

21 November 2007

The Manager Companies
Australian Stock Exchange (Sydney) Limited
20 Bridge Street
SYDNEY NSW 2000

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ANNOUNCEMENT
**Desane's Rozelle Bay Multimedia Centre
Receives Planning Approval**

Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, wishes to announce that it has received planning approval from Leichhardt Municipal Council to expand its flagship Multimedia Centre located in the Sydney suburb of Rozelle.

The approved additional 3,000m² building, when combined with the existing 7,000m² Multimedia Centre across the road, will form a flagship 10,000m² high tech commercial and multimedia facilities. The facilities will also include 190 security car parking spaces, a childcare centre for 86 children, an indoor/outdoor café and open air gardens.

The Managing Director, Mr Phil Montrone, said:

"Our Company is pleased to have received planning approval. The creation of a 10,000m² flagship Multimedia Centre, in close proximity of Sydney's Central Business District, will ensure that the facilities, when completed, will become a living part of the local inner Sydney community."

The property is located 3 kilometres from the Sydney CBD, at the exit of the Anzac Bridge, 100 metres from Victoria Road and in walking distance to the Lilyfield Light Rail Station. Market indicators are showing a strong tenancy take-up in the Pyrmont/Ultimo/Rozelle precinct, with the rent per square metre approximately \$300 to \$350.

The Company can now commence meaningful leasing negotiations with a number of existing clients and the numerous childcare operators who have expressed an interest in leasing the additional facilities.

If current rental market indicators for this type of property prove to be correct, when leased and completed, the combined facilities could have a value of up to \$35 million. The current value for the existing facilities is \$20 million.

Construction is scheduled to commence in March 2008 and expected to be completed by March 2009. Desane expects the cost of construction for the new facilities will not exceed \$8 million. The flagship Multimedia Centre was designed by well known Sydney architects, Harry Sidaway & Associates.

Yours faithfully,

DESANE GROUP HOLDINGS LIMITED



JOHN BARTHOLOMEW

Company Secretary

ABOUT DESANE:

Desane Group Holdings Limited is a significant Sydney based landlord. The areas we specialise in are property investment, property services and property management. Desane owns \$45 million of properties and other assets and manages a further \$17 million of industrial and commercial properties in the Sydney region. Our medium term objective is to increase our property holdings to \$100 million

The Rozelle Bay Multimedia Facilities Upon Completion



On the left, Desane's existing Multimedia Centre. On the right, proposed additional new multimedia building.