

30 August 2011

A.B.N. 61 003 184 932

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

**ANNOUNCEMENT**  
**Lane Cove Residential Development - UPDATE**

The expression of interest sale campaign for the **12,200m<sup>2</sup> Lane Cove high-rise residential waterfront property development**, recently undertaken by Knight Frank and Jones Lang LaSalle, highlighted the opportunity for Desane and its co-owners to optimize the value of this asset by progressing to obtain a development approval from the local planning authority.

The property is zoned **High Density Residential R4** with a floor space ratio of **2:1**. The appropriate planning of this property could yield up to **20,000m<sup>2</sup>** of net saleable residential floor space.

**LOCATION**



To undertake the task of obtaining development approval, Desane and its co-owners have engaged the services

of Sydney based architectural firm, Mosca Pserras Architects, well known for designing quality high-rise residential developments throughout the Sydney metropolitan area. Coupled with Desane's proven management expertise in obtaining development consents, Desane's Directors are confident that on obtaining the relevant development approvals, the value of this asset should make a significant contribution to increasing Desane's current NTA of 79 cents per share.

Taking into consideration local government planning requirements, Desane expects to obtain planning approval during the course of the current financial year.

Desane will continue to keep the market fully informed on the progress of this project.

Yours faithfully

**DESANE GROUP HOLDINGS LIMITED**

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