

22 December 2005

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

Dear Sir/Madam,

ANNOUNCEMENT
Desane Completes Sale & Reduces Debt

Desane Properties Pty Ltd, being a controlled entity of Desane Group Holdings Limited, has today completed the sale of the sixth Silverwater industrial strata unit. The sale of this unit has netted Desane \$415,000.00.

Following the settlement, Desane has repaid approximately \$1 million of short and long term loan facilities, thus retaining the three remaining strata units, valued at approximately \$2 million, unencumbered.

Of the three remaining strata units, on one strata unit contracts of sale have been exchanged, with the settlement scheduled for March 2006. The remaining two strata units are earmarked to be sold during the 2005/2006 financial year.

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.