

10 March 2010

A.B.N. 61 003 184 932

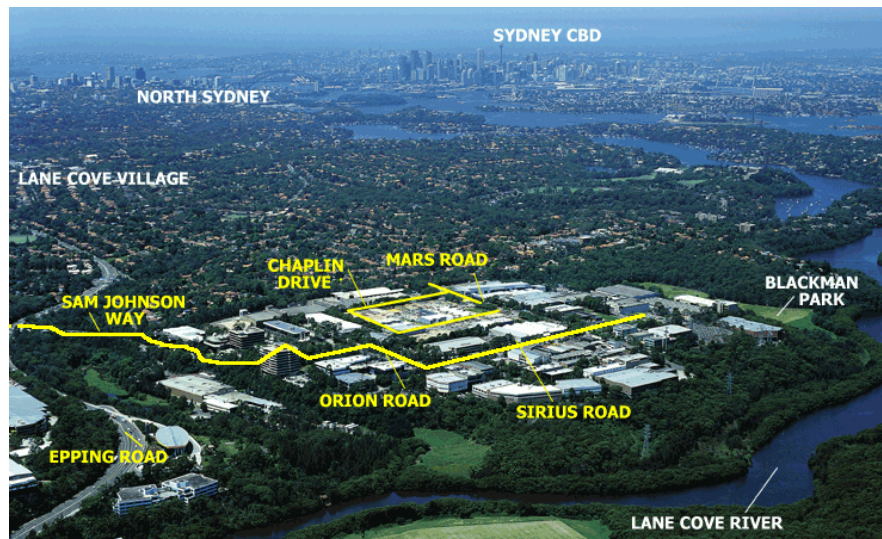
The Manager Companies
Australian Stock Exchange (Sydney) Limited
20 Bridge Street
SYDNEY NSW 2000

ANNOUNCEMENT

Four Major Tenants Sign up \$5M Leases with Desane

Desane Properties Pty Ltd, a controlled entity of Desane Group Holdings Limited, is pleased to announce that over the past ten weeks, it has negotiated four major long term leases with existing and new tenants.

The lease agreements will contribute, to Desane's increasing industrial and commercial property rent-roll, approximately **\$5 million in net rental income over the initial 5 years of the leases.**



In the foreground, the Lane Cove West industrial precinct.

The four leases cover approximately 6,200m² of office and high clearance warehousing and have been negotiated at an average rent of \$160 per square metre net. The tenancies are all located in the Lane Cove West industrial precinct.

The Managing Director of Desane Properties, Mr Phil Montrone, said that he was pleased to see major users of industrial properties returning to Lane Cove West. Over the past 15 years, users of industrial properties have been overlooking this area. This industrial area is well connected to Sydney's major arterial roads and has easy access to the Sydney CBD and Sydney Airport. Over the past 5 years Desane has acquired over 12,000m² of industrial buildings in this area.

Desane's property portfolio is 100% leased to national and international tenants on a long term basis. The properties are strategically placed in suburbs close to Sydney's CBD. It is Desane's view that the Australian industrial property market will improve significantly over the next three to four years, both in tenants' occupancy requirements and rental returns.

The formalisation of the four major lease agreements stands to show the capacity of Desane's property management team in securing major tenants. The leases were negotiated by Desane, with the assistance of the North Sydney offices of CB Richard Ellis, Jones Lang LaSalle and DTZ Properties.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED

JOHN BARTHOLOMEW
Company Secretary