

7 April 2008

The Manager
Company Announcements
ASX Company Announcements Office
SYDNEY NSW 2000

Letter to shareholders

Please find attached a copy of a letter being sent to all City Pacific Limited shareholders.

Yours faithfully
CITY PACIFIC LIMITED

James Finucan
Company Secretary

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Address

7 April 2008

Dear Shareholder

Variation to Interim Dividend payment

The Directors would like to take this opportunity to advise shareholders that the 15 cent per share interim dividend payment date has been amended. City Pacific had previously advised that the payment date for the fully franked interim dividend would be April 30, 2008.

City Pacific had several transactions which were scheduled for completion in the first quarter of 2008 but due to the current volatility in the financial markets these settlements have been delayed. Although these transactions are not individually material to City Pacific, they collectively would have provided City Pacific with the ability to meet the interim dividend payment as previously announced.

The Directors believe it is no longer prudent to rely on the timing of the completion of these transactions in order to meet the interim dividend payment due on April 30, 2008.

Following a review of all options the Directors have resolved to stagger the payment of the interim dividend and to retain additional cash for the company's operating activities over the coming months.

By implementing the staggered payment of the interim dividend City Pacific will have sufficient funds to meet the payment schedule (stated overleaf) from the recurrent operating activities of the company. Furthermore, with the Dividend Reinvestment Plan take up of between 35%-40% (which will include all directors fully participating), City Pacific will have sufficient funds to meet its revised interim dividend obligations.

The Directors believe shareholders would agree that it is prudent and in the best interest of shareholders and the Company to take this course of action.

The Directors stress that this is in no way an indication that future dividends will be affected.

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The 15 cent interim dividend will now be paid in five (5) equal monthly instalments as follows:

Payment date	Amount
30 May 2008	3 cents per share
30 June 2008	3 cents per share
31 July 2008	3 cents per share
29 August 2008	3 cents per share
30 September 2008	3 cents per share

The ex dividend and record dates remain as previously advised.

The dividend reinvestment plan (DRP) will still take effect on April 30, 2008 and will apply to the full 15 cents. The shares allotted under the DRP will be at a 2% discount to the volume weighted average price over the five days following the 'ex-dividend' date and will not be subject to brokerage, commission or stamp duty costs.

Shareholders who are not yet participants are advised the DRP may be taken up to the record date of Friday April 11, 2008. As indicated all Directors will be fully participating in the DRP and encourage those interested in participating to lodge the required forms by the record date of 11 April 2008 with Link Market Services. DRP forms can be downloaded from our website at: http://www.citypac.com.au/shareholder_centre/dividend_reinvestment_plan or obtained from Link Market Services by calling 1300 730 644.

City Pacific and Raptis Group Finalise purchase of Mariner's Cove

The Directors are pleased to confirm that City Pacific and Raptis Group Limited have completed the acquisition of Mariner's Cove on the Gold Coast for \$49 million.


S P Marina Pty Ltd, a joint venture vehicle between City Pacific and Raptis Group, has acquired the Crown leasehold rights over the retail and marina complex located on Seaworld Drive, Main Beach. The settlement includes the 3.95 hectare retail and marina complex and includes waterfront property and a seabed lease.

The centre is at the heart of one of Australia's most unique and well known commercial, retail and tourism locations and the joint venture partners propose to make improvements to the area and upgrade the existing facilities. The area also adjoins the southern portion of the Gold Coast Spit which is currently under consideration for development by the Queensland Government. City Pacific and Raptis Group have enjoyed a long-standing business relationship including a joint venture which owns the Gold Coast International Hotel and adjacent development land through listed entity CP1 Limited.

In an effort to bring you environmentally responsible instant communications we ask that, if you have an email address, you register it with Link Market Services at www.linkmarketservices.com.au or by calling them on 1300 730 644.

Should you wish to contact us please call our client relations team on 13 47 69 or email us at enquiries@citypac.com.au

Kind regards
CITY PACIFIC LIMITED



Phil Sullivan
Managing Director & CEO