

6 December 2011

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

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ANNOUNCEMENT
Lane Cove Residential Development - UPDATE

Desane Properties Pty Ltd and its co-owners have consolidated the Lane Cove high-rise residential development property, **by acquiring the adjoining property** located at 316 Burns Bay Road, Lane Cove, for the sum of \$1.21 million. The acquisition and consolidation of this property will allow for the lodgement of Development Application plans consisting of up to **26,000m² of net residential floor space**.

The architectural design for the proposed **270 residential units** comprises of two seven storey buildings, each containing up to 75 units and three seven to eight storey buildings, each containing up to 40 units. The five high-rise buildings have been architecturally designed to take advantage of the property's sweeping Sydney Harbour and Lane Cove River views.

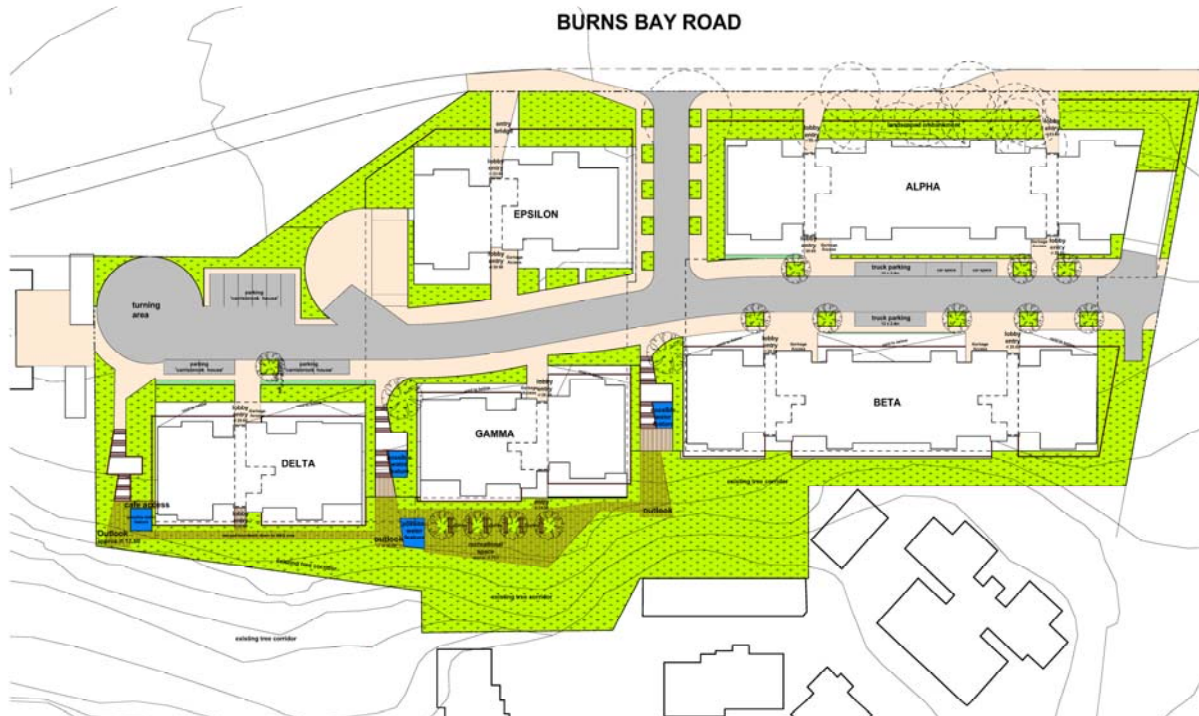
Pending design finalisation, it is intended to lodge a formal Development Application by early February 2012. Desane expects to obtain the final planning approval from the relevant authority during the course of the 2012 financial year.

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

Yours faithfully



JOHN BARTHOLOMEW
Company Secretary



Proposed high-rise residential development architectural block plan layout