

31 October 2006

A.B.N. 61 003 184 932

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

ANNOUNCEMENT
Strata Approval for the Lidcombe
J G Evans Business Centre

Dear Sir/Madam,

We wish to advise that Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, has today received Strata Plan approval from the NSW Land Titles Office for the JG Evans Business Centre located in the Sydney suburb of Lidcombe, a short distance from the Sydney Olympic precinct.

The Strata Plan approval consists of dividing the 4,000 m² industrial business centre, with 30 parking spaces, into seven separate properties. Three of the seven business units have been leased to long term quality tenants. The remaining four units are currently being marketed for lease by commercial and industrial real estate agents CB Richard Ellis and Taylor Nicholas Parramatta offices.

Desane purchased the properties in December 2005 for \$3.05 million and undertook a \$3 million building upgrade. Desane resolved to apply to strata the complex in order to have economic flexibility.

Market research of recent sales of similar properties in the Lidcombe-Homebush-Silverwater district indicates that the strata complex, when fully leased could have a value in excess of \$7 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.