

27 September 2007

A.B.N. 61 003 184 932

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

ANNOUNCEMENT

Desane Completes Purchase of Rozelle Bay Commercial Centre

We wish to advise that Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, has completed the purchase of the Fine Arts Auction Centre in the Sydney suburb of Rozelle.

The purchase has been completed **one month ahead of schedule** due to the strong demand received by Desane from prospective tenants wishing to relocate to the proposed Rozelle Bay Commercial Centre facilities.

When approved and constructed, the new building, combined with Desane's existing Multimedia Centre across the road, will comprise of approximately **10,000 m² of high-tech commercial and multimedia facilities with 190 car parking spaces**. The project will also incorporate an indoor-outdoor café, a childcare facility for 86 children and three corporate residences. The flagship Multimedia Centre was designed by well known Sydney-based architect, Mr Harry Sidaway.

Development approval is expected by the end of 2007, with construction scheduled to commence in March 2008. The project is scheduled to be completed and occupied by December 2008. On completion, the newly acquired property has been **independently valued at \$13 million**.

The property is located 3 kilometres from the Sydney CBD, at the western exit of the Anzac Bridge, 100 metres from Victoria Road and in walking distance of 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, indicating an approximate value of **\$35 million for the combined multimedia facilities**.

The Managing Director, Mr Phil Montrone, said:

"The completion of a 10,000 m² flagship Multimedia Centre in close proximity of Sydney CBD, integrating outdoor gardens, indoor-outdoor café and a childcare centre, will ensure that the Multimedia Centre will become living part of the local community."

Yours faithfully
DESANE GROUP HOLDINGS LTD



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.

Proposed Rozelle Bay Multimedia Facilities



Artist's image. On the left hand side, Desane's existing Multimedia Centre. On the right hand side, Desane's proposed new multimedia building.



Artist's image. Desane's proposed new multimedia building at Rozelle Bay.