

1 December 2005

The Manager Companies
Australian Stock Exchange (Sydney) Limited
Level 5
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

DESANE GROUP HOLDINGS LIMITED CHAIRMAN'S LETTER TO SHAREHOLDERS

Please find a copy of the Chairman's letter which will be posted to all shareholders with the dividend cheques and the Share Purchase Plan offer document.

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 and or manages more than \$70 million of industrial and commercial properties in the Sydney region – our medium term objective is to increase our property holdings to \$100 million.

2 December 2005

Dear Shareholder,

As you are aware, your Directors recently announced a 2¢ dividend (franked to 38%). The Directors also announced, on 15 November 2005, a share purchase plan.

In writing to you, I am enclosing the following:

- A dividend cheque at 2¢ per share (franked to 38%) for shares you held as at 18 November 2005.
- A share purchase plan offer. **This offer is only available to shareholders in Australia and New Zealand who held shares as at 25 November 2005** and is self explanatory. *If you require additional information, please ensure you obtain independent financial advice or contact Desane's Company Secretary, Mr John Bartholomew.* To facilitate your return mail, we have enclosed a self addressed envelope.

I take this opportunity to thank you for remaining loyal to Desane and look forward to rewarding you as a shareholder on an ever increasing way in the future.

If you wish to keep in touch with your investment in Desane please visit our website at www.desane.com.au.

The Directors and Staff of Desane wish you and your family a merry Christmas and a rewarding 2006.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED



JOHN SHEEHAN
Chairman