

5 October 2009

Closure of Rights Issue

Folkestone Limited (ASX:FLK) today announced that the 2 for 1 renounceable rights issue closed on 30 September 2009.

A total of approximately \$3.2 million of applications has been received from shareholders. All those shareholders who applied for oversubscriptions have been successful and will be issued with the shares they applied for.

Patersons Securities Limited underwrote the Entitlement Offer to \$8.2 million and sub-underwriters to the Entitlement Offer will subscribe circa \$5.0 million shortfall in accordance with the Underwriting Agreement.

As a result, a total of 54,666,667 new shares will be issued by the company. Once official quotation of the securities has been granted there will be 86,468,024 shares on issue.

Shares are expected to be issued on Thursday 8 October 2009.

For further information regarding this announcement please contact:

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