

17 August 2005

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

Dear Sir/Madam,

ANNOUNCEMENT
Sale of Six Silverwater Strata Industrial Units

We wish to advise that Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, has completed the sale of five of the nine Silverwater strata industrial units and exchanged contracts on one additional strata unit. The total value of these sales is \$2,747,000, equating to an average of \$2,300 per square metre.

In late April 2005, Desane appointed the industrial property agents, Taylor Nicholas Property Consultants, to market the property for sale. The objective was to achieve a sale value of \$4.5 million for the nine strata units. The \$2,300 per square metre achieved in the sale of the initial six strata units is in line with the Company's price expectations.

Negotiations are currently being finalised with intended purchasers for the remaining three strata units in the complex. Once the sale is completed, the Company is confident that the expected \$4.5 million sale price will be achieved.

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 \$65 million of industrial and commercial properties in the Sydney region – our medium term objective is to increase our property holdings to \$100 million.