

14 December 2010

A.B.N. 61 003 184 932

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

ANNOUNCEMENT

**Desane Sets Timetable for Sale of the
12,000m² Waterfront Residential Unit Development Site**

Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, wishes to advise that the Directors of Tuta Properties Pty Limited, being a company 50% owned by Desane Properties Pty Limited have agreed to a timetable for the sale of the **12,000m² waterfront high density residential unit development site**, located in the Sydney suburb of Lane Cove.



Following the receipt of a significant number of unsolicited offers for the property and in view of the strengthening market conditions for multi-unit residential development properties located close to the Sydney CBD, it was thought appropriate to program the sale of the property via expression of interest.

It is proposed that Mr Arland Domingo of Jones Lang LaSalle and Mr James Parry of Knight Frank will be the appointed joint agents to undertake the marketing campaign, which will commence late February 2011.

The 12,000m² waterfront property is zoned *High Density Residential R4*, with a floor space ratio of 2:1. The development of the property could yield **250 to 300 residential units**.

The Directors are of the opinion that the prominent location of the property, its close proximity to the Sydney CBD and a successful expression of interest campaign will maximise the expected sale price of **\$38 million**.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED

A handwritten signature in black ink, appearing to read 'John Bartholomew', written over a white background.

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 \$43.7 million of properties and other assets and manages a further \$21.3 million of industrial and commercial properties in the Sydney region. Our medium term objective is to continue to grow the Group's property assets.