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ASX and Media release

17 May 2018

NSW GOVERNMENT TO APPEAL SUPREME COURT DECISION

Desane Properties Pty Limited, a controlled entity of Desane Group Holdings Limited ("Desane") (ASX: DGH), wishes to provide an update to the market on the Supreme Court legal matter regarding the compulsory acquisition of its 5,274m² property located at 68-72 Lilyfield Road, Rozelle, by the Roads and Maritime Services ("RMS").

Today the NSW Crown Solicitor's Office informed Desane's lawyers, Levitt Robinson Solicitors, that on Friday 18 May 2018, they intend to seek leave to appeal to the NSW Court of Appeal and challenge the Supreme Court's finding made on 1 May 2018 in respect of the formal validity of the Proposed Acquisition Notice ("PAN") issued to Desane, as well as his Honour's finding that the PAN was given for an improper purpose.

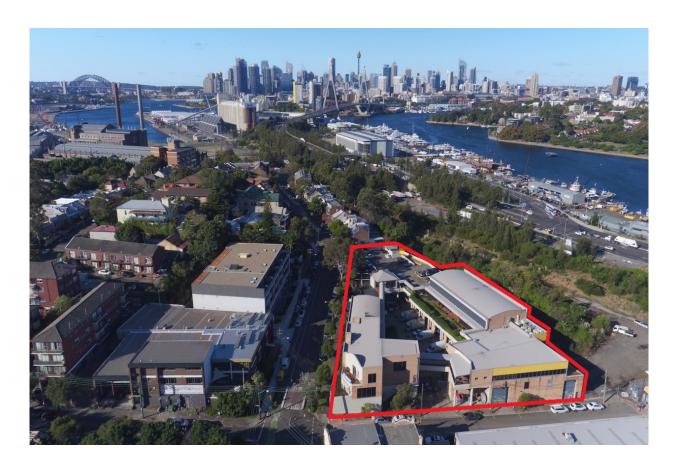
The NSW Crown Solicitor's Office advised that they would seek to expedite the appeal because "his Honour's judgement causes significant uncertainty for a large number of pending and future acquisitions of land under the *Land Acquisition (Just Terms Compensation) Act 1991* by the State of New South Wales and its agencies".

Desane Chairman, Professor John Sheehan AM, said: "On behalf of our Company and its mum and dad shareholders, I am deeply disappointed that following the judgement, RMS have not heeded the advice of NSW Premier Gladys Berejiklian, when she publicly stated "the RMS, of course, needs to respect what the Court has decided and I expect them to move forward in a positive way"." (Source: 9 News Sydney, 1 May 2018.)

Desane and RMS are scheduled to appear before Justice Hammerschlag in the NSW Supreme Court for the making of final orders at 9.30am tomorrow.

Desane will continue to keep the market informed.





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ABOUT DESANE:

Desane Group Holdings Limited is a property investment and development business based in Sydney, with expertise in property acquisitions, investment, management, leasing, sales and development of industrial, commercial and residential properties. Desane has a disciplined "add value" property acquisition approach, which will deliver maximum shareholder value in the medium to long term.