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The Manager
Company Announcements
ASX Company Announcements Office
Sydney NSW 2000

City Pacific Limited (ASX: CIY)

Update on sale of Townsville assets

The Board of City Pacific confirms that they received notification yesterday from the purchaser of Breakwater Pacific Pty Ltd and the Townsville Future Development Area (FDA) that the due diligence conditions of the respective contracts have been satisfied.

In respect to the sale of the FDA, the purchaser was also required to provide replacement bank guarantees to City Pacific in order to allow the release of City Pacific's bank guarantees in the amount of \$9.2 million. This condition has also now been satisfied.

City Pacific and the purchaser, being an interest associated with UK financier Lord Michael Ashcroft *KCMG*, continue to cooperate to ensure that settlement can be expedited in respect to both these sales.

City Pacific Limited

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Company Secretary

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