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### **HI PREFERRED Announces Results of Annual Redemption**

**Toronto, July 3, 2008:** Lawrence Asset Management Inc., the Manager of High Income Preferred Shares Corporation (“HI PREFERRED”) today announced that 680,998 HI PREFERRED Series 1 Shares (TSX: HPF.PR.A) and 207,662 HI PREFERRED Series 2 Shares (TSX: HPF.PR.B) were submitted for the annual redemption on June 30, 2008. Subsequent to the annual redemption there are 410,956 Series 1 Shares issued and outstanding and 800,792 Series 2 Shares issued and outstanding.

The redemption proceeds will be paid to Series 1 and Series 2 shareholders who participated in the annual redemption on or before July 15, 2008. Series 1 shareholders will receive redemption proceeds of \$25.00 per Series 1 Share submitted for redemption and Series 2 shareholders will receive redemption proceeds of \$11.11 per Series 2 Share submitted for redemption.

HI PREFERRED invests in a diversified portfolio consisting principally of common shares issued by corporations whose shares are included in the S&P 500 Index and the S&P/TSX 60 Index, income funds and investment grade debt securities. Lawrence Asset Management Inc. is both Manager and Investment Manager of HI PREFERRED.