

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

FOLKESTONE LIMITED

ABN

21 004 715 226

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 54,666,667 |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | As per all other ordinary shares on issue |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? Yes

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

5 Issue price or consideration 15 cents per share

6 Purpose of the issue
 (If issued as consideration for the acquisition of assets, clearly identify those assets)

Issue of shares pursuant to the 2 for 1 Rights Issue which closed on 30 September 2009

7 Dates of entering +securities into uncertificated holdings or despatch of certificates 8 October 2009

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	86,468,024	Ordinary Shares

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number 303,000	⁺ Class Employee Performance Rights
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No Change	

Part 2 - Bonus issue or pro rata issue

- 11 Is ⁺security holder approval required?
- 12 Is the issue renounceable or non-renounceable?
- 13 Ratio in which the ⁺securities will be offered
- 14 ⁺Class of ⁺securities to which the offer relates
- 15 ⁺Record date to determine entitlements
- 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?
- 17 Policy for deciding entitlements in relation to fractions
- 18 Names of countries in which the entity has ⁺security holders who will not be sent new issue documents

Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.
- 19 Closing date for receipt of acceptances or renunciations

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 20 Names of any underwriters
- 21 Amount of any underwriting fee or commission
- 22 Names of any brokers to the issue
- 23 Fee or commission payable to the broker to the issue
- 24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders
- 25 If the issue is contingent on +security holders' approval, the date of the meeting
- 26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
- 27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?

+ See chapter 19 for defined terms.

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

--

39 Class of +securities for which
 quotation is sought

--

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

--

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

--


42 Number and +class of all +securities
 quoted on ASX (including the
 securities in clause 38)

Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 8/10/2009
(Director/Company secretary)

Print name: SCOTT MARTIN.....

=====

+ See chapter 19 for defined terms.

FOLKESTONE LIMITED
FIRST 20 INVESTORS REPORT
THURSDAY 8 OCTOBER 2009

<u>Rank</u>	<u>Investor</u>	<u>Available Balance</u>	<u>% Issued Capital</u>
Sec. Group: OR2 - FLK & FLKRA			
1	ANZ NOMINEES LIMITED <CASH INCOME A/C>	9,542,302	11.04%
2	WILBOW GROUP PTY LTD <WILBOW GROUP A/C>	8,647,477	10.00%
3	NATIONAL NOMINEES LIMITED	8,197,035	9.48%
4	KURRALI NOMINEES PTY LTD	6,147,776	7.11%
5	CHIMAERA CAPITAL LIMITED	3,698,518	4.28%
6	WILBOW PTY LTD <BOWNESS FAMILY INVEST A/C>	2,051,491	2.37%
7	ADVANCE PUBLICITY PTY LTD <THE IZMAR FAMILY A/C>	2,049,259	2.37%
8	BT PORTFOLIO SERVICES LIMITED <R & K BOSCARATO S/F A/C>	1,300,000	1.50%
9	MR JOHN MALLON	1,151,076	1.33%
10	MARLTON INVESTMENTS PTY LTD <SUPERANNUATION A/C>	1,075,830	1.24%
11	MR PETER HOWELLS	1,025,103	1.19%
12	MR OSCAR GUGLIELMI + MRS KAREN THERESE GUGLIELMI <OKLG S/F A/C>	974,715	1.13%
13	MR OSCAR GUGLIELMI	855,061	.99%
14	CORLAH PTY LTD	832,596	.96%
15	T & T WALSH <FAMILY A/C>	819,703	.95%
16	MR ALISTER MAITLAND + MRS MARGARET MAITLAND <ALISTER MAITLAND S/F A/C>	601,062	.70%
17	MR CON ALEXOPOULOS	580,000	.67%
18	TESSET PTY LTD <TESSET P/L EMPLOYEES S/F A/C>	553,485	.64%
19	MR IAN RICHMOND WARNER	520,000	.60%



FOLKESTONE LIMITED
FIRST 20 INVESTORS REPORT
THURSDAY 8 OCTOBER 2009

<u>Rank</u>	<u>Investor</u>	<u>Available Balance</u>		<u>% Issued Capital</u>
20	MR BENJAMIN PAUL JONES	515,581		.60%
TOTAL FOR TOP 20:		51,138,070	Investors 20	59.14%
TOTAL IN THIS REPORT:		51,138,070	Investors 20	59.14%
TOTAL OTHER INVESTORS:		35,329,954	772	40.86%
GRAND TOTAL:		86,468,024	792	100.00%

end of report



FOLKESTONE LIMITED
INVESTOR RANGES
THURSDAY 8 OCTOBER 2009

Ranges Investors Securities % Issued Capital

Security Group: OR2 FLK & FLKRA

Holding Type : Issuer

1 to 1000	12	7,948	.01
1001 to 5000	35	104,392	.12
5001 to 10000	31	247,990	.29
10001 to 100000	93	3,256,535	3.77
100001 and Over	25	15,584,577	18.02
Total	196	19,201,442	22.21

Holding Type : CHES

1 to 1000	34	15,854	.02
1001 to 5000	97	304,860	.35
5001 to 10000	97	782,928	.91
10001 to 100000	288	10,830,457	12.53
100001 and Over	80	55,332,483	63.99
Total	596	67,266,582	77.79

Totals for Security Group OR2

1 to 1000	46	23,802	.03
1001 to 5000	132	409,252	.47
5001 to 10000	128	1,030,918	1.19
10001 to 100000	381	14,086,992	16.29
100001 and Over	105	70,917,060	82.02
Total	792	86,468,024	100.00

end of report