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A.B.N. 61 003 184 932

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

PRESS RELEASE

Desane Purchases Rozelle Fine Arts Auction Centre Property

The Sydney based listed industrial property group, Desane Group Holdings Limited, has announced that it has purchased a 2,000m² commercial property in the Sydney suburb of Rozelle.

The commercial property is located opposite Desane's existing 8,000m² Multimedia Centre, with views across Rozelle Bay and the Anzac Bridge.

The property is currently occupied by Independent Auctioneer, a fine arts auction centre and has Development Approval from Leichhardt Council for a four storey building comprising of 15 commercial and business strata units, 8 residential strata units and 39 basement car spaces.

Desane is proposing to review the existing planning approval with a view to adapting the commercial spaces to the requirements to its existing inner Sydney client base.

The Managing Director of Desane, Mr Phil Montrone, said:

"The acquisition of this property allows our Company to complete negotiations with a number of existing inner Sydney clients, to accommodate their increasing office space requirements, without having to move from the area. The fact that the property is located across the road from our Company's fully leased 8,000m² multimedia centre will ensure that there will be no shortage of tenants for the proposed building."

Desane has paid \$3.8 million for the property. Settlement of the property is scheduled to occur on 16 October 2007. The purchase of the property was negotiated by Mr Mark Hussey, Associate Director of commercial agent Savills.

Yours faithfully
DESANE GROUP HOLDINGS LTD



JOHN BARTHOLOMEW
Company Secretary



ABOUT DESANE:

Desane Group Holdings Limited is a significant Sydney based landlord. We specialise in are property investment, property services and property management. Desane owns \$42 million of properties and other assets and manages a further \$13 million of industrial and commercial properties in the Sydney region. Our medium term objective is to increase our property holdings to \$100 million.