

ASX / MEDIA RELEASE

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CITY PACIFIC ENDS MFS DUE DILIGENCE

City Pacific Limited (CIY) has ended due diligence of certain assets owned or controlled by MFS Limited's financial services business, including the MFS Premium Income Fund.

City Pacific CEO Phil Sullivan said the Board of City Pacific has resolved that it will not make an offer for any assets owned by MFS Limited's financial services business.

"After considering the merits of any proposed transaction, the Board has determined that it would not be in the best interests of City Pacific shareholders or investors to proceed," he said.

City Pacific stands behind the strength of the City Pacific First Mortgage Fund model and its success which is driven by the company's ability to lend to the right developments secured by a first registered mortgage over real property in Australia.

All discussions between the parties have ceased.

City Pacific confirms that it has no current financial exposure either as an investor or lender to any member of the MFS Limited Group.

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