DESANE
GROUP HOLDINGS LIMITED

27 April 2005

A.B.N. 61 003 184 932

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

Dear Sir/Madam,

ANNOUNCEMENT

Silverwater Industrial Complex Strata Approval & Sale

We wish to advise that Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited, has today received Strata Plan approval from the NSW Land Titles Office for its nine industrial units located at Derby Street, Silverwater.

The Directors of Desane have decided to sell the properties and have today appointed the industrial real estate agent specialist, Taylor Nicholas, to undertake the marketing and sale campaign.

Desane purchased this property in October 2002 for $2.7 million and spent an additional $300,000 upgrading the property, bringing the total cost to the Company to $3 million. Desane expects the sale of the nine industrial Strata units to achieve a net sale value of approximately $4.5 million. The net proceeds raised from the sale of this property will be used to fund the Group's further industrial property acquisitions.

Desane recently entered into a contract to purchase a 2,500 square metre industrial complex, with 38 basement car park, from PMP Limited in the Sydney suburb of Lane Cove. The purchase price was $2.9 million. The settlement of this property will occur on before 30 September 2005.

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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