/12/2013)</td> </tr> <tr> <td data-bbox="695 1935 995 2018">2,244,900</td> <td data-bbox="995 1935 1291 2018">Options (exercise date 02/12/2013)</td> </tr> </tbody> </table>	Number	+Class	330,000	Options (exercise date 25/10/10)	1,538,500	Options (exercise date 05/12/10)	2,258,000	Options (exercise date 05/12/11)	135,000	Rights (exercise date 22/10/2013)	224,000	Rights (exercise date 02/12/2013)	2,244,900	Options (exercise date 02/12/2013)
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+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
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12	Is the issue renounceable or non-renounceable?	Renounceable & tradeable on ASX
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13	Ratio in which the +securities will be offered	1 ordinary share for every 6 ordinary shares held
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14	+Class of +securities to which the offer relates	Fully Paid Ordinary
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15	+Record date to determine entitlements	13 July 2010 (7pm AEST)
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16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
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17	Policy for deciding entitlements in relation to fractions	Fractional entitlements will be rounded up to the nearest whole share
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18	<p>Names of countries in which the entity has +security holders who will not be sent new issue documents</p> <p>Note: Security holders must be told how their entitlements are to be dealt with.</p> <p>Cross reference: rule 7.7.</p>	In respect of retail shareholders all countries other than Australia, New Zealand and the United Kingdom.
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19	Closing date for receipt of acceptances or renunciations	3 August 2010 (5:00pm AEST)
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20	Names of any underwriters	RBS Morgans Corporate Limited
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21	Amount of any underwriting fee or commission	Underwriting fee of 3% (including GST) and a management fee of 0.5% (plus GST) of the gross proceeds of the Rights Issue.
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22	Names of any brokers to the issue	N/A
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23	Fee or commission payable to the broker to the issue	N/A
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24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	A handling fee of 1.5% (plus GST) up to a maximum of \$250 per application will be payable by RBS Morgans Corporate Limited, subject to the conditions set out in section 1.7 of the Information Booklet.
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	19 July 2010
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	7 July 2010
29	Date rights trading will end (if applicable)	26 July 2010
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Shareholders who wish to sell their Rights in full must instruct a stockbroker personally and provide them with the necessary details as provided in the Entitlement and Acceptance form, allowing sufficient time for instructions to be carried out by the stockbroker.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Shareholders who wish to sell part of their Rights and accept the balance must contact their stockbroker as soon as possible and forward the Entitlement & Acceptance form to the share registry for processing, together with payment for the part of the Rights that they wish to accept.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Shareholders are to obtain a Standard Renunciation Form from the share registry (Computershare Investor Services) or stockbroker, provide it to the transferee to complete and deliver the completed Standard Renunciation Form and transferee's cheque for the amount due to the share registry.
33	+Despatch date	11 August 2010

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

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42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

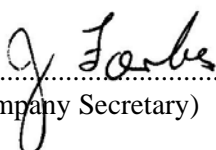
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


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(Company Secretary)

Date: 5 July 2010

Print name: Jeffrey Ian Forbes

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+ See chapter 19 for defined terms.