

ASX Release

1 August 2008

City Pacific Limited (ASX: CIY)

City Pacific First Mortgage Fund (FMF/Fund)

City Pacific Limited as responsible entity for the FMF, is pleased to confirm, that it has successfully negotiated an extension to the repayment date for the Fund's bank facility to 31 October 2008.

The FMF has repaid its financier \$110 million since January 2008 reducing the Fund's facility down to \$130 million. The terms of the facility extension are in line with the Fund's in-coming cash flows from scheduled property settlements.

Despite the difficult market conditions City Pacific's management team continue to balance the interests of investors, commitments to borrowers and the Fund's obligation to reduce its financier's facility.

City Pacific remains confident in the strength of the loan portfolio for the Fund which comprises quality projects primarily located in South East Queensland where the property market and population growth figures remain strong.

CITY PACIFIC LIMITED

Phil Sullivan
Managing Director & CEO

■ **BRISBANE**

Level 12, 300 Queen Street
Brisbane QLD 4000
GPO Box 2456
Brisbane QLD 4001
T 07 3229 7129 F 07 3229 5796

■ **SYDNEY**

Level 12, 32 Martin Place
Sydney NSW 2000
GPO Box 969
Sydney NSW 2001
T 02 9238 0822 F 02 9238 0833

■ **MELBOURNE**

Level 7, 50 Market Street
Melbourne VIC 3000
PO Box 275, Collins Street West
Melbourne VIC 8007
T 03 9629 1777 F 03 9629 1677

■ **GOLD COAST**

City Pacific House, 2 Miami Key
Broadbeach Waters QLD 4218
PO Box 783
Pacific Fair QLD 4218
T 07 5554 0200 F 07 5575 6366