DESANE GROUP HOLDINGS LIMITED

23 December 2004

A.B.N. 61 003 184 932

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

Dear Sir/Madam,

PRESS RELEASE

Desane Completes Purchase of the Lidcombe Industrial Complex

Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, has today completed the purchase of the 4,000 m^2 industrial complex in the Sydney suburb of Lidcombe.

Desane exchanged contracts to purchase this property in May 2004 and was expected to complete the purchase late January 2005. **In view of the strong demand for industrial property in the Silverwater/Homebush area, it brought forward the completion of the purchase by one month.** Plans for the redevelopment and subdivision of the property into seven new strata title industrial units have been lodged with Auburn Council. The building work will commence in February 2005 and is expected to be completed by June 2005.

Desane paid $3.05 million for the property and it proposes to spend an additional $1.5 million to undertake the redevelopment and the subdivision works. When completed, the property is expected to achieve an end value of $2,200 per square metre of buildings, resulting in an approximate end value of $6.5 million. The purchase was negotiated though Mr David Bolt of CB Richard Ellis.

Artist's impression of completed project.

Yours faithfully,

JOHN BARTHOLOMEW
<u>Company Secretary</u>

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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