

15 November 2005

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

Desane Share Purchase Plan Offer

The Directors of Desane Group Holdings Limited have approved a shareholders' Share Purchase Plan. The offer is available to all eligible shareholders at \$0.90 per share, which represents a 10% discount to the Volume Weighted Average Price of all fully paid ordinary shares in Desane Group Holdings Limited sold on the Australian Stock Exchange in the ordinary course of trading over the period 12 October 2005 to 14 November 2005 inclusive.

The details of the Share Purchase Plan are as follows:

1. The record date is 25 November 2005.
2. The offer opens on 2 December 2005.
3. The offer closes on 30 December 2005.
4. The share price under this offer will be \$0.90 per share.

Please find attached a copy of the Desane Share Purchase Plan Offer document which will be posted to all Desane shareholders.

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 \$70 million of industrial and commercial properties in the Sydney region – our medium term objective is to increase our property holdings to \$100 million.

DESANE Share Purchase Plan Offer to Shareholders

Offer to buy more shares in
Desane Group Holdings Limited

Offer opens: 2 December 2005
Offer closes: 30 December 2005

The Desane Group Holdings Limited ('Desane') Board of Directors is giving eligible shareholders the opportunity to buy more fully paid ordinary shares in Desane ('shares') through the Share Purchase Plan (which we call the 'SPP'). You don't have to apply for Desane shares under the SPP, it is optional. By applying to buy shares under this offer, you agree to the terms and conditions on both sides of this page – please read them carefully. This offer closes, and your acceptance slip and cheque must be received by Desane in Sydney before 5.00 pm, Friday, 30 December 2005.

How much can you invest?

If you are an eligible shareholder, you may apply to invest:

- A\$4,950.00 for 5,500 shares at \$0.90; or
- A\$3,960.00 for 4,400 shares at \$0.90; or
- A\$2,250.00 for 2,500 shares at \$0.90; or
- A\$1,080.00 for 1,200 shares at \$0.90.

If you receive this offer from us in more than one capacity (eg because you are both a sole and joint holder of shares) the total maximum amount you may apply to invest under this offer in all capacities is A\$4,950.00 for 5,500 shares. See the terms and conditions on the back for more information.

How do we determine the price?

The issue price for each share in this offer is A\$0.90. This price represents a discount of approximately 10% to the Volume Weighted Average Price over the period 12 October 2005 to 14 November 2005, of all fully paid ordinary shares in Desane sold on the Australian Stock Exchange in the ordinary course of trading over the period 12 October 2005 to 14 November 2005, inclusive.

Remember the market price of Desane shares may rise or fall between the time that you apply to buy the shares and the time that we issue them to you. So, the price you pay per share under this offer (A\$0.90) may be more than the price you would pay to buy Desane shares on the stock market at the time we issue the shares to you.

Before you apply for shares under this offer, we recommend you seek independent financial advice. Desane's share price is quoted in the financial pages of the major metropolitan newspapers.

By applying for shares, you certify that you have not applied for Desane Group Holdings Limited ordinary shares with an aggregate application price of more than A\$5,000.00 under this SPP or any similar arrangement in the twelve months prior to making this application, even if you received more than one offer under this SPP. By accepting this offer, you agree to be bound by the terms and conditions on both sides of this page and by the Constitution of Desane Group Holdings Limited.

How do you apply for shares under this offer?

To apply for shares under this offer you must:

1. Carefully read the terms and conditions on the back of this page.
2. Pay for the shares in accordance with the following instructions.
3. On the Acceptance Slip:
 - Tick the box beside the number of shares you want to buy. **Only tick one box.**
 - Write your daytime telephone number – just in case we have any questions.You DON'T need to sign the Acceptance Slip.
4. Send one cheque or money order (drawn on a bank in Australia) for the exact amount of the share parcel you want to buy. Make the cheque payable to **Desane Group Holdings Limited Share Purchase Plan**. DO NOT return your dividend cheque as part payment for this offer.
5. Tear off the Acceptance Slip, **place your cheque behind it** and put them in the enclosed envelope. **Please use the envelope provided with this offer.**
6. **Make sure you send your Acceptance Slip and cheque (allowing enough time for mail delivery) so that Desane will receive them in Sydney by 5.00 pm on Friday, 30 December 2005.** Acceptance slips and cheques received after the closing date will not be processed regardless of when they are postmarked.



Acceptance Slip

Cheque Payment Only

Desane Group Holdings Limited ABN 61 003 184 932

I/We wish to buy:

- 5,500 shares for A\$4,950.00
- 4,400 shares for A\$3,960.00
- 2,500 shares for A\$2,250.00
- 1,200 shares for A\$1,080.00

Please detach this slip and return with your cheque in the envelope provided to Desane at **PO Box 331, Leichhardt NSW 2040, Australia**, so Desane will receive them in Sydney by the offer close date of **5.00 pm, Friday, 30 December 2005.**

DAYTIME TELEPHONE NUMBER:

DESANE Share Purchase Plan Offer

Terms and Conditions

Who is eligible to apply under this offer?

You are eligible to apply to buy shares under this offer if you are a shareholder of Desane Group Holdings Limited ('Desane') when you receive this offer and:

- You were registered as a holder of fully paid ordinary shares in Desane at 5.00 pm (Sydney time) on 25 November 2005; and
- Your registered address is in Australia or New Zealand.

You can't transfer (or renounce) your right to apply to buy shares under the offer to anyone else.

How to pay for the shares?

You may pay for the shares under the offer only in accordance with the instructions on the front of this page.

If your payment is not for the exact amount required to buy the shares, we reserve the right not to accept your payment. In these circumstances, we will return your acceptance slip and cheque or refund any other payment. If we do that, no shares will be issued to you.

Do you have to pay any costs?

You only have to pay the issue price. You DON'T have to pay for any other transaction costs that would generally apply if you bought shares on-market (such as brokerage).

When will Desane issue the shares?

We will issue the shares to you as soon as practicable after the offer closes. We will send you a holding statement or an issue notice for the shares we issue to you.

What rights will the shares carry?

The shares will rank equally with existing fully paid ordinary shares in Desane and so will carry the same voting rights, dividend rights and other entitlements.

Can Desane change the offer?

We will not change the terms and conditions of this offer. However, we reserve the right to issue fewer shares than an eligible shareholder applies for under this offer (or even none at all) if we believe that issuing those shares would break any law or rules of the Australian Stock Exchange.

How often will Desane offer shares under the SPP?

We currently intend to make offers under the SPP once a year. However, we may choose not to make an offer at any time, or to change how often we make offers.

We will send eligible shareholders an offer document each time we make an offer under the SPP.

For future offers, we may set different minimum and maximum investment amounts, and may change the multiple of shares offered.

Desane may, in its absolute discretion, modify, suspend or terminate the SPP at any time. If Desane does this, it will notify the Australian Stock Exchange Limited.

How many shares may you be offered in a 12 month period?

In any 12 month period, Desane can offer to issue eligible shareholders a maximum of A\$5,000.00 worth of shares under the SPP.

These limits apply to you even if you receive more than one offer from us in different capacities, eg as a sole holder and a joint holder of shares.

Desane may reduce these limits at any time.

Will the shares be quoted on the ASX?

Desane will apply for the shares issued to you to be quoted on the Australian Stock Exchange.

How will Desane resolve disputes with you?

If any dispute arises in connection with the SPP, Desane may settle it in any manner it thinks fit. It can do that generally, or in relation to any particular participant, application or share. Desane's decision will be final and binding.

Desane reserves the right to waive compliance with any provision of these terms and conditions.

Please return this Acceptance Slip and your cheque or money order in the enclosed envelope so that Desane receives it in Sydney **BEFORE** 5.00 pm on the closing date of:

30 December 2005