

21 November 2008

A.B.N. 61 003 184 932

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

ANNOUNCEMENT
Three Major Tenants Recommit to Desane

Dear Sir / Madam,

Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, wishes to announce that three of its major existing tenants have recommitted to extending their leases with Desane for **a further three years to February 2012**.

The total net rental value of the leases secured amounts to in excess of **\$4.4 million** over the next 3 years. The 7,000m² of office and warehouse facilities' leases have been finalised at an average of \$202 per square metre net rental and represents approximately **30%** of Desane's 25,000m² owned and managed commercial and industrial property portfolio. All of Desane's 25,000m² commercial and industrial property portfolio is **100%** leased to medium and long term quality tenants.

The major tenants who have recommitted to their existing tenancies are:

- **Sagem Australasia**, a major electronics and communications company, occupying 1,160m² of office and warehouse facilities in the Sydney suburb of Lane Cove;
- **Staging Connections Pty Limited**, a large multimedia and event management company, occupying 5,000m² of office, warehouse, showroom and multimedia facilities in the Sydney suburb of Rozelle; and
- **Esel Pty Ltd**, a large Australian based computer and software distribution company, occupying 836m² of office and warehouse facilities in the Sydney suburb of Lidcombe.

The Managing Director, Mr Phil Montrone, said:

"The re-signing of the three A-grade tenants, from February 2009 for a further three years, demonstrates Desane's management ability to retain major tenants. It also signifies that in uncertain times businesses prefer to remain with property owners and managers who look after them well."

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED



JOHN BARTHOLOMEW
Company Secretary



*The Staging
Connections
multimedia
and events
management
facility at
Rozelle*