

15 November 2013

Mr Kobe Li & Ms Simone Papas

Advisers Listings, Australian Securities Exchange

Level 45, Rialto Towers

525 Collins Street

MELBOURNE VIC 3000

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Folkestone Limited (ACN 004 715 226) (**FLK**) under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) as modified by Australian Securities and Investments Commission Class Order 08/35.

FLK today announced an accelerated non-renounceable pro-rata entitlement offer of 1 new fully paid ordinary share (**New Shares**) for every 3.86 existing shares (**Entitlement Offer**).

FLK advises that:

- a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- b) this notice is being given under section 708AA(2)(f) of the Act;
- c) as at the date of this notice, FLK has complied with:
 - I. the provisions of Chapter 2M of the Act as they apply to FLK; and
 - II. section 674 of the Act;
- d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act; and
- e) the potential effect that the issue of the New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand and the number of shares taken up by each eligible shareholder under the Entitlement Offer. Nevertheless, FLK does not expect the Entitlement Offer to have any control implications for the FLK.

Folkestone

Folkestone Limited A3N 21 004 715 226

Sydney Office

Level 10, 60 Carrington Street
Sydney NSW 2000

Telephone: (02) 8667 2800

Facsimile: (02) 8667 2880

Melbourne Office

Level 12, 15 William Street
Melbourne VIC 3000

Telephone: (03) 8601 2092

Facsimile: (03) 9200 2282

Email: enquiries@folkestone.com.au Website: www.folkestone.com.au

The Entitlement Offer is fully underwritten by Moelis Australia Advisory Pty Limited.

Yours sincerely



Scott Martin

Company Secretary

Folkestone Limited