

4 March 2011

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

**ANNOUNCEMENT**  
**Sale of Burns Bay Road, Lane Cove**

Further to Desane's announcement made on 14 December 2010, regarding the time table for the sale of the 12,000m<sup>2</sup> waterfront residential unit development site located in the Sydney suburb of Lane Cove, we wish to advise that an expression of interest campaign commenced on Wednesday, 2 March 2011.

The appointed agents for the expression of interest sale campaign are Mr James Parry of Knight Frank and Mr Arland Domingo of Jones Lang LaSalle.

This 12,000m<sup>2</sup> waterfront property is zoned *High Density Residential R4*, with a floor space ratio of 2:1. The development of this property could yield **250 to 300 residential units**.

**LOCATION**



The agents have informed Desane that in the first two days of the campaign, a large number of interested parties have already expressed an interest in the property.

Desane Group Holdings Limited stated net tangible assets (NTA), as at 31 December 2010, stands at **82 cents per share**. The successful sale of this property in the price range previously indicated by Desane to the market, should result in an additional NTA of approximately 10 cents to 15 cents per share.

Desane Group Holdings Limited shares are currently trading at a **40% discount to the stated NTA**. Desane's stated **82 cents** NTA is backed by conservative valuations, long term secure finance and 100% leased commercial and industrial properties located in the Sydney metropolitan area.

Desane will continue to keep the market fully informed on the progress of the sale of the Burns Bay Road, Lane Cove property.

Yours faithfully,

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