

THORNEY HOLDINGS PTY LTD

ACN 006 262 835 ABN 37 006 262 835

Level 39, 55 Collins Street, Melbourne Vic 3000
Telephone 9921 7116 Facsimile 9921 7100

11 May 2007

BY FACSIMILE: 1900 999 279 - 3 pages

Manager Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

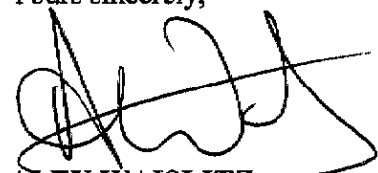
Dear Sir/Madam,

**Change in Interests or Entitlements of Substantial Shareholder - Form 604
Folkestone Limited**

I enclose by way of service Form 604 Notice of Change in Interests or Entitlements of Substantial Shareholder dated 11 May 2007 in accordance with Section 617(B) of the Corporations Act 2001.

I confirm that the original Form 604 has been served on Folkestone Limited by express post today.

Yours sincerely,



ALEX WAISLITZ

Director

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To: company name/scheme **FOLKESTONE LTD**
ACN/ARSN **ABN 21 004 715 226**

1. Details of substantial holder¹

Name **THORNEY HOLDINGS Pty Ltd and each of its related bodies corporate listed in this Notice ("Holdings")**
ACN (if applicable) **ACN 006 262 835**

There was a change in the interests of the substantial holder on 8/05/07

The previous notice was given to the company on 4/10/00

The previous notice was dated 4/10/00

2. Previous and present voting power

The total number of shares votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate² had a relevant interest³ in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of Securities ⁴	Previous Notice		Present Notice	
	Person's votes	Voting power ⁵	Person's votes	Voting power ⁶
Fully Paid Ordinary Shares	4,519,070	20.88%	6,033,958	19.83%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, relevant interests of the substantial holder or an associate in voting securities of the company or scheme since the substantial holder was last required to give a substantial holding notice to the company are as follows:

Date of Change	Person whose relevant interest changed	Nature of change ⁷	Consideration given in relation to change ⁸	Class and number of securities affected	Person's votes affected
24.10.00	Holdings	On market sale	\$0.57 per share	8,000 ordinary shares	Holdings
18.04.01	Holdings	On market sale	\$0.57 per share	594 ordinary shares	Holdings
18.04.01	Holdings	On market sale	\$0.60 per share	49,000 ordinary shares	Holdings
20.06.03	Holdings	On market purchase	\$0.57 per share	84,854 ordinary shares	Holdings
27.08.03	Holdings	On market purchase	\$0.70 per share	571,429 ordinary shares	Holdings
16.09.03	Holdings	On market purchase	\$0.70 per share	200,000 ordinary shares	Holdings
01.10.03	Holdings	Share purchase plan	\$0.70 per share	7,143 ordinary shares	Holdings
07.10.03	Holdings	Share purchase plan shortfall	\$0.70 per share	709,056 ordinary shares	Holdings

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder ⁹	Nature of relevant interest ¹⁰	Class and number of shares	Person's votes
Holdings	Holdings	N/A	Beneficial Owner	6,033,958 ordinary shares	Holdings
Thorney Investment Group Australia Pty Ltd	Holdings	N/A	Associates of Thorney Holdings by virtue of being related bodies corporate (as defined in Sections 9 and 50 of the Corporations Act 2001)	6,033,958 ordinary shares	
Jamahjo Pty Ltd	Holdings	N/A		6,033,958 ordinary shares	

5. Changes in association

The persons who have become associates of, ceased to be associates of, or have changed the nature of their association¹¹ with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name	Nature of association
Thorney Holdings Pty Ltd	Thorney Holdings was previously 100% owned by Thorney Consolidated Holdings Pty Ltd. It is currently 100% owned by Thorney Investment Group Australia Pty Ltd.

6. Addresses

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

Name	Address
Thorney Holdings Pty Ltd	Level 39, 55 Collins Street, Melbourne, Victoria 3000
Thorney Investment Group Australia Pty Ltd ACN 117 488 892	Level 39, 55 Collins Street, Melbourne, Victoria 3000
Jamahjo Pty Ltd ACN 117 488 696	C/- TWF Partners, Level 4, 25 Claremont Street, South Yarra, 3141

Signature

Print name **ALEX WAISLITZ**

Sign here

Capacity **DIRECTOR**

Date **18/5/07**

