

4 April 2006

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

Dear Sir/Madam,

ANNOUNCEMENT
Desane Reports Strong Leasing Commitments

Desane Group Holdings Limited is pleased to report strong leasing commitments to its recently acquired and completed industrial properties in the Sydney suburbs of Lidcombe, Silverwater and Lane Cove.

Since 1 January 2006, Desane has signed five separate leases for a total of 3,650m² of floor space, at an average net rental of \$140 per square metre. The five warehouse and office buildings, ranging in area from 250m² to 1,250m², are leased to quality tenants on a long term basis.

The long term nature of the lease commitments will result in an additional \$2 million of net rental income for the Group over the lease periods.

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 \$42 million 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.