

29 November 2010

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

Dear Sir/Madam,

## **SPP Documents**

Please find attached a copy of the letter and documents which are being posted to all shareholders who are entitled to participate in the recently announced Desane Share Purchase Plan.

Yours faithfully,  
**DESANE GROUP HOLDINGS LIMITED**



**JOHN BARTHOLOMEW**  
**Company Secretary**

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### ***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.*

29 November 2010

Dear Shareholder,

**DESANE GROUP HOLDINGS LIMITED SHARE PURCHASE PLAN (SPP)**

On behalf of the Directors of Desane Group Holdings Limited, (**Desane**) I am pleased to advise that all eligible shareholders of Desane have the opportunity to participate in the SPP announced on 22 November 2010.

This SPP will allow Desane to raise up to A\$4,675,000 through the issue of up to 8,500,000 ordinary shares (**shares**) in Desane to eligible shareholders at a price of **A\$0.55 per share (issue price)**. This SPP will allow eligible shareholders to subscribe for a minimum of A\$1,375 to a maximum of A\$14,999.60 additional Desane shares, **without brokerage and transaction costs**.

**The funds raised will be used by Desane to continue to grow its investment industrial property portfolio and for general working capital.**

Participation in this SPP is optional and is open to all shareholders who, as at 5.00 pm on 19 November 2010 (**the record date**), were holders of shares in Desane and whose registered addresses are in Australia or New Zealand (**eligible shareholders**).

Under this SPP, eligible shareholders may apply for a parcel of shares valued at either A\$1,375 (2,500 shares), A\$2,750 (5,000 shares), A\$4,125 (7,500 shares), A\$5,500 (10,000 shares), A\$8,250 (15,000 shares) A\$11,000 (20,000 shares) or A\$14,999.60 (27,272 shares) or alternatively do nothing (thereby retaining their current shareholding).

Given the number of Desane's shareholders at the record date, each of whom will have a right to subscribe for up to A\$14,999.60 of additional shares, it is possible that Desane could receive from eligible shareholders applications for shares which, in aggregate, exceed the maximum number of shares proposed to be allotted under this SPP. Therefore the Directors have determined that, in the event that Desane receives applications for, in aggregate, more than 8,500,000 shares, Desane will scale back applications received from eligible shareholders. If Desane is required to scale back applications, it will use its best endeavours to allocate the new shares being offered under this SPP to eligible shareholders on a pro-rata basis, having regard to the number of new shares each eligible shareholder applied for under this offer. If any applications are scaled back, any surplus in the application amount paid by an eligible shareholder will be refunded by Desane to that eligible shareholder, without interest, following the issue. Desane therefore reserves the right to allot to an eligible shareholder fewer new shares than that eligible shareholder applied for under this offer.

This SPP opens on 29 November 2010 and will close at 5.00 pm on 30 December 2010. Eligible shareholders who choose to participate in this SPP should follow the instructions on the enclosed personalised application form.

The issue price at which shares in Desane will be issued under this SPP is **A\$0.55 per share, being a 3.5% discount** on the volume weighted average market price of the shares calculated over the last 5 trading days on which sales in the shares were recorded before the date on which this SPP was announced. **It also represents a 32% discount to the 30 June 2010 stated NTA.**

The full terms and conditions of this SPP and a personalised application form are attached to this letter and I advise all eligible shareholders to read them in their entirety before they decide whether to participate in this SPP. The offer being made to eligible shareholders under this SPP does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. If you have any concerns about what to do, you should consult your stockbroker, accountant or professional adviser.

In acquiring (and holding) shares in Desane you should consider that the future price of the shares can rise or fall. Eligible shareholders should be aware that there is a risk that the market price of the shares may change between the date of the offer under this SPP and the date when the new shares are issued to eligible shareholders who apply for shares under this SPP. This means that the issue price may be more than the market price of the shares at the issue date and eligible shareholders may not be able to sell such shares at a price equal to or greater than the issue price.

Eligible shareholders should note that the offer under this SPP is not made under a prospectus or other disclosure document. As a consequence, this letter and the attached terms and conditions of this SPP and the application form do not contain the level of disclosure required under the *Corporations Act 2001* to be included in a disclosure document. Eligible shareholders will therefore be required to rely on their own knowledge of Desane and previous disclosures made by Desane on the ASX.

This SPP is intended as a one-off initiative to give eligible shareholders the opportunity to purchase additional shares, without transaction costs or brokerage. However, the Board of Desane reserves the right to make similar offers under similar purchase plans in the future.

On behalf of the Board of Desane, I invite you to consider this opportunity to increase your holding in Desane.

Yours faithfully

**DESANE GROUP HOLDINGS LIMITED**



**JOHN SHEEHAN**  
**Chairman**

## APPLICATION FORM

### Desane Share Purchase Plan Offer

SHAREHOLDER NUMBER: «Shareholder\_Number»

Record Date: 5.00 pm, 19 November 2010

Offer Closes: 5.00 pm, 30 December 2010

**This personalised form can only be used in relation to the shareholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.**

Pursuant to the terms and conditions of the SPP set out in the document accompanying this application form, Desane is offering eligible shareholders the opportunity to purchase fully paid ordinary shares in Desane up to a maximum value of A\$14,999.60 per eligible shareholder, subject to a minimum application of A\$1,375. Eligible shareholders are persons who are eligible to apply for Desane shares in accordance with the terms and conditions of the SPP offer. The issue price of shares under the SPP is **A\$0.55**.

**If you do not wish to purchase new shares under this offer, you do not need to take action.**

Custodians should not use this Application Form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To apply for shares on behalf of distinct beneficiaries, custodians must obtain a separate custodian certificate from Desane's share registry, Computershare Investor Services Pty Ltd, telephone 1300 85 0505 (Australian callers) or 613 9415 4000 (New Zealand callers).

By making your payment, you agree to be bound by the constitution of Desane and the Terms and Conditions of the SPP and agree that the submission of this payment constitutes an irrevocable offer by you to Desane to subscribe for shares on the terms of the SPP. In addition, by submitting this Application Form, you certify that:

1. The aggregate of the application price paid for under this offer, and any similar offer operated by Desane in the 12 months preceding this offer, **does not exceed A\$15,000**.
2. You acknowledge that you have read and understood the terms and conditions of the SPP as set out in the SPP Terms and Conditions and this Application Form.

**Applications and payments under the SPP may not be withdrawn once they have been received by Desane.**

**▼ PLEASE CUT HERE & RETURN WITH PAYMENT ▼**

«Name\_and\_Address\_1»  
«Name\_and\_Address\_2»  
«Name\_and\_Address\_3»  
«Name\_and\_Address\_4»  
«Name\_and\_Address\_5»  
«Name\_and\_Address\_6»

SHAREHOLDER NUMBER: «Shareholder\_Number»

### I/We wish to purchase:

- |   |  |   |   |
|---|--|---|---|
| <input type="checkbox"/> 2,500 shares or<br>A\$1,375  | <input type="checkbox"/> 5,000 shares or<br>A\$2,750   | <input type="checkbox"/> 7,500 shares or<br>A\$4,125      | <input type="checkbox"/> 10,000 shares or<br>A\$5,500 |
| <input type="checkbox"/> 15,000 shares or<br>A\$8,250 | <input type="checkbox"/> 20,000 shares or<br>A\$11,000 | <input type="checkbox"/> 27,272 shares or<br>A\$14,999.60 |   |

Please make your cheque or money order payable to **Desane Group Holdings Limited Share Purchase Plan**, crossed "Not Negotiable" and return with your completed form to **Desane Group Holdings Limited, PO Box 331, Leichhardt NSW 2040 Australia**.

#### Contact Details

Please provide your contact details in case we need to speak to you about this slip.

Name of Contact Person

Contact person's daytime telephone number

## How to Accept the Offer under the Share Purchase Plan

### Applying for Shares and Payment Details

You may apply for shares under the SPP by utilising the payment options detailed below. By making your payment by cheque or money order, you confirm that you agree to all of the terms and conditions of the SPP as set out in the SPP Terms and Conditions and this Application Form.

You may apply for shares by completing the Application Form and paying by cheque or money order. No signature is required on the Application Form. Your cheque or money order should be made payable to “**Desane Group Holdings Limited Share Purchase Plan**” in Australian dollars and crossed “Not Negotiable”. Your cheque must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Please complete cheque details in the boxes provided on the front page. Your payment must be received by no later than the closing date.

**A receipt for payment will not be forwarded.**

### Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that Desane or Desane’s share registry has a query regarding the Application Form.

### Lodgement of Application

Your application of shares must be received (constituted by receipt of your duly completed Application Form together with the accompanying cheque or money order) by **5.00 pm on Thursday, 30 December 2010**.

**You must send the completed Application Form with the accompanying cheque or money order by mail to:**

Desane Group Holdings Limited  
PO Box 331  
Leichhardt NSW 2040

An envelope has been provided for your convenience.

**OR**

**The completed Application Form with the accompanying cheque or money order may also be delivered to:**

Desane Group Holdings Limited  
Level 1  
89 Moore Street  
Leichhardt NSW 2040

## Terms and Conditions of Share Purchase Plan Offer

Defined words and expressions in these Terms and Conditions (and the Application Form) and their definitions are contained in the Glossary in section 23.

**Important Notice:** If you apply to participate in this SPP by completing and returning the Application Form, you are accepting the risk that the market price of the Shares may change between the record date, the date on which you send in an Application Form and the issue date. This means it is possible that, up to or after the issue date, you may be able to buy shares on market at a lower price than the issue price.

**We encourage you to seek your own financial advice regarding your participation under this SPP.**

### 1. Share Purchase Plan

Desane is pleased to provide eligible shareholders with the opportunity to participate in this SPP by subscribing for between A\$1,375 to A\$14,999.60 worth of new shares in Desane, without incurring brokerage or other transaction costs.

### 2. Offer Timetable

The offer under this SPP is dated and taken to be made on 29 November 2010.

Event	Date
Record Date	Friday, 19 November 2010
SPP Announcement	Monday, 22 November 2010
Offer opens	Monday, 29 November 2010
Offer Closes	Thursday, 30 December 2010
Issue Date	Tuesday, 11 January 2011

Desane expects that the new shares to be issued consequent upon applications made under this SPP will commence trading on the ASX on the first trading day after the issue date.

Desane may, at any time, at its discretion (subject to ASX Listing Rules) change any of the closing date and the issue date to a later date (notwithstanding that the offer under this SPP has opened, or Application Forms have been received) by lodging a revised timetable for this SPP with the ASX. Any change to the closing date will cause a consequential change to the issue date.

### 3. Eligibility to Participate in this SPP

#### 3.1 General

You are eligible to participate in this SPP if you were registered as a holder of shares at 5.00 pm on the record date with a registered address in Australia or New Zealand (unless you are, or are acting for the account or benefit of, a US person as defined in Regulation S under the US Securities Act of 1933, as amended (the Securities Act)).

The offer to each eligible shareholder is made on the same terms and conditions.

#### 3.2 Registered Holders

**Single Holders:** If you are the only registered holder of a holding of shares, but you receive more than one offer under this SPP (for example, due to multiple registered holdings), you may only apply for one maximum parcel of shares.

**Joint Holders:** If you are recorded with one or more other persons as the joint holder of a holding of shares, that joint holding is considered to be a single registered holding for the purpose of this SPP and the joint holders are entitled to participate in this SPP in respect of that single holding only. If the same joint holders receive more than one offer under this SPP due to multiple identical holdings, the joint holders may only apply for one maximum parcel of shares.

#### Custodians

If you are a custodian, trustee or nominee within the definition of "custodian" in the Class Order (**Custodian**) and hold shares on behalf of one or more persons, you may apply for up to a maximum of A\$14,999.60 worth of shares for each participating beneficiary, subject to providing a notice in writing to Desane (the Custodian Certificate) certifying the following:

- (1) that either or both of:
  - (a) the Custodian holds shares on behalf of one or more other persons (each, a participating beneficiary) that are not custodians; and/or
  - (b) that another Custodian (Downstream Custodian) holds a beneficial interest in shares on behalf of one or more other persons (each, a participating beneficiary) and the Custodian holds the shares to which those beneficial interest relate on behalf of the Downstream Custodian or another Custodian;

on the date of the offer under this SPP and each participating beneficiary has subsequently instructed, where paragraph (1)(a) applies, the Custodian and, where paragraph (1)(b) applies, the Downstream Custodian to apply for shares on their behalf under this SPP;

- (2) the number of participating beneficiaries;
- (3) the name and address of each participating beneficiary;
- (4) in respect of each participating beneficiary:
  - (a) where paragraph (1)(a) applies, the number of shares that the Custodian holds on their behalf; and
  - (b) where paragraph (1)(b) applies, the number of shares to which the beneficial interests relate;
- (5) in respect of each Participating Beneficiary:
  - (a) where paragraph (1)(a) applies, the number or dollar amount of shares which each participating beneficiary has instructed the custodian to apply for on their behalf; and
  - (b) where paragraph (1)(b) applies, the number or the dollar amount of shares which each participating beneficiary has instructed the Downstream Custodian to apply for on their behalf;
- (6) that there are no participating beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
  - (a) the shares applied for by the Custodian on their behalf under this SPP in accordance with the instructions referred to in paragraph (5); and
  - (b) any other shares issued by the Custodian in the 12 months before the application made under this SPP as a result of an instruction given by them to the Custodian or Downstream Custodian to apply for shares on their behalf under an arrangement similar to this SPP;
- (7) that a copy of this SPP was given to each participating beneficiary; and
- (8) where paragraph (1)(b) applies, the name and address of each Custodian who holds beneficial interests in the shares held by the Custodian in relation to each participating beneficiary.

For the purposes of the Class Order you are a "custodian" if you are a registered holder of shares that:

- (1) holds an Australian financial services licence that:
  - (a) covers the provision of a "custodial or depository service" (as defined in section 766E of the Corporations Act); or
  - (b) includes a condition requiring the holder to comply with the requirement of ASIC Class Order [CO 02/294]; or
- (2) is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
  - (a) paragraph 7.6.01(1) of the Corporations Regulations 2001; or
  - (b) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184] or
  - (c) paragraph 911A(2)(h) of the Act;
- (3) is a trustee of a:
  - (a) self managed superannuation fund; or
  - (b) superannuation master trust;
- (4) is the responsible entity of a IDPS – like scheme (as defined in ASIC Class Order [CO 02/296] or any class order that replaces that class order);
- (5) is the registered holder of shares and is noted on the register of members of Desane as holding the shares on account of another person.

If you require a Custodian Certificate please contact Desane's share registrar, Computershare Investor Services Pty Ltd by telephone on 1300 85 05 05 (Australian callers) or 613 9415 4000 (New Zealand callers).

If you hold shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out above apply.

### **3.3 Overseas Shareholders**

Desane has determined that it is not practical for holders of shares with registered addresses in jurisdictions other than Australia and New Zealand to participate in this SPP.

To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance complies with all applicable foreign laws.



The shares to be issued under this SPP have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States. In order to comply with relevant securities laws, the shares to be issued under this SPP may not be offered to shareholders located in the "United States" or to shareholders who are, or who are acting for the account or benefit of "US persons". As used herein, the terms "United States" and "US persons" are as defined in Regulation S under the Securities Act. Because of these legal restrictions, you must not send copies of these Terms and Conditions or any other material relating to this SPP to any person resident in the United States or who are, or are acting for the account or benefit of "US persons". Consistent with the foregoing, you may not submit a completed Application Form for any person resident in the United States or who are, or are acting for the account or benefit of, "US persons". Failure to comply with these restrictions may result in a violation of applicable securities laws.

#### 4. Participation is Optional

Participation in this SPP is entirely optional (subject to the eligibility criteria set out in section 3 above). The offer contained in this SPP is not a recommendation. If you are in any doubt about this offer, whether you should participate in this SPP or how such participation will affect you (particularly given the current volatility in financial markets), you should seek independent financial and taxation advice before making a decision as to whether or not to accept this offer. Desane also recommends that you monitor the share price, which can be found in major Australian metropolitan newspapers, or at [www.asx.com.au](http://www.asx.com.au) (ASX code: DGH).

#### 5. Issue Price

The issue price for each share being offered under this SPP is \$0.55, **being a 3.5% discount** on the volume-weighted average price of shares traded in the ordinary course on the ASX during the five trading days up to the day on which this SPP was announced. **It also represents a 32% discount to the 30 June 2010 stated NTA.**

Before deciding whether to accept the offer under this SPP you should refer to the current market prices of the shares, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser or the ASX. You should note that the share price may rise or fall between the date of the offer under this SPP and the date when the shares are issued to you under this SPP. This means that the price you pay per share acquired pursuant to this SPP may be either higher or lower than the share price at the date of the offer under this SPP or at the time the shares are issued to you under this SPP. Further, the issue price under this SPP may exceed the share price at which you are able to buy shares on the market at the time that shares are issued to you under the offer contained in this SPP.

#### 6. How Much Can You Invest and Calculation of the Number of New Shares which will be Issued to You

Eligible shareholders may only acquire a maximum of A\$14,999.60 of shares under this SPP, with a minimum application of A\$1,375 being required. Eligible shareholders may apply for any number of shares that matches a parcel detailed in the following table:

Parcel	Subscription Amount (\$A)	Shares to be Issued Calculated at the Issue Price
Parcel A	\$ 1,375 (minimum)	2,500
Parcel B	\$ 2,750	5,000
Parcel C	\$ 4,125	7,500
Parcel D	\$ 5,500	10,000
Parcel E	\$ 8,250	15,000
Parcel F	\$ 11,000	20,000
Parcel G	\$ 14,999.60 (maximum)	27,272

Please note that the maximum limit of 27,272 shares applies even if eligible shareholders receive more than one Application Form or if eligible shareholders hold shares in Desane in more than one capacity – see section 3 above.

Given the number of Desane's shareholders at the record date, each of whom will have a right to subscribe for up to A\$14,999.60 of additional shares, it is possible that Desane could receive from eligible shareholders applications for shares which, in aggregate, exceed the maximum number of shares proposed to be allotted under this SPP. Therefore the Directors have determined that, in the event that Desane receives applications for, in aggregate, more than 8,500,000 shares, Desane will scale back applications received from eligible shareholders. If Desane is required to scale back applications, it will use its best endeavours to allocate the new shares being offered under this SPP to eligible shareholders on a pro-rata basis, having regard to the number of new shares each eligible shareholder applied for under this offer. If any applications are scaled back, any surplus in the application amount paid by an eligible shareholder will be refunded by Desane to that eligible shareholder, without interest, following the issue. Desane therefore reserves the right to allot to an eligible shareholder fewer new shares than that eligible shareholder applied for under this offer.

#### 7. Certification by Eligible Shareholders

By submitting the personalised Application Form (together with a cheque or money order), **YOU CERTIFY** that the aggregate of the issue price paid by you for:

- (1) the shares subject of such Application Form; and
- (2) any other shares applied for by you under this SPP or any other shares issued under a similar arrangement in the 12 months prior to the date of your application;
- (3) any other shares which you have instructed a Custodian to acquire on your behalf under this SPP; and



- (4) any other shares issued to a Custodian under an arrangement similar to this SPP in the 12 months prior to the date of your application as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interest in the shares;

does not exceed A\$15,000.

The A\$15,000 limit applied irrespective of the number of shares you hold on the record date. Desane reserves the right and in certain circumstances may be required by the Class Order or other conditions, to reject any application for shares under this SPP to the extent it considers or is reasonably satisfied, that the application (whether alone or in conjunction with other applications) does not comply with these requirements.

#### 8. **Non-Renounceable Offer**

The offer to acquire shares under this SPP is non-renounceable. This means that you cannot transfer your right to purchase shares under this SPP to anyone else.

#### 9. **No Other Participation Costs**

No brokerage, commission or other participation costs are payable by you in respect of the acquisition of shares under this SPP.

#### 10. **Ranking of Shares**

All shares issued to eligible shareholders under this SPP will rank equally with existing shares from the date of issue and will therefore carry the same voting rights, dividend rights and other entitlements as existing shares.

#### 11. **Class Order Compliance**

The offer of shares under this SPP is made in accordance with the requirements of the Class Order. That Class Order grants relief from the requirement to prepare a disclosure document for the offer of shares under this SPP.

#### 12. **Binding Terms**

By accepting the offer to purchase shares under this SPP, you agree to be bound by these Terms and Conditions and Desane's constitution.

#### 13. **How to Apply for Shares Under this SPP**

If you would like to apply for shares under this SPP, you must pay for the new shares by cheque or money order drawn on an Australian bank in Australian dollars. You must also complete the enclosed personalised Application Form and return it, together with your cheque or money order drawn on an Australian bank and in Australian dollars and made payable to "**Desane Group Holdings Limited Share Purchase Plan**" for the application amount, to one of the following addresses by no later than the closing date:

By mail (envelope enclosed for your convenience):

Desane Group Holdings Limited  
PO Box 331  
LEICHHARDT NSW 2040

By delivery:

Desane Group Holdings Limited  
Level 1  
89 Moore Street  
LEICHHARDT NSW 2040

Do not forward cash. Receipts for payment will not be issued.

Applications may only be made for parcels of shares in the amounts designated on the Application Form (see also section 6). If the amount of the payment tendered with your Application Form is:

- **less than A\$1,375** – Desane will not allot any shares to you and will refund your application money to you;
- **greater than A\$14,999.60** - \*Desane will allot 27,272 shares to you and will refund that portion of the application money in excess of A\$14,999.60 to you; or
- **for an amount between A\$1,375 and A\$14,999.60 that is not one of the designated amounts** - \*Desane will allot to you the number of shares that would have been allotted had you applied for the highest designated amount on the Application Form that is less than the amount of your payment and will refund the excess application money to you.

(\*If Desane receives applications for, in aggregate, 8,500,000 shares, shares will be allocated amongst eligible shareholders in the manner set out in section 6 of this SPP.)

No interest will be paid on any application money refunded to eligible shareholders or in any other circumstances.

#### 14. **Submission of Application Forms**

Application Forms must be received by **5.00 pm on Thursday, 30 December 2010**.

Applications and payments under this SPP cannot be withdrawn once they have been received by Desane.

Please read the enclosed personalised Application Form for further details as to how to apply for shares under this SPP.

#### **15. Application Acceptance**

Desane has a broad discretion to accept or reject your application to purchase shares under this SPP, including (without limitation) in the circumstances specified in section 7 or if:

- (1) your Application Form is incorrectly completed or incomplete or otherwise determined by Desane to be invalid;
- (2) your cheque is dishonoured or has not been completed correctly;
- (3) your Application Form is received after the closing date. While Desane has a discretion to accept late Application Forms and payments, there is no assurance that it will do so. Late Application Forms and payments, if not processed, will be returned to you; or
- (4) Desane believes that you are not an eligible shareholder (subject to compliance with any applicable ASIC or ASX requirements).

#### **16. Acknowledgements and Undertakings by Eligible Shareholders**

If you apply to participate in this SPP by completing and returning the Application Form, you will be deemed to have represented, warranted and certified on behalf of yourself and each person on whose account you are acting that:

- (1) you are an eligible shareholder;
- (2) you have not applied for shares with an aggregate application amount in excess of A\$15,000 under this SPP, even though you may have received more than one offer under this SPP or received offers in more than one capacity under this SPP;
- (3) Desane has not provided you with investment advice or financial product advice, and that it does not have any obligation to provide this advice concerning your decision to apply for and purchase shares.
- (4) Desane is not liable for any exercise of its discretions referred to in these Terms and Conditions;
- (5) the shares have not and will not be registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and
- (6) you have not and will not send any materials relating to this SPP to any person in the United States or that is, or is acting for the account or benefit of a US person.

#### **17. Allotment and Quotation Dates**

Shares are expected to be allotted under this SPP on 11 January 2011 and Desane will apply for those shares to be listed for quotation on the ASX. Eligible shareholders should confirm their holding before trading in any shares they believe have been allotted to them under this SPP.

If Desane receives applications for, in aggregate, more than 8,500,000 shares, shares will be allocated amongst eligible shareholders in the manner set out in section 6 of this SPP.

#### **18. Director Participation**

Any directors of the Company, or entities associated with any directors of the Company, which are eligible shareholders, may participate in the offer under this SPP (without having to obtain shareholder approval) on the same terms and conditions as all other eligible shareholders.

#### **19. Privacy**

By returning an Application Form, each eligible shareholder acknowledges that they have received and read this SPP. If you do not provide this information, Desane may not be able to accept or process your application under this SPP.

As eligible shareholders are already shareholders of Desane, Desane and its share registry (Computershare Investor Services Pty Ltd) have already collected certain personal information from eligible shareholders. However, if eligible shareholders apply for new shares pursuant to this SPP, they will be supplying new, additional or updated personal information (by its inclusion on the Application Form) to Desane.

The information provided by an eligible shareholder is used for the purposes of processing that eligible shareholder's application under this SPP and to administer the eligible shareholder's holding of shares. By making an application for shares under this SPP, each eligible shareholder agrees that Desane may use the information provided by an eligible shareholder in connection with that application for the purposes set out in this privacy statement and may disclose it for those purposes to Computershare Investor Services Pty Ltd and Desane's related bodies corporate, agents and contractors and third party service providers, including mailing houses, professional advisers (eg. auditors, lawyers and accountants), intellectual technology support providers and to the ASX and other regulatory authorities.

The Corporations Act requires Desane to include information about each of its shareholders (including name, address and details of the shares held) in its public register. The information contained in Desane's public register must remain there even if that person ceases to be a shareholder of Desane. Information contained in Desane's register is also used to facilitate payments and corporate communications (including Desane's financial results, annual reports and other information that Desane wishes to communicate to its shareholders) and compliance by Desane with legal and regulatory requirements.

Under the Privacy Act, shareholders have a right to gain access to personal information that Desane holds about that person, subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to Desane's registered office.

**20. Withdrawal, Suspension, Termination, Anomalies and Disputes**

Desane reserves the right to waive strict compliance with any provision of these Terms and Conditions, to amend or vary these Terms and Conditions and to suspend or terminate this SPP at any time. Any such amendments, variations, suspension or termination will be binding on all eligible shareholders even where Desane does not notify you of that event. Desane may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of this SPP, whether generally or in relation to any participant or application. Any determinations by Desane will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates. Desane's rights may be exercised by the Board of Directors of Desane or any delegate of the Board.

**21. Governing Law**

The offer under this SPP and these Terms and Conditions are governed by the law in force in New South Wales. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts of New South Wales.

**22. No Underwriting**

This SPP is not underwritten.

**23. Glossary**

In these Terms and Conditions (and in the Application Form) the following words have the meaning herein ascribed, unless inconsistent with the context.

<b>Application Amount</b>	The amount which corresponds with the parcel you have selected on the Application Form (not exceeding A\$14,999.60), and being the aggregate of the issue price payable by an eligible shareholder for all the shares the subject of that parcel.
<b>Application Form</b>	The application form relating to this SPP that accompanies these Terms and Conditions, including the instructions of the reverse of that form.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
<b>Corporations Act</b>	The Corporations Act 2001.
<b>Class Order</b>	ASIC Class Order [CO 09/425] share and interest purchase plans, as it is amended from time to time.
<b>Closing Date</b>	5.00 pm on 30 December 2010, unless varied in accordance with section 2 of this SPP.
<b>Desane</b>	Desane Group Holdings Limited ABN 61 003 184 932.
<b>Eligible Shareholder</b>	A person who, at 5.00 pm on the record date was recorded in Desane's share register as being a registered holder of shares and having an address in Australia or New Zealand (unless you are or are acting for the account or benefit of a US Person as defined in Regulation S under the US Securities Act of 1933, as amended (the Securities Act)).
<b>Issue Date</b>	On or around 11 January 2011, unless varied in accordance with section 2 of this SPP.
<b>Issue Price</b>	A\$0.55 (fifty five cents)
<b>Offer</b>	Means the offer of new shares under this SPP.
<b>Opening Date</b>	9.00 am on 29 November 2010
<b>Record Date</b>	5.00 pm on 19 November 2010
<b>Shares</b>	Fully paid ordinary shares of Desane.
<b>SPP</b>	This Share Purchase Plan.
<b>Terms and Conditions</b>	The terms and conditions of this SPP.