

30 May 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,

PRESS RELEASE

**Desane Receives Planning Approval for New
Lidcombe Industrial Complex**

The Sydney based industrial property group, Desane Group Holdings Limited, has announced that its property subsidiary, Desane Properties Pty Ltd, has received planning approval from Auburn Council to upgrade the 4,000m² industrial complex in the Sydney suburb of Lidcombe into seven strata industrial units.

Desane completed the purchase of the property in December 2004. The Company paid \$3,050,000 for the property and expects to spend an additional \$2,000,000 in the building upgrade and subdivision. Desane intends to take advantage of strong market conditions for this type of property, in particular in the Lidcombe/Homebush/Silverwater precinct. On completion, the Company expects to achieve a market value for the complex of approximately \$6,500,000 or more.

The Managing Director of Desane, Mr Phil Montrone, said "Specialist industrial market forecasters predict that industrial properties similar to the one the Company is upgrading will continue to rise in value over the next 12 to 18 months. In particular, properties that are suitable to small to medium owner occupiers."

In early April 2005, the Company announced the purchase of a 2,500m² industrial building from PMP Limited in the Sydney suburb of Lane Cove. On 27 April 2005, Desane announced that it was intending to sell the nine strata industrial buildings it owns in the Sydney suburb of Silverwater.

Desane owns and or manages more than 60,000m² of industrial properties in the Sydney region and recently announced that all of the properties it owns and manages are fully leased to long term quality national and international tenants.

Yours faithfully,
DESANE GROUP HOLDINGS LIMITED


JOHN BARTHOLOMEW
Company Secretary

Nicholas Street, Lidcombe industrial complex.

