

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme **Folkestone Limited**

ACN/ARSN 004 715 226

Details of substantial holder

Name Contango Asset Management Limited

ACN/ARSN (if applicable) 085 487 421

The holder became a substantial holder on 08/10/2009

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities	Number of Securities	Person's Votes	Voting Power
Ordinary Shares	8,197,035	8,197,035	9.48%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest	Class and Number of Securities	Person's votes Affected
Contango Asset Management Limited	Contango Asset Management Limited, in its capacity as the investment manager for the persons or trusts listed besides its name in Paragraph 4, has the power to control voting and/or the disposal of securities.	8,197,035 ord shares	8,197,035

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person entitled to be registered holder	Class and Number of Securities	Person's votes affected
Contango Asset Management Limited	National Nominees Limited	Contango Wholesale Microcap Fund	2,651,518 Ord shares	2,651,518
Contango Asset Management Limited	National Nominees Limited	Contango MicroCap Limited	5,545,517 Ord shares	5,545,517

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration	Number of Ordinary Shares
Contango Wholesale Microcap Fund	05/10/2009	\$397,727.70	2,651,518
Contango MicroCap Limited	05/10/2009	\$831,827.55	5,545,517

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

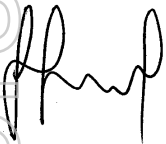
Name and ACN (if applicable)	Nature of Association
Contango Asset Management Limited	Investment manager

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Contango Asset Management Limited	Level 24, 360 Collins Street, Melbourne, VIC 3000
Contango Wholesale MicroCap Fund	Level 24, 360 Collins Street, Melbourne, VIC 3000
Contango Microcap Limited	Level 24, 360 Collins Street, Melbourne, VIC 3000

Signature



GLENN FOWLES
COMPANY SECRETARY
08 OCTOBER 2009