

5 July 2010

Cardno Limited  
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## ASX RELEASE

**Issuer: Cardno Limited (ASX Code: CDD)**

### **RIGHTS ISSUE CLEANSING NOTICE UNDER SECTION 708AA(2)(f) CORPORATIONS ACT**

Cardno Limited (**Cardno**) announced on 5 July 2010 that it will undertake a renounceable rights issue of up to 15,085,077 fully paid ordinary Cardno shares (**Rights Issue**). Eligible shareholders will be entitled to subscribe for 1 ordinary Cardno share (**New Shares**) for every 6 ordinary Cardno shares held at the Record Date, being 7.00pm (AEST) on 13 July 2010, with each such share being issued at an issue price of \$3.25 to raise up to \$49 million (**Offer**).

Cardno will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) Corporations Act 2001 (**Corporations Act**) as notionally modified by ASIC Class Order 08/35 (**CO 08/35**).

Further details regarding the Offer are set out in the Information Booklet accompanying this Notice.

#### **Details of the securities issued**

<b>Class of securities:</b>	Ordinary shares
<b>ASX Code of the securities:</b>	CDD
<b>Date of the issue or expected issue of the securities:</b>	11 August 2010
<b>Total number of securities issued or expected to be issued:</b>	15,085,077

For the purposes of section 708AA(7) Corporations Act, Cardno advises:

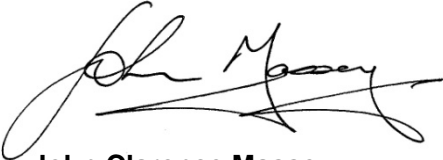
- 1 the New Shares will be issued without disclosure under Part 6D.2 Corporations Act as notionally modified by CO 08/35;
- 2 this notice is given under section 708AA(2)(f) Corporations Act as notionally modified by CO 08/35;
- 3 as at the date of this notice, Cardno has complied with the provisions of:
  - (a) Chapter 2M Corporations Act as they apply to Cardno; and
  - (b) Cardno has complied with section 674 Corporations Act;

- 4 as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) Corporations Act; and
- 5 the issue of New Shares pursuant to the Rights Issue is not expected to have any material effect or consequence on the control of Cardno, but is dependent on a number of factors including investor demand and trading of the rights. However:
  - (a) if all shareholders take up their right for New Shares, the Rights Issue will have no effect on the control of Cardno; and
  - (b) to the extent that any shareholder fails to take up their right for New Shares under the Rights Issue, that shareholder's percentage holdings in Cardno will be diluted by those other shareholders who take up some, all or more than their right.

The Rights Issue is fully underwritten by RBS Morgans Corporate Limited.

Further details regarding the Rights Issue are set out in the Information Booklet.

Signed for and on behalf of Cardno:



**John Clarence Massey**  
Chairman  
Cardno Limited