

17 October 2006

A.B.N. 61 003 184 932

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

Dear Sir/Madam,

Announcement
Multimedia Centre Receives Expansion Planning Approval

Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, wishes to announce that it has received planning approval for the programmed expansion of the multimedia centre facility located in the Sydney suburb of Rozelle.

Leichhardt Council has granted planning approval for an additional 772m² of office space, one caretaker unit and 21 additional security parking spaces. The approval will take the total leaseable floor area to approximately 7,000m² and 93 security parking spaces.

The multimedia centre is located in the Sydney suburb of Rozelle, at the first western end exit of the Anzac Bridge. The property is currently occupied by **Staging Connections, AVV Limited, BRE Communications** and **Point of View Design**.

The opening of the Sydney Cross City Tunnel has opened up the inner western suburbs close to the Anzac Bridge to an increasing demand for quality multimedia and commercial facilities.

Once the additional facilities are completed and occupied, the Directors expect the property to increase in value by approximately \$5 million.

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.