



Prospectus

This Prospectus is for the purposes of issuing up to 545,815 Shares at \$4.307 in regard to the Acquisition of Forbes Rigby Pty Ltd (ACN 003 936 981). The Offer under this Prospectus is strictly limited to the Vendors and is not open to existing shareholders of Cardno Limited or the public.

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IMPORTANT NOTICE

This Prospectus is dated 7 April 2006. A copy of this Prospectus was lodged with ASIC on 7 April 2006. ASIC and ASX and their respective officers take no responsibility for the contents of this Prospectus. The fact that ASX may admit the Shares to the official list is not to be taken in any way as an indication of the merits of the Company or of the Shares offered under this Prospectus. No Shares will be allotted or issued on the basis of this Prospectus later than the expiry date, being the date that is 13 months after the date of this Prospectus.

This Prospectus does not constitute an offer in any place where, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside the Commonwealth of Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

This Prospectus provides information for investors to decide if they wish to invest in Cardno and should be read in its entirety. In particular, the assumptions underlying any financial forecasts and the risk factors that could affect the financial performance of Cardno should be examined. If, after reading this Prospectus, investors have any questions about the desirability of, or procedure for, investing in Cardno, investors should contact their stockbroker, accountant or independent financial adviser.

Defined terms and abbreviations used in this Prospectus are explained in the Definitions section of this Prospectus. All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

1. HIGHLIGHTS

1.1 Overview

Cardno is offering up to 545,815 Shares in the Company at an issue price of \$4.307 each to the Vendors, as part of the consideration for the Acquisition.

1.2 Impact of the issue on the capital structure

Cardno currently has 41,250,770 Shares, 11,958,156 Convertible Notes and 864,000 Options on issue. Details of the interests of Directors are contained in Section 7.4.

On completion, assuming the Offer is fully subscribed by the Vendors, the Company will have 41,796,585 Shares on issue.

1.3 Applying of Shares

The Vendors may apply for Shares as set out in Section 3.

1.4 Financial summary

As required by the ASX continuous disclosure rules, Cardno provides regularly updated financial information to the ASX and this information can be viewed on the ASX website or by contacting the ASX.

1.5 Underwriting, advisory and handling fees

There are no underwriting, advisory or handling fees associated with this Offer.

1.6 ASX listing

Cardno is listed on ASX and its Shares are quoted on ASX.

Application will be made within 7 days after the date of this Prospectus for quotation of the Shares, offered under this Prospectus, on ASX.

If ASX does not grant quotation of all Shares within 3 months of the date of this Prospectus, the Company will act in accordance with section 724 of the Corporations Act.

1.7 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer.

If this Prospectus and the Offer are withdrawn for any reason, the Company will return all Application Monies in accordance with the Corporations Act. Any interest earned on Application Monies will remain with the Company.

1.8 Risk factors

Investors should read this entire Prospectus and, in particular, consider the risk factors that could affect the financial performance of Cardno before deciding to invest. A summary of risks applying to an investment in Cardno is set out in Section 5 of this Prospectus.

Investors should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their stockbroker, accountant or independent financial adviser.

2. DETAILS OF THE SHARE ISSUE

2.1 Purpose of Offer

The Company is offering to the Vendors, Shares as part of the consideration for the Acquisition. The Company has sufficient working capital to meet its stated objectives. Revenue received as a result of the Acquisition will form part of the general working capital of the Company. The issue will not have a material impact on the Company's Balance Sheet.

2.2 Share Issue details

Cardno is offering for subscription up to 545,815 Shares at an issue price of \$4.307 per Share, totalling \$2,350,827.

2.3 Allotment

Allotment of Shares offered under this Prospectus will be made as soon as possible after the Closing Date. Cardno Limited reserves the right to allocate Shares in full on any Application, or to allocate any lesser number, or to decline any Application. Where no allotment is made, the amount tendered will be returned in full with the relevant Application Form.

Where the number of Shares allotted is less than the number of Shares applied for, the surplus Application Money will be despatched to the Applicant as soon as practicable after the Closing Date. Interest will not be paid on refunded Application Money. Any interest earned on Application Money prior to allotment or return will belong to Cardno Limited.

2.4 Rights attaching to Shares

The Shares offered under this Prospectus will rank equally in all respects with the Shares currently on issue. The rights attaching to all Shares are detailed in the Constitution, a summary of which is contained in section 6. A copy of the Constitution can be obtained by contacting the Company Secretary.

2.5 Dividend policy

Cardno's dividend policy is to pay out between 70% and 85% of the Cardno Group's after tax profits as dividends.

Cardno's dividend policy is subject to future business conditions and opportunities and cash flow requirements. The extent, timing, level of franking or payment of any future dividends are dependent on a number of factors, including the level of earnings, the amount of tax paid and the financial position of Cardno, operating conditions and the occurrence of any of the events listed in Section 5.

2.6 Offer not underwritten

The Offer is not underwritten.

2.7 ASX Listing and Escrow

Not later than 7 business days after the date of lodgement of this Prospectus, an application will be made to ASX for quotation of the Shares.

The fact that ASX may admit the Shares for quotation is not to be taken in any way as an indication of the value or merits of Cardno Limited or the Shares offered for subscription. Quotation, if granted, will commence as soon as practicable after the issue of holding statements to successful Applicants. If permission for quotation of the Shares is not granted within 3 months after the date of this Prospectus, all Application Monies will be returned to Applicants without interest, as soon as practicable.

Shares issued under this Prospectus will be subject to restrictions on dealing (escrow) for a period of 18 months from the date of issue. Applicants receiving Shares will enter into voluntary restriction agreements and consent to the application of a holding lock by the Company's Share Registry.

2.8 CHESS

Cardno participates in the security transfer system known as CHESS. Under CHESS, Cardno does not issue certificates to shareholders in Cardno. The Company operates an electronic issuer sponsored sub-register and an electronic CHESS sub-register. Shareholders receive a notice advising them of their holder identification number and sponsoring issuer number, participant identifier in the case of a holding on the CHESS sub-register, or security holder reference number in the case of a holding on the issuer sponsored sub-register, allowing the Shares to be traded electronically.

Following distribution of the initial holding statements and CHESS notifications to shareholders, a holding statement will be provided to a shareholder at the end of any subsequent month during which there has been a movement in their shareholding. Shareholders may also request Cardno to provide a statement at other times, although the Company may charge an administration fee in these circumstances.

2.9 Foreign investors

No action has been taken to register or qualify the Shares or the Offer, or otherwise to permit an offer of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

2.10 Withdrawal

The Directors may at any time withdraw this Prospectus and the Offer, in which case the Company will return all Application Monies as soon as practicable.

2.11 Investment Risks

In addition to the general risks associated with any investment in the equity market, there are certain risks inherent in investing in a professional services, consulting engineering and software product business. Investors should be aware that an investment under this Prospectus is likely to involve exposure to risks specific to the Company's operations. A more detailed description of

some of the risk factors is contained in section 5 of this Prospectus. Investors should consider all risks and seek professional advice before investing.

3. HOW TO APPLY FOR SHARES

3.1 Applications and Enquiries

Applications for Shares can only be made by completing and lodging a paper copy of the Application Form attached to this Prospectus (in accordance with any instructions on the Application Form). Applications for Shares and enquiries about the Offer should be directed to the Company Secretary of Cardno at the address set out below.

The Company Secretary
Cardno Limited
Level 1, 5 Gardner Close
MILTON QLD 4064

OR

By post

Cardno Limited
PO Box 388
TOOWONG QLD 4066

Telephone: 07 3369 9822

Application Forms must be received by no later than 5:00 pm AEST on Thursday, 13 April 2006, unless Cardno in its absolute discretion agrees to extend the time for receipt of Applications.

4. FINANCIAL INFORMATION

4.1 Continuous Disclosure

Cardno is a disclosing entity for the purpose of the Corporations Act and as such is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Cardno to notify ASX of information about specified events and matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX. In particular, Cardno has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it becomes aware of any information concerning Cardno, which a reasonable person would expect to have a material effect on the price or value of Shares or other securities issued by Cardno. That information is available on the public file at ASX.

Copies of documents lodged with ASIC in relation to Cardno may be obtained from, or inspected at, an ASIC office.

The last Annual Report of the Company was issued on 27 September 2005 and the last Half Yearly Report was issued on 21 February 2006. A copy of these Reports is available on the Company's website and a paper copy can be obtained by contacting the Company Secretary. Subsequent to the issue of the last Annual Report, the Company has continued to provide financial information about its operations to investors. All information provided to the public is available on the ASX website.

5. RISK FACTORS

5.1 Factors influencing success and risk

This Prospectus contains statements based on certain assumptions that are inherently uncertain. Actual events and results, including the results of Cardno's operations, could differ materially from those anticipated. Some of the risks may be mitigated by the use of safeguards and appropriate systems and actions, but some are outside the control of the Board and cannot be mitigated.

The success of Cardno is subject to a number of general risks, including those outlined in Section 5.2. In addition to this, there will be risks that are specific to the future success of Cardno and any investment in it (see Section 5.3).

The Vendors should read this Section carefully to be fully aware of the risks that may be involved in an investment in the Shares.

If you are in doubt as to whether you should take up Shares, you should consult your professional adviser.

5.2 General Risks

Cardno is exposed to a number of general risks that could affect its assets and liabilities, financial position, profits and losses and prospects.

Macro economic risks

The general state of the Australian and international economies and the construction market as well as changes in taxation, monetary policy, interest rates, statutory requirements and currency exchange rates may affect Cardno.

Taxation risks

A change to the current taxation regime in Australia or overseas may affect Cardno and its shareholders. Tax liabilities are the responsibility of each individual investor. Cardno is not responsible either for taxation or penalties incurred by investors. Vendors should consult their own taxation advisers to ascertain the tax implications of taking up Shares.

Impact of International Financial Reporting Standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and Cardno's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Cardno's financial statements.

For reporting periods beginning on or after 1 January 2005, Cardno must comply with A-IFRS as issued by AASB. The application of A-IFRS will result in changes to the accounting principles for Cardno.

Regulation

Unfavourable changes to the regulatory environment for consulting engineers and other professionals either in Australia or in overseas markets for the Company's work may have an impact on the profitability of Cardno.

5.3 Risks associated with Cardno

Publicity

Adverse publicity regarding professional negligence of engineers or other professionals in Cardno or other engineering or professional consulting practices may impact on the overall reputation of the industry, and accordingly Cardno.

Professional negligence and insurance

A significant risk for Cardno, as for all professional service providers, is that claims of professional negligence may be made against Cardno or one of its Subsidiaries.

Cardno maintains professional indemnity insurance to cover liabilities in the event of a claim of negligence.

In the event of a successful claim for professional negligence being made against a Subsidiary or Cardno, this may impact upon the Company by:

- adversely affecting the reputation of Cardno
- costs incurred in defending claims
- the payment of any amount of liability that exceeds available insurance coverage
- increasing future insurance premiums.

The Company may be unable to obtain appropriate professional indemnity cover for all work. Cardno's work in overseas countries may be considered by insurers to present additional risk, depending upon political and litigious circumstances in the country in question.

Dependence upon key personnel

The Company depends on the talent and experience of its staff as its primary asset. It is essential that appropriately skilled staff be available in sufficient numbers to support the quality of the Company's consulting engineering and other professional services and to maintain the diversity of Cardno's business. Given this diversity, the Company requires staff that are professionally skilled in many areas, some of which may be considered niche specialities of engineering and other professional fields in which few practitioners are available for recruitment. Should any of its key staff leave the Company, this may have a negative impact on Cardno. Additionally, any key employees of the Company who leave to work for a competitor may adversely impact the Company.

Competition

There are engineering and professional consulting practices working both in Australia and overseas that compete vigorously with Cardno. This competition may adversely impact on the Company's financial performance.

Engineering & Construction

A number of clients of the Company are involved in the construction industry and this industry can be cyclical in the volume of business undertaken. Although the Company has a diverse client base, the construction industry cycles in Australia and overseas may adversely impact on the Company's financial performance.

The loss of major clients through such industry downturns or for any other reason could also impact the earnings of the Company.

Development Assistance

Cardno provides services to clients in the development assistance industry including developed country government bilateral aid organisations, the multilateral aid agencies and aid banks, and developing country governments. There is a risk that expenditure on overseas aid by developed country governments could be reduced which would impair Cardno's business in this industry. It is also noted that AusAID is a major client of Cardno and the loss or reduction of this client's business would impact negatively on Cardno's financial performance.

Technology and information systems

As with other professional practices, important information regarding clients, projects, work in progress and other important data is stored electronically by the Company. These information systems may fail, or not operate effectively. The Company may fail to sufficiently update its technology and this may result in a loss of business.

XP Software

The XP Software product range may fail to continue to perform adequately, resulting in claims for damages.

Mergers and acquisitions

The Company may not be able to achieve its growth targets if it is unable to find suitable mergers and acquisitions. The Company's due diligence processes may not be successful and a merger or acquisition may not perform to the level expected.

Foreign operations

There are certain risks inherent in doing business on an international level, such as unexpected changes in regulatory requirements, tariffs, customs, duties and other trade barriers, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable, political instability, expropriation, nationalisation and war. There may also be fluctuations in currency exchange rates, foreign exchange controls which restrict or prohibit repatriation of funds, technology export and import restrictions or prohibitions and delays from customers, brokers or government agencies. Cardno could also be adversely affected by seasonal reductions in business activity and potentially adverse tax consequences.

In some countries, Cardno may need to enter a joint venture or other strategic relationship with one or more third parties in order to successfully conduct its operations, and may be required by law to hold only a minority interest in any operating entity. To the extent it is a party to joint ventures, Cardno may be subject to loss of proprietary information and other assets, risky business practices and other strategic decisions contrary to Cardno's interests. In addition, any international expansion could require a significant diversion of financial and technical resources and management attention from operations in Australia. There can be no assurance that laws or administrative practice relating to taxation, foreign exchange or other matters of countries in which Cardno intends to operate will not change.

International hostilities and disasters

Cardno's performance and/or the ability of its clients to commission work may be impacted by global tensions or the commencement of military action in the overseas markets in which it works. In addition, the risk of terrorist activity may reduce work opportunities or make it unsafe for the

Company to continue operations in a particular country. The occurrence of natural disasters can also prevent planned work from taking place.

Reputation

Cardno has developed a reputation in the trade name 'Cardno', which is used in all consulting engineering services provided. There is a risk that any event by which Cardno suffers a loss of reputation in one part of its businesses, may adversely affect the other parts of the Company's businesses by virtue of the common use of the name 'Cardno'.

Growth

Cardno has achieved substantial growth in operating and financial performance in recent years and anticipates further growth in the future. There is a risk that the Company may be unable to manage its future growth successfully.

6. MATERIAL AGREEMENTS

6.1 Key documents

The Board considers that certain agreements relating to Cardno are significant to the Offer, the operations of Cardno or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the important details of each of these agreements or arrangements is set out below.

6.2 Constitution

The rights attaching to Shares are set out in the Constitution and in certain circumstances, regulated by the Corporations Act, the Listing Rules, the SCH Business Rules and the general law. The following is a summary of the principal rights and liabilities of holders of Shares.

Shares

Shares can be issued with preferred, deferred or other special rights, obligations or restrictions in relation to dividends, voting, return of share capital, payment of calls or other matters, as determined by the Board from time to time. All unissued Shares are under the control of the Board, which may grant options on shares, issue option certificates, allot or dispose of shares on the terms and conditions and for such consideration as it thinks fit. This power is subject to contract or any contrary rules in the Constitution.

The Constitution permits the issue of preference shares on terms determined by the Board.

Share transfers

Shares may be transferred in any manner required or permitted by the Listing Rules or the SCH Business Rules and by any instrument in writing in any usual or common form or in any other form that the Board approves. The Board may only refuse to register a transfer of securities of the Company as permitted by the Listing Rules or the SCH Business Rules.

Directors need not issue share certificates

Subject to the requirements of the Listing Rules and the Corporations Act, the Company need not issue share certificates.

Voting rights

Each shareholder has the right to receive notice of, and to attend, general meetings of the Company.

Subject to restrictions on voting from time to time affecting any class of shares in the Company, and any restrictions imposed by the Corporations Act, the Shares in the Company carry the right to cast one vote on a show of hands and, on a poll, one vote for each fully paid share held, and for each partly paid share held, a vote having the same proportionate value as the proportion to which the shares have been paid up. Voting may be in person or by proxy, attorney or representative.

Dividend

If the Board determines that a dividend is payable, it will be paid on all shares proportionate to the total amount for the time being paid on each share. Such dividend payment is subject to the rights and restrictions on the holders of shares created or raised under any special dividend arrangements.

The Board may establish and maintain one or more dividend plans, to which shareholders may elect to take up with some or all their shares subject to the rules of the plan.

Subject to the Listing Rules, the Board has the power to capitalise and distribute the whole or part of the undivided profits of the Company or standing to the credit of any reserve or other account and which is available for distribution. Such capitalisation and distribution must be in the same proportions which the shareholders would be entitled to receive if distributed by way of dividend or in accordance with the terms of issue of any shares or terms of any plan for the issue of securities for the benefit of officers or employees.

The Board has the power to decide whether to pay shareholders an interim dividend on account of the next forthcoming dividend. Any distribution may be paid otherwise than in cash as specified in the Constitution.

No dividend is payable except out of Company profits and no dividend or other monies paid in relation to a share will carry interest as against the Company.

Partial takeover bids

The Company may prohibit registration of transfers purporting to accept partial takeover bids unless and until a resolution of the Company has been passed approving the offers in accordance with the provisions of the Constitution.

Indemnities and insurance

The Company must indemnify current and past directors, secretaries and executive officers of the Company against any liability incurred by them by virtue of their holding office as, and acting in the capacity of, director, secretary or executive officer, other than for legal costs incurred:

- in defending or resisting proceedings, in which the Director, Secretary or executive officer is found to have a liability for which they could not be indemnified;
- in defending or resisting criminal proceedings in which the Director, Secretary or executive officer is found guilty;
- in defending or resisting proceedings brought by the ASIC or a liquidator for a court order if the grounds for making the order are found by the court to have been established; or
- and in connection with proceedings for relief to the Director, Secretary or executive officer under the Law in which the court denies the relief. Indemnities also apply to employees in circumstances designated under the Constitution.

Insurance

The Company may also pay insurance premiums for officers who are employees in certain designated circumstances but not where the liability arises out of wilful breach of duty to the Company or an improper use of position or inside information, as prohibited by the Corporations Act.

6.3 Staff Share Plans

Cardno Staff Share Participation Plan

All qualifying Company Staff and contractors (excluding executive Directors) are eligible to participate in this plan, which maintains the Company culture of promoting employee ownership. The plan provides for the issue of Shares with a tax effective benefit of up to \$1,000 each year for

every participating Company Staff member providing the employee complies with the rules of the scheme. Benefits under this scheme can be varied by the Board.

Cardno Staff Share Incentive Plan

All Company Staff are eligible to participate in this second plan by which the Board may at its discretion issue Shares and/or Options to acquire Shares as a reward for the outstanding performance of Company Staff. The remuneration committee nominates appropriate recipients under the plan to the Board and makes recommendations as to the number of securities to be issued. This scheme is flexible and provides additional incentives to encourage staff to perform in an exceptional manner. Although executive Directors are eligible to participate in this scheme, any allotment of securities to them will be subject to shareholder approval as required under the Corporations Act and the Listing Rules.

6.4 Restriction agreements

Investors taking up Shares under this Prospectus will enter into voluntarily escrow agreements for a period of 18 months from the date of issue of the Shares and will consent to the application of a holding lock by the Company's Share Registry.

6.5 Deeds of access and indemnity

Cardno Limited has entered into deeds of indemnity and access with each of the Directors. By deed of indemnity, the Company has undertaken, consistent with the Corporations Act, to indemnify each Director and officer in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director or officer for 7 years after the Director or officer has ceased to be a Director or officer of the Company.

By deed of access, the Company has undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for 7 years after the Director has ceased to be a Director.

7. ADDITIONAL INFORMATION

7.1 Nature of this Prospectus

This Prospectus has been issued pursuant to section 713 of the Corporations Act as a Prospectus for the offer of continuously quoted securities.

7.2 Regular reporting and disclosure obligations

Cardno is a disclosing entity for the purpose of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Cardno to notify ASX of information about specified events and matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX. In particular, Cardno has an obligation under the Listing Rules (subject to certain limited exceptions) to notify ASX immediately once it becomes aware of any information concerning Cardno, which a reasonable person would expect to have a material effect on the price or value of Shares or other securities issued by Cardno. That information is available on the public file at ASX.

Copies of documents lodged with ASIC in relation to Cardno may be obtained from, or inspected at, an ASIC office.

7.3 Documents which will be supplied upon request

Cardno will provide a copy of each of the documents listed below, free of charge, to any person who asks for same in the period commencing on the date of this Prospectus and ending on the Closing Date:

- annual financial report of Cardno for the year ended 30 June 2005, being the most recent annual financial report of Cardno lodged with ASIC before the date of the Prospectus; and
- half yearly financial report of Cardno for the year ended 31 December 2005, being the most recent half yearly financial report of Cardno lodged with ASIC before the date of the Prospectus; and
- all documents used to notify ASX of information concerning Cardno under the Listing Rules relating to continuous disclosure after lodgement of Cardno's 30 June 2005 annual financial report with ASIC and before lodgement of this Prospectus with ASIC which are as follows:

Date lodged	Description of Document
07/04/2006	Release of Shares From Escrow
03/04/2006	Media Release – Cardno Acquires Forbes Rigby
31/03/2006	Media Release – Celebrates 70 years of operations in NSW
15/03/2006	MD Presentation – March 2006
06/03/2006	MD Half-Year Results Presentation – December 2005
01/03/2006	Appendix 3Y – Change of Director's Interest Notice (RF)
21/02/2006	Half year accounts – 31/12/05

Date lodged	Description of Document
21/02/2006	Letter to shareholders re half year results
21/02/2006	Media Release – record half year & dividend
21/02/2006	Appendix 4D – Half yearly report
01/02/2006	Cardno announces upgrade to forecast profit
17/01/2006	Cardno Wins First Major Contract in the United Arab Emirates
05/01/2006	Top 20 Holders of Ordinary Shares and Convertible Notes
04/01/2006	Appendix 3Y – Change of Director’s Interest Notice (RF & GT)
04/01/2006	Appendix 3B – Conversion of Convertible Notes to Ordinary Shares
23/12/2005	Appendix 3B – Issue of shares re employee tax exempt share acquisition plan
22/12/2005	Appendix 3B – Issue of shares re acquisition of Ullman & Nolan
21/12/2005	Appendix 3Y – Change of Directors’ Interest Notices – IJ / GT / JV
20/12/2005	Broadening of Share Register
19/12/2005	Cardno Acil helps deliver new island home for Maldives tsunami survivors
15/12/2005	Cardno acquires Mackay firm Ullman & Nolan
14/12/2005	Conversion of Convertible Notes to Ordinary Shares
06/12/2005	Update on Director’s Interest Notice lodged for S Moss on 8 November 2005
29/11/2005	Appendix 3Z – Final Director’s Interest Notice
28/11/2005	Appendix 3B – Issue of Options
25/11/2005	Convertible Notes – Entitlement & Conversion Notices
23/11/2005	Media Release – Cardno ACIL wins major UN post-tsunami contract
09/11/2005	Appendix 3Y – Change of Director’s Interest Notices re Options – ADB/RJF/JV/TCJ
08/11/2005	Appendix 3Y – Change of Director’s Interest Notice (SM)
07/11/2005	Release of Shares from Escrow (Directors & ACIL shareholders)
07/11/2005	Release of Shares from Escrow (Adrian Vlok)
28/10/2005	Results of 2005 AGM

Date lodged	Description of Document
28/10/2005	Presentation by Managing Director to AGM
28/10/2005	Chairman's AGM Address to Shareholders
27/10/2005	Confirmation of no interest in ACIL Tasman
25/10/2005	Appointment of Additional Company Secretary
12/10/2005	Escrow Period for Shares Issued 12 August 2005
05/10/2005	Shareholder Briefing – Sydney
27/09/2005	2005 Proxy Form
27/09/2005	2005 Notice of AGM
27/09/2005	2005 Annual Report

7.4 Interests of Directors

Shares and Options

The table below sets out the interests of the Directors (personally or through associates) in Shares, Options and Convertible Notes at the date of this Prospectus:

Director	Shares	Options	Convertible Notes
John Massey	20,000	Nil	9,973
Andrew Buckley	1,845,810	70,000	400,000
Ronald Fisher	1,008,343	15,000	0
Trevor Johnson	1,527,990	35,000	400,000
Ian Johnston	95,000	Nil	77,219
Graham Tamblyn	1,448,000	Nil	40,000
James Verco	894,402	10,000	210,545
Dr Stephen Moss	431,878	Nil	147,893

Payment to Directors

The constitution of the Company provides that the Directors may be paid, as remuneration for their services, a sum determined from time to time by the Company's shareholders in general meeting, with that sum to be divided amongst the Directors in such manner and proportion as they agree.

The maximum aggregate amount, which has been approved by shareholders for payment to the Directors is \$300,000 per annum. Approximately \$20,000 was paid to non-executive Directors in 2004FY and approximately \$85,000 was paid in 2005FY.

John Massey and Ian Johnston are the only non-executive Directors. The executive Directors are not paid Directors' fees.

7.5 Interests of experts and advisers

No expert and no firm in which a Director or expert is a partner has any interest in the promotion of Cardno or the Offer and no amounts have been paid or agreed to be paid (whether in cash, Shares or otherwise) to an expert or to such firm by any person for services rendered by them or the firm in connection with the promotion of Cardno or the Offer. Ian Johnston is a director of ABN AMRO Morgans Limited and ABN AMRO Morgans Corporate Limited, both of which have previously received fees which have been disclosed by Cardno. Neither entity is entitled to receive fees in connection with this Offer or Prospectus.

McCullough Robertson has acted as the legal adviser in relation to this Prospectus. Cardno will pay approximately \$10,000 (GST exclusive) to McCullough Robertson for work undertaken in respect of those services to the date of this Prospectus. Further amounts may be paid to McCullough Robertson in accordance with their normal time based charges.

7.6 Consents and Disclaimers of Responsibility

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers in the form and context in which it is named in this Prospectus. McCullough Robertson, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with its consent.

7.7 Governing law

This Prospectus and the contracts which arise on the acceptance of Applications are governed by the laws applicable in Queensland and each Applicant submits to the non-exclusive jurisdiction of the courts of Queensland.

7.8 Directors' Authorisation

Each Director of Cardno has given and has not withdrawn his consent to the lodgement of this Prospectus with ASIC.

GLOSSARY

Acquisition	the acquisition by the Company of all the issued capital of Forbes Rigby Pty Ltd from the Vendors pursuant to the Share Sale Agreement
AEST	Australian Eastern Standard Time
A-IFRS	Australian Equivalents to International Financial Reporting Standards
Annual Report	Annual Report of Cardno Limited for the financial year ended 30 June 2005
Applicant	a person or entity who submits an Application Form
Application	an application for Shares on an Application Form
Application Form	the form for the application of Shares under this Offer which is annexed to this Prospectus
Application Monies	money received by the Company (if any) in relation to Shares applied for
ASIC	Australian Securities and Investment Commission
ASX	Australian Stock Exchange Limited ABN 98 008 624 691
AusAID	Australian Agency for International Development
Board	board of directors of Cardno
Cardno, Cardno Group, Cardno Limited or Company	Cardno Limited ACN 108 112 303 and, where the context so requires, its Subsidiaries
Chairman	chairman of Cardno
CHESS	Clearing House Electronic Sub-register System
Closing Date	date on which the Offer closes, being 13 April 2006 which may be varied without prior notice by Cardno
Company Secretary	the duly appointed company secretary of the Company
Company Staff	employees of Cardno, and for the purposes of defining ownership of the Company and qualifying membership of the Staff Share Plan, independent contractors
Constitution	the constitution of the Company
Convertible Note	a convertible note offered pursuant to the Renounceable Rights Issue Prospectus issued on 27 May 2005
Corporations Act	Corporations Act 2001
Director	a director of Cardno
Forbes Rigby	Forbes Rigby Pty Ltd ACN 003 936 981
FY	financial year

Half Yearly Report	Half Yearly Report of Cardno Limited for the half year ended 31 December 2005
Issue Price	\$4.307 per Ordinary share
Listing	admission to the official list of ASX
Listing Rules	listing rules of ASX
Managing Director	the managing director of Cardno appointed by the Board
Offer	Offer of up to 545,815 Shares under this Prospectus
Option	an option to acquire a Share
Prospectus	this Prospectus dated 7 April 2006
SCH	Securities Clearing House or any relevant organisation which is an alternative to, or is a successor or replacement of, the Securities Clearing House or any applicable CS facility licensee as defined in the Corporations Act
SCH Business Rules	the SCH business rules approved under the Corporations Act or any relevant rules which are an alternative to, or are a successor or replacement of, the SCH business rules
Share	a fully paid ordinary share in the Company
Share Sale Agreement	the agreement executed on or about the date of this Prospectus between the Company and the Vendors concerning the Acquisition
Share Registry	Link Market Services Limited ABN 54 083 214 537
Subsidiary	a subsidiary of Cardno Limited as defined by the Corporations Act
Vendors	Letica Pty Ltd (ACN 050 335 585), Neil William McKinlay, Shoemark Enterprises Pty Ltd, Sentron Pty Ltd, Therese Nichols, Callix Pty Ltd, Ann Louise Moy, Marnbray Pty Ltd (ACN 078 395 936), Jenny Mary Hartmann and any associates, related bodies corporate, trusts of which they are a trustee, or permitted assigns under the Share Sale Agreement
XP Software	XP Software Pty Ltd, XP Services Pty Ltd, XP Software Inc, or their business

CORPORATE DIRECTORY

Board of Directors

Chairman

John Clarence Massey

Deputy Chairman

Graham George Tamblyn

Managing Director

Andrew David Buckley

Directors

Ronald John Fisher

Trevor Charles Johnson

Ian John Johnston

James Gordon Armour Verco

Stephen John Moss

Company Secretary & Chief Financial Officer

Ronald John Fisher

Additional Company Secretary

Mark Vincent Buggy

Registered Office

Cardno Limited

ACN 108 112 303

Level 1

5 Gardner Close

MILTON QLD 4064

Tel: (07) 3369 9822

Fax: (07) 3369 9722

www.cardno.com.au

Share Registry

Link Market Services Limited

Level 22

300 Queen Street

BRISBANE QLD 4000

www.linkmarketservices.com.au

Auditor

William Buck

Chartered Accountants

Level 16

William Buck Centre

120 Edward Street

BRISBANE QLD 4000

www.williambuck.com.au

Lawyers

McCullough Robertson Lawyers

Level 11

Central Plaza Two

66 Eagle Street

BRISBANE QLD 4000

www.mccullough.com.au

IMPORTANT NOTICE

The Corporations Act prohibits any person from passing onto another person the Application Form which was attached to this Prospectus, unless the Application Form is attached to or accompanying a complete and unaltered copy of the Prospectus and accompanied by any relevant supplementary prospectus. A person who gives another person access to the Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus. Applications for Shares will only be accepted if made on an Application Form issued together with this Prospectus.

Guide to Completing the Application Form

A

Enter the number of Shares you wish to apply for.

B

Enter the amount per the Acquisition Agreement. To calculate the amount, multiply the number of Shares applied for by the price per Share.

C

Enter the full name you wish to appear on the register. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the *table below* for the correct forms of registrable name. Applications using the wrong form of name may be rejected. Clearing House Electronic Sub-Register System (CHES) participants should complete their name and address in the same format as that are presently registered in the CHES system.

D

Enter your postal address for all correspondence. All communications to you from the Share Registry will be mailed to the address as shown. For joint Applicants, only one address can be entered.

E

Enter your Tax File Number (TFN) or exemption category or Australian Business Number (ABN). Collection of TFNs and ABNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application. However, if no TFN or ABN is quoted any dividends may be taxed at the highest marginal tax rate plus the Medicare Levy.

F

Cardno Limited will apply to the ASX to participate in CHES, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHES, the Company will operate an electronic CHES subregister of shareholdings and an electronic issuer sponsored subregister of shareholdings. Together the two subregisters will make up the Company's principal register of shares. The Company will not be issuing certificates to applicants in respect of shares allotted.

If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold securities allotted to you under this application in uncertificated form on the CHES subregister, enter your CHES HIN. Otherwise, leave the section blank and on allotment, you will be sponsored by Cardno Limited and a Securityholder Reference Number (SRN) will be allocated to you.

Correct forms of Registrable name

Note that **ONLY** legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficial or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

G

Complete *cheque details* as requested. Make your cheque payable to "Cardno Limited" in Australian currency, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian bank.

H

Enter your *contact details* so we may contact you regarding your Application Form or Application Monies.

BEFORE COMPLETING THE APPLICATION FORM THE APPLICANT(S) SHOULD READ THE PROSPECTUS TO WHICH THE APPLICATION RELATES. BY LODGING THE APPLICATION FORM, THE APPLICANT(S) AGREES THAT THIS APPLICATION IS FOR SHARES IN CARDNO LIMITED UNO AND SUBJECT TO THE TERMS OF THE PROSPECTUS, AGREES TO TAKE ANY NUMBER OF SHARES EQUAL TO OR LESS THAN THE NUMBER OF SHARES SHOWN IN BOX A THAT MAY BE ALLOTTED TO THE APPLICANT(S) PURSUANT TO THE PROSPECTUS AND DECLARES THAT ALL DETAILS AND STATEMENTS MADE ARE COMPLETE AND ACCURATE AND THE APPLICANT HAS PERSONALLY RECEIVED A COMPLETE AND UNALTERED PROSPECTUS. IT IS NOT NECESSARY TO SIGN THE APPLICATION FORM.

Lodgement of Applications

Return the Application Form to the Company Secretary at Cardno.

Type of Investor	Correct Form	Samples of Incorrect Form
Individual • Use given names, not initials	John Alfred Smith	J. Smith
Company • Use company title, not abbreviations	ABC Pty Ltd	ABC PA ABC Co
Trusts • Use trustee(s) personal name(s), • Do not use the name of the trust	Janet Smith <Janet Smith Family	Janet Smith Family Trust
Deceased Estates • Use executor(s) personal name(s), • Do not use the name of the deceased	Michael Smith <Est John Smkith A/C>	Estate of Late John Smith
Partnerships • Use partners' personal name(s), • Do not use the name of the partnership	John Smith and Michael Smith .John Smith & Son A/c.	John Smith & Son
Clubs/Unincorporated Bodies/Business Names • Use office bearer(s) personal name(s), • Do not use the nam eof clubs Etc	Janet Smith <ABC Tennis Association	ABC Tennis Association
Superannuation Funds • Use name of trustee of fund, • Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund

