

18 May 2007

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

Dear Sir/Madam,

ANNOUNCEMENT
Change Over of Auditor

We are writing to advise that in accordance with the auditor rotation requirements of the Corporations Act 2001, the external auditor of Desane Group Holdings Limited for the financial year ending 30 June 2006 and prior years, Mr Graeme Green, was required to stand down as the Company's auditor.

As approved by shareholders at the October 2006 Annual General Meeting, GCC Business & Assurance Pty Ltd, a registered auditor, will replace Mr Green as the Desane Group Holdings Limited auditor from Y2007.

Yours faithfully
DESANE GROUP HOLDINGS LTD



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 \$42 million of properties and other assets and manages a further \$13 million of industrial and commercial properties in the Sydney region. Our medium term objective is to increase our property holdings to \$100 million.