

14 July 2008

The Manager
Company Announcements
ASX Company Announcements Office
Sydney NSW 2000

City Pacific Limited (ASX: CIY)

Settlement of Breakwater Pacific

City Pacific confirms that the settlement of the \$18 million sale of Breakwater Pacific Pty Ltd to an interest associated with UK financier Lord Michael Ashcroft *KCMG* ("Purchaser") completed on Friday 11 July 2008. Breakwater Pacific is the registered owner of Townsville's Breakwater Marina.

As previously announced City Pacific has also entered into an agreement to sell the right to develop the Townsville Future Development Area with the Purchaser for a sum of \$20.3 million plus the company confirms it has received the release of bank guarantees of \$9.2 million. City Pacific is cooperating with and assisting the Purchaser, to progress this transaction to settlement.

City Pacific Limited

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