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## ASX RELEASE

10 May 2011

### **Folkestone Limited Confirms Completion of Capital Raising**

Folkestone Limited (ASX:FLK) today confirms that it has concluded the allotment of shares pursuant to the Prospectus dated 11 April 2011.

Folkestone advises that it has raised \$31.5 million in gross proceeds from the recent Capital Raising - comprising of a placement of \$25 million on 31 March 2011 and \$6.5 million from a prospectus offer to the public. As a consequence Folkestone's market capitalisation, at the Offer price of \$0.12 per share, has substantially increased from \$12 million to \$43.5 million.

Today a further 54,470,230 ordinary shares were issued pursuant to the funds raised under the prospectus offer bringing total shares on issue to 370,836,124 shares. The Shares issued under the Prospectus will commence trading on a normal basis from Wednesday 11 May 2011. There will be no trading of Shares on a deferred settlement basis.

In accordance with the approvals received at the 9 March 2011 shareholder meeting, the quantum of Performance Rights issued to the EREP Principals has been adjusted to 15,768,214 Performance Rights based upon the final quantum of gross proceeds raised under the Capital Raising.

Please refer to the Appendix 3B which has been released to the ASX in a separate announcement for further information.

This concludes the final stage of the Capital Raising which was approved by shareholders at the 9 March 2011 shareholder meeting.

The Chairman, Mr Garry Sladden, said "The Board wishes to thank those new and existing investors who participated in the capital raising for their support and looks forward to providing investors with further information as the new capital is invested."

Managing Director, Mr Greg Paramor said "The completion of the capital raising has provided the Company with sufficient funds to reposition the business. Folkestone aims to be an active real estate investor, developer and fund manager and intends to take advantage of a number of real estate investment opportunities with attractive risk-adjusted returns".

### **For further information regarding this announcement please contact:**

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