

15 May, 2006

The Manager
ASX Announcements

ASX Announcement

Dear Sir,

CP1 to change capital structure and issue bonus options.

CP1 Limited is pleased to announce that it will seek shareholder approval to undertake a five for one split of the Company's ordinary shares and issue bonus options. The Company is undertaking these measures to improve the trading volume of the Company's Ordinary shares, and provide the Company with capital.

The share split is subject to shareholder approval at a general meeting of shareholders to be held 16 June 2006. Notice of this meeting will be forwarded to shareholders today.

If approved at the meeting, the effect of the share split will be that shareholders will hold five ordinary CP1 shares for each share held.

Once the share split has been approved and implemented, persons registered as shareholders on the record date of 14 July 2006 will be issued with four bonus options for each five shares that they hold. CP1 will apply to have these options listed on ASX.

Each bonus option will have an exercise price of 80 cents and will be exercisable at any time between the date of issue and 31 January 2007.

The following is a timetable for the proposed restructure:

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Event	Day	Date
Notice of general meeting dispatched to shareholders – Announcement of Share Split and Option Issue	Monday	15 May 2006
Record date - Shareholders on the share register prior to 10:00am on this date will be eligible to vote	Wednesday	14 June 2006
General meeting - approval of resolution and announcement to ASX of shareholders approval of the share split	Friday	16 June 2006
Last day for trading in pre-split shares	Friday	16 June 2006
Trading of a "deferred settlement" basis begins	Monday	19 June 2006
Holding notice sent to each security holder	Monday	26-30 June 2006
Deferred trading lifted	Monday	3 July 2006

About CP1

CP1 Limited is a property developer with a number of projects including the Martha Cove project in Victoria, the Budds Beach project in South East Queensland and Lake Views Estate in Victoria.

CP1 Limited incorporated in March 2002 and listed on the Australian Stock Exchange in January 2003.

CP1 Limited

Steve Mackay
Company Secretary