

22 February 2010

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

ANNOUNCEMENT

NSW Government Approves Rezoning – Burns Bay Road, Lane Cove

Lane Cove Council has today posted on their website a notification of the gazettal by the New South Wales State Government of the Local Environmental Plan (“LEP”) for the Lane Cove Municipality.

The gazettal of the Lane Cove Municipality LEP includes the 12,000m² industrial property at Burns Bay Road, Lane Cove, in which **Desane owns a 50% interest**.

The rezoning re-classifies the Burns Bay Road property from “Industrial” to “High Density Residential R4” with a proposed floor space ratio of 2:1. Once expressions of interest for the sale of the property are completed, Desane believes that a **sale target value of \$35 million to \$40 million** is achievable. A future residential development of this property could yield up to 270 residential units.

The existing waterfront industrial property is composed of 12,000m² of land and includes approximately 8,000m² of building. The property is fully leased to Australian medical and technology companies on a short to medium term.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED



JOHN BARTHOLOMEW
Company Secretary