

2 May 2008

The Manager
Company Announcements
ASX Company Announcements Office
SYDNEY NSW 2000

Dear Sir/Madam

CANCELLATION OF CP1 INTERIM DIVIDEND

CP1 Limited (ASX code: CPK) announced on 21 February 2008 that the Company would pay an interim dividend of 3 cents per share on 30 May 2008.

At the time of the announcement of the interim dividend, the Company expected to have sufficient funds to pay the interim dividend based on:

- (a) the expected repayment of various vendor finance facilities provided by the Company; and
- (b) projected land sales at the Martha Cove development.

Repayment of the vendor finance facilities has been delayed and the funds will not be received by 30 May 2008. In addition, land sales at Martha's Cove have been below projections. It is the boards' view that the current difficult credit climate has contributed to this outcome.

There are a number of sales transactions for Martha Cove properties currently in train but these will not conclude in time to provide funds by 30 May 2008.

Accordingly, the Company's Board believes that it is appropriate to cancel the interim dividend, and resolved to do so today.

The Board will give consideration to paying an interim dividend later this year.

Yours faithfully
CP1 Limited

Phil Sullivan
Director

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