

Folkestone

ASX ANNOUNCEMENT

26 October 2011

FOLKESTONE LIMITED CHAIRMAN'S SCRIPT - 2011 AGM

Good morning Ladies and Gentlemen and welcome to the 44th Annual General Meeting of Folkestone Limited.

As it is 11.00am and a quorum is present I declare the meeting open. If you have not registered your attendance with our share registry at the door, could you please do so.

My name is Garry Sladden and I am your Chairman. In attendance with me today is Greg Paramor, your Managing Director, and your non-executive Directors Ross Strang and Hugh Gurner, together with the members of our senior management team.

Also with us today is Craig Bryan from the Company's auditors, Deloitte, as well as Matt Anderson from our legal advisers Clayton Utz.

On behalf of the Board I would like to thank you for your support over the year.

Your Board and the senior management team have been working hard on your behalf to implement our stated strategy of transforming the recently recapitalised Folkestone into a real estate investment, development and funds management company.

We will commence today's meeting with the consideration of the Agenda items which are contained in the Notice of Meeting, after which time, our Managing Director, Greg Paramor will make a presentation setting out our progress since March 2011 and how we are progressing towards fulfilling our strategy. At the conclusion of Greg's presentation, shareholders will be invited to raise any questions.

The Notice of Meeting has been circulated to shareholders and in the absence of any objections I will be proceeding on the basis that the Notice is taken as read.

The first item of business is to consider the Directors' Report, Financial Statements and Independent Audit Report for the year ended 30 June 2011. This is a non-voting item of business, however I now invite any questions or comments from shareholders in relation to the Directors' Report, Financial Statements and Independent Audit Report? If there are any questions or comments, can you please state your name and the organisation you represent.

There being no [further] questions we come to the next item of business on the agenda, the re-election of Mr Hugh Gurner as a Director of the Company.

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I advise that the proxies submitted for this resolution are as follows:

- For – 60,272,546 Shares
- Open – 17,348,221 shares
- Against – 378,093 shares

As outlined in the Notice of Meeting, I intend to vote all open proxies in favour of this resolution.

Are there any questions or comments from shareholders in relation to this item of business?

There being no [further] questions, I now ask that shareholders vote on this item of business. Can all those shareholders in favour of the resolution please raise your yellow card? Thank you, those shareholders against the resolution, please raise your yellow card. Thank you, the resolution of the re-election of Mr Hugh Gurner has been passed.

The next item of business on the agenda is the Adoption of the Remuneration Report. The vote on this item is advisory only and does not bind the Directors of the Company.

I advise that the proxies submitted for this resolution are as follows:

- For – 56,497,888 Shares
- Open – 7,803,172 shares
- Against – 1,068,846 shares

As outlined in the Notice of Meeting, I intend to vote all open proxies in favour of this resolution.

Are there any questions or comments from shareholders in relation to this item of business?

There being no [further] questions, I now ask that shareholders vote on this item of business. Can all those shareholders in favour of the resolution please raise your yellow card? Thank you, those shareholders against the resolution, please raise your yellow card. Thank you, the resolution to adopt the Remuneration Report has been passed.

This concludes the formal part of the AGM and I will now hand you over to your Managing Director, Mr Greg Paramor who will address the meeting.

“Greg to make his presentation”

Thank-you Greg. I would now like to invite shareholders to raise any questions or make any further comments.

As there is no further business, on behalf of the Board and senior management I thank you for attending the meeting today and your continued support and I now invite you to join us for some light refreshments.

I formally declare the meeting closed.