

**ASX / MEDIA RELEASE****FRIDAY, 10 AUGUST 2007****ARTICLE IN TODAY'S AUSTRALIAN FINANCIAL REVIEW**

Following a continued period of strong operating performance and reported profit growth, City Pacific confirms that it has received a number of unsolicited enquiries relating to the potential acquisition of either all or part of its business operations. This type of enquiry is not unusual and occurs as businesses endeavour to increase their scale by way of acquisition.

Such negotiations are undertaken in commercial confidence to avoid undue speculation and allow the Board time to establish the merit of the enquiry. The Company has engaged advisors to facilitate commercial negotiations. Access to corporate information is limited and subject to strict terms and mutual confidentiality.

Shareholders are advised that City Pacific is continuing its businesses as normal and is committed to ensuring that the negotiations have no impact on the Company's business operations or growth plans. Specifically, City Pacific is engaged in undertaking its own confidential enquiries regarding the potential expansion of its funds management business by way of acquisition.

Shareholders are advised that all enquiries are presently incomplete and no formal proposal has been received or made.

The Company does not intend to comment further on the parties with whom it is negotiating or the status of negotiations, however it will keep its shareholders informed in accordance with its disclosure obligations.

The Directors are pleased to confirm that the Company will be reporting another record full year profit in line with its previously announced forecast on Thursday 16 August 2007.

Shareholders are encouraged to retain their shares in City Pacific and not to speculate on the outcome of any of the present enquiries.

ENDS

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