

1 May 2009

A.B.N. 61 003 184 932

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

ANNOUNCEMENT

Desane Refinances \$5.25 Million Long Term Property Loan

Dear Sir/Madam,

Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, wishes to announce that it has refinanced a \$5.25 million loan facility secured by its multimedia centre at Lilyfield Road, Rozelle.

The two-year \$5.25 million loan facility was refinanced at a mix of fixed and variable interest rates of **sub 5.5%**. The refinancing of the loan should result in a saving of approximately \$200,000 over the life of the loan.

The refinancing of this \$5.25 million loan facility, which follows the 30 January 2009 announcement of the \$5.7 million long term refinance of the Orion Road, Lane Cove industrial complex, has meant that the Company has secured the bulk of its finance required to fund its property assets for the next two years or more. This has ensured that approximately **\$400,000 in interest will be saved** by the Company over the life of the two major loans. The interest savings should impact positively on the 2010 and 2011 financial year results.

The Directors are mindful of the current uncertain economic conditions but are comforted by the fact that the Group's property and other assets have been conservatively valued over the past years and by the fact that all of its properties are fully leased, on a medium to long term basis, to major Australian and international companies.

Yours faithfully,



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 \$46.7 million of properties and other assets and manages a further \$18.8 million of industrial and commercial properties in the Sydney region. Our medium term objective is to increase our property holdings to \$100 million.