DESANE
GROUP HOLDINGS LIMITED

A.B.N. 61 003 184 932

20 October 2004

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

Dear Sir/Madam,

PRESS RELEASE

1:10 Bonus Issue

The Directors of the Sydney based industrial property investment and property services group, Desane Group Holdings Limited today announced it was rewarding its shareholders with a 1:10 bonus issue.

Following the Group's asset growth over the past two financial years, from 71 cents net tangible assets per share to 91 cents net tangible assets per share, the Directors have resolved to issue a one (1) for ten (10) bonus issue to all eligible shareholders.

The Company expects continuing asset growth for the full financial year ending 30 June 2005.

For further information, please contact Phil Montrone on (02) 9569-0344.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED

JOHN BARTHOLOMEW
Company Secretary

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 and or manages more than $65 million of industrial and commercial properties in the Sydney region – our medium term objective is to increase our property holdings to $100 million.

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