

19 May 2006

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

Dear Sir/Madam,

ANNOUNCEMENT

Silverwater Industrial Strata Unit Sale

We wish to advise that Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, has completed the sale of Unit 5/89 Derby Street, Silverwater for **\$930,000**. Contracts for the sale of this property were exchanged in April 2006.

An average price of **\$2,250 per square metre** has been achieved across the nine strata units sold in the complex. The net proceeds raised from the sale of this property will be used by Desane as working capital.

Yours faithfully,

DESANE GROUP HOLDINGS LTD



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.