

Form 604

Corporations Law
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme FOLKSTONE LIMITED

ACN/ARSN ABN 21 004 715 226

1. Details of substantial holder(1)

Name WESTPAC BANKING CORPORATION (WBC) and its associated companies listed in Annexure 'A'

ACN/ARSN (if applicable) ABN 33 007 457 141

There was a change in the interests of the substantial holder on 13/05/2011

The previous notice was given to the company on 04/04/2011

The previous notice was dated 31/03/2011

2. Previous and present 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 when last required, and when now required, to give a substantial holding notice in the company or scheme, are as follows:

| Class of securities (4) | Previous Notice | | Present Notice | |
|-------------------------|-----------------|--------------|----------------|------------------|
| | Person's votes | Voting Power | Person's votes | Voting Power (5) |
| ORDINARY SHARES | 23,541,666 | 7.44% | 22,916,666 | 6.18% |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest 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 or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|---|----------------------|---|---|-------------------------|
| 13/05/2011 | WBC & its Associates Westpac Financial Services Group Limited (WFSG), BT Investment Management (RE) Limited | See Schedule | See Schedule | See Schedule | See Schedule |

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 | Nature of relevant interest (6) | Number of securities |
|---------------------------------------|---|---|----------------------|
| BT Investment Management (RE) Limited | Citicorp Nominees Pty Limited HSBC Custody Nominees (Australia) Limited. | BT Investment Management (RE) Limited is the RE and fund manager of various superannuation funds, institutional investor portfolios and unit trusts and, in that capacity, can exercise the power to vote or dispose of the shares. | 22,916,666 |

5. Changes in association

The persons who have become associates (2) of, or ceased to be associates of, or have changed the nature of their association (9) with, the holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|--|
| BT Investment Management Limited | New Responsible Entity or Investment Manager within WBC. |

6. Addresses

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

| Name | Address |
|---|--|
| Westpac Banking Corporation (WBC) | Level 20, Westpac Place, 275 Kent St, Sydney NSW 2000 |
| Westpac Financial Services Group Limited (WFSG) | Level 20, Westpac Place, 275 Kent St, Sydney NSW 2000 |
| BT Investment Management (RE) Limited | Level 15, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 |
| FOLKSTONE LIMITED | FOLKSTONE LIMITED (FLK) Suite 8 14 Lionel Road Mount Waverley VIC 3149 Ph: (03) 9543 2544 Fax: (03) 9544 6290 |

Signature

print name Rebecca Farrell capacity Group Company Secretary

sign here _____ date 17/5/2011

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of “associate” in section 9 of the Corporations Law.
- (3) See the definition of “relevant interest” in sections 608 and 671B(7) of the Corporations Law.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person’s votes divided by the total votes in the body corporate scheme multiplied by 100.
- (6) Include details of:
 - (a) Any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and with a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) Any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write “unknown”.
- (9) Give details, if appropriate, of the present association and any changes in that association since the last substantial holding notice.

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SCHEDULE

TRANSACTION HISTORY

Sales & Purchases for the period : 1/04/2011 to 13/05/2011

SECURITY: FLK

Advance Asset Management Limited

| Date | Registered Company | Quantity | Value |
|-------------|---|-------------------|--------------------|
| 12/05/2011 | HSBC Custody Nominees (Australia) Limited. | -2,083,333 | -249,999.96 |
| | Total | -2,083,333 | -249,999.96 |
| | Advance Asset Management Limited Total : | -2,083,333 | -249,999.96 |

BT Funds Management (NZ) Limited

| Date | Registered Company | Quantity | Value |
|-------------|---|-----------------|-------------------|
| 31/03/2011 | NZ Guardian Nominees Ltd | -116,000 | -20,381.20 |
| 12/04/2011 | NZ Guardian Nominees Ltd | -509,000 | -78,080.60 |
| | Total | -625,000 | -98,461.80 |
| | BT Funds Management (NZ) Limited Total : | -625,000 | -98,461.80 |

BT Investment Management (RE) Limited

| Date | Registered Company | Quantity | Value |
|-------------|--|------------------|-------------------|
| 12/05/2011 | HSBC Custody Nominees (Australia) Limited. | 2,083,333 | 249,999.96 |
| | Total | 2,083,333 | 249,999.96 |
| | BT Investment Management (RE) Limited Total : | 2,083,333 | 249,999.96 |

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ANNEXURE A – ASSOCIATED COMPANIES

This is annexure 'A' (being 4 pages) referred to in Form 604, Notice of change of interests of substantial holder, lodged for Westpac and its associated entities

Rebecca Farrell – Group Company Secretary WBC– 17/05/2011

| | | | |
|--|------------------|---|-------------|
| 1925 (Commercial) Pty Limited | Australia | Qvalent Pty Limited | Australia |
| 1925 (Industrial) Pty Limited | Australia | RAMS Financial Group Pty Limited | Australia |
| 1925 Advances Pty Limited | Australia | Real Estate Investment Trust B | Australia |
| A.F.G. Insurances Limited | Australia | RESI-Statewide Mortgage Corporation Pty Limited | Australia |
| A.G.C. (Pacific) Limited | Papua New Guinea | RMS Warehouse Trust 2007-1 | Australia |
| Advance Asset Management Limited | Australia | Sallmoor Pty Limited | Australia |
| Altitude Administration Pty Limited | Australia | Sarnia Pty Limited | Australia |
| Altitude Rewards Pty Limited | Australia | Securitor Financial Group Limited | Australia |
| Aotearoa Financial Services Limited | New Zealand | Series 2005-1G WST Trust | Australia |
| Ascalon Capital Managers Limited | Australia | Series 2007-1G WST Trust | Australia |
| Ascalon Funds Seed Pool Trust | Australia | Series 2008-1M WST Trust | Australia |
| Asgard Capital Management Limited | Australia | Series 2009-1 WST Trust | Australia |
| Asgard Wealth Solutions Limited | Australia | Sixty Martin Place (Holdings) Pty Limited | Australia |
| Assirt Software Pty Limited | Australia | Southern Cross Inc. | USA |
| Athena Finance Pty Limited | Australia | St.George (Note Issuing Vehicle Only) Pty Limited | Australia |
| Australian Infrastructure Fund International 1 Pty Limited | Australia | St.George APL Pty Limited | Australia |
| Australian Loan Processing Security Company Pty Limited | Australia | St.George Business Finance Pty Limited | Australia |
| Australian Loan Processing Security Trust | Australia | St.George Custodial Pty Limited | Australia |
| Autodirect Pty Limited | Australia | St.George Equity Finance Limited | Australia |
| Beech Trust | Australia | St.George Finance Holdings Limited | Australia |
| Belliston Pty Limited | Australia | St.George Finance Limited | Australia |
| Bill Acceptance Corporation Limited | Australia | St.George Financial Investments 1 Pty Limited | Australia |
| BLE Capital Investments Pty Limited | Australia | St.George Financial Services Limited | Australia |
| BLE Capital Limited | Australia | St.George Group Holdings Pty Limited | Australia |
| BLE Capital (NZ) Limited | New Zealand | St.George Insurance Australia Pty Limited | Australia |
| BLE Development Pty Limited | Australia | St.George Life Limited | Australia |
| BLE Holdings Pty Limited | Australia | St.George Motor Finance Limited | Australia |
| BT (Queensland) Pty Limited | Australia | St.George New Zealand Limited | New Zealand |
| BT Australia Corporate Services Pty Limited | Australia | St.George Procurement Management Pty Limited | Australia |
| BT Australia Pty Limited | Australia | St.George Security Holdings Pty Limited | Australia |
| BT Finance & Investments Pty Limited | Australia | St.George Wealth Management Pty Limited | Australia |
| BT Finance Pty Limited | Australia | St.George WEL Pty. Limited | Australia |
| BT Financial Group (NZ) Limited | New Zealand | Sydney Capital Corp Inc | USA |
| BT Financial Group Pty Limited | Australia | Tasman Funding No.1 Limited | New Zealand |
| BT Funds Management (NZ) Limited | New Zealand | Tasman Funding No.2 Limited | New Zealand |
| BT Funds Management Limited | Australia | Tasman LLC | USA |
| BT Funds Management No.2 Limited | Australia | Tasman Pacific Investments Pty Limited | Australia |
| BT Investment Management (RE) Limited | Australia | Tavarua Funding Trust III | Australia |
| BT Investment Management Limited | Australia | Tavarua Funding Trust IV | USA |
| BT Investment Management No.2 Limited | Australia | TBNZ Investments (UK) Limited | UK |
| BT Life Limited | Australia | Teuton Pty Limited | Australia |
| BT Nominees Pty Limited | Australia | The Home Mortgage Company Limited | New Zealand |
| BT Portfolio Services Limited | Australia | The Mortgage Company Pty Limited | Australia |
| BT Securities Limited | Australia | The Warehouse Financial Services Limited | New Zealand |
| Buchelin Pty Limited | Australia | TIF International 1 Pty Limited | Australia |
| Canberra Advance Property Limited | Australia | TPC Services Australia Pty Limited | Australia |

| | | | |
|---------------------------------------|-------------|---|------------------|
| Castlereagh Trust | Australia | Value Nominees Pty Limited | Australia |
| CBA Limited | Australia | W1 Investments Pty Limited | Australia |
| Challenge Finance Pty Limited | Australia | Waratah Receivables Corp Pty Limited | Australia |
| Challenge Limited | Australia | Waratah Securities Australia Limited | Australia |
| Chifley Services Pty Limited | Australia | Westpac (NZ) Investments Limited | New Zealand |
| Codrington S.a.r.l. | Luxembourg | Westpac Administration Pty Limited | Australia |
| Crusade ABS Series 2008-1 | Australia | Westpac Altitude Rewards Trust | Australia |
| Crusade ABS Series 2008-2 | Australia | Westpac Americas Inc. | USA |
| Crusade CP Management Pty Limited | Australia | Westpac Asian Lending Pty Limited | Australia |
| Crusade CP No.1 Pty Limited | Australia | Westpac Asset Services Pty Limited | Australia |
| Crusade CP Trust No. 41 | Australia | Westpac Bank of Tonga | Tonga |
| Crusade CP Trust No. 44 | Australia | Westpac Bank Samoa Limited | Samoa |
| Crusade CP Trust No. 48 | Australia | Westpac Bank-PNG-Limited | Papua New Guinea |
| Crusade CP Trust No. 49 | Australia | Westpac Capital Corporation | USA |
| Crusade CP Trust No. 50 | Australia | Westpac Capital Holdings Inc. | USA |
| Crusade CP Trust No. 52 | Australia | Westpac Capital Trust III | USA |
| Crusade CP Trust No. 53 | Australia | Westpac Capital Trust IV | USA |
| Crusade CP Trust No. 54 | Australia | Westpac Capital-NZ-Limited | New Zealand |
| Crusade CP Trust No. 55 | Australia | Westpac Cook Cove Trust I | Australia |
| Crusade CP Trust No. 56 | Australia | Westpac Cook Cove Trust II | Australia |
| Crusade CP Trust No. 57 | Australia | Westpac Custodian Nominees Limited | Australia |
| Crusade CP Trust No. 58 | Australia | Westpac Debt Securities Pty Limited | Australia |
| Crusade CP Trust No. 60 | Australia | Westpac Delta LLC | USA |
| Crusade Euro Trust 1E of 2004 | Australia | Westpac Direct Equity Investments Pty Limited | Australia |
| Crusade Euro Trust 1E of 2006 | Australia | Westpac Equipment Finance (No.1) Pty Limited | Australia |
| Crusade Euro Trust 1E of 2007 | Australia | Westpac Equipment Finance Limited | Australia |
| Crusade Global Trust 1 of 2003 | Australia | Westpac Equity Holdings Pty Limited | Australia |
| Crusade Global Trust 1 of 2004 | Australia | Westpac Equity Investments NZ Limited | New Zealand |
| Crusade Global Trust 1 of 2005 | Australia | Westpac Equity Pty Limited | Australia |
| Crusade Global Trust 1 of 2006 | Australia | Westpac Europe Limited | UK |
| Crusade Global Trust 1 of 2007 | Australia | Westpac Finance (HK) Limited | Hong Kong |
| Crusade Global Trust 2 of 2003 | Australia | Westpac Financial Consultants Limited | Australia |
| Crusade Global Trust 2 of 2004 | Australia | Westpac Financial Holdings Pty Limited | Australia |
| Crusade Global Trust 2 of 2005 | Australia | Westpac Financial Services Group Limited | Australia |
| Crusade Global Trust 2 of 2006 | Australia | Westpac Financial Services Group-NZ-Limited | New Zealand |
| Crusade Management Limited | Australia | Westpac Financial Services Limited | Australia |
| Crusade Trust 1A of 2005 | Australia | Westpac Funding Holdings Pty Limited | Australia |
| Crusade Trust 2P of 2008 | Australia | Westpac Funds Financing Holdco Pty Limited | Australia |
| Danaby Pty Limited | Australia | Westpac Funds Financing Pty Limited | Australia |
| Dragon Investment Services Limited | Australia | Westpac General Insurance Limited | Australia |
| Dysty Pty Limited | Australia | Westpac General Insurance Services Limited | Australia |
| Enfield Downs Pty Limited | Australia | Westpac Group Investment-NZ-Limited | New Zealand |
| FAI No. 2 Trust | Australia | Westpac Group Investments Australia Pty Limited | Australia |
| First Residential Property Trust | Australia | Westpac Holdings-NZ-Limited | New Zealand |
| G.C.L. Investments Pty Limited | Australia | Westpac Investment Capital Corporation | USA |
| Gemini Trust | Australia | Westpac Investment Vehicle No.2 Pty Limited | Australia |
| General Credit Holdings Pty Limited | Australia | Westpac Investment Vehicle No.3 Pty Limited | Australia |
| General Credits Pty Limited | Australia | Westpac Investment Vehicle No.4 Pty Limited | Australia |
| Halcyon Securities Limited | Australia | Westpac Investment Vehicle Pty Limited | Australia |
| Hastings Advisers LLC | USA | Westpac Investments U.K. Limited | UK |
| Hastings Forestry Investments Limited | New Zealand | Westpac Leasing Nominees-Vic.-Pty Limited | Australia |

| | | | |
|---|-------------|---|-------------|
| Hastings Forests Australia Pty Limited | Australia | Westpac Lenders Mortgage Insurance Limited | Australia |
| Hastings Funds Management (UK) Limited | UK | Westpac Life Insurance Services Limited | Australia |
| Hastings Funds Management (USA) Inc. | USA | Westpac Life-NZ-Limited | New Zealand |
| Hastings Funds Management Limited | Australia | Westpac Matching Gifts Limited | Australia |
| Hastings Group Pty Limited | Australia | Westpac New Zealand Group Limited | New Zealand |
| Hastings Investment Capital LP | USA | Westpac New Zealand Limited | New Zealand |
| Hastings Investment LLC | USA | Westpac Nominees-NZ-Limited | New Zealand |
| Hastings Management Pty Limited | Australia | Westpac NZ Funding Limited | New Zealand |
| Hastings Private Equity Fund IIA Pty Limited | Australia | Westpac NZ Operations Limited | New Zealand |
| Hastings Private Equity Fund IIB Pty Limited | Australia | Westpac NZ Securitisation Holdings Limited | New Zealand |
| Hickory Trust | Australia | Westpac NZ Securitisation Limited | New Zealand |
| Hitton Pty Limited | Australia | Westpac Overseas Holdings No. 2 Pty Limited | Australia |
| HLT Custodian Trust | New Zealand | Westpac Overseas Holdings Pty Limited | Australia |
| Infrastructure Australia (No.1) Limited | Australia | Westpac Pacific Limited Partnership | Australia |
| Infrastructure Australia (No.3) Limited | Australia | Westpac Private Equity Pty Limited | Australia |
| Infrastructure Australia (No.4) Limited | Australia | Westpac Properties Limited | Australia |
| Magnitude Group Pty Limited | Australia | Westpac RE Limited | Australia |
| Mayfair Australia Investments Limited | Australia | Westpac Residential Property Trust | Australia |
| MIF Custodian Trust | New Zealand | Westpac Residential Real Estate Investment Trust I | Australia |
| Mortgage Management Limited | Australia | Westpac Residential Real Estate Investment Trust II | Australia |
| Nationwide Management Pty Limited | Australia | Westpac Securities Administration Limited | Australia |
| Net Nominees Limited | Australia | Westpac Securities Inc. | USA |
| Number 120 Limited 1 | New Zealand | Westpac Securities Limited | Australia |
| Oakjet Pty Limited | Australia | Westpac Securities NZ Limited | New Zealand |
| Oniston Pty Limited | Australia | Westpac Securitisation Holdings Pty Limited | Australia |
| Orion Trust | Australia | Westpac Securitisation Management Pty Limited | Australia |
| Packaging Properties 1 Pty Limited | Australia | Westpac Singapore Limited | Singapore |
| Packaging Properties 2 Pty Limited | Australia | Westpac Structured Products Limited | Australia |
| Packaging Properties 3 Pty Limited | Australia | Westpac Superannuation Nominees-NZ-Limited | New Zealand |
| Pact Accountants Investment Group Pty Limited | Australia | Westpac Syndications Management Pty Limited | Australia |
| Partnership Pacific Limited | Australia | Westpac Term PIE Fund | New Zealand |
| Partnership Pacific Securities Limited | Australia | Westpac TPS Trust | Australia |
| Pashley Investments Pty Limited | Australia | Westpac Unit Trust | Australia |
| PF No. 2 | New Zealand | Westpac USA Inc. | USA |
| Phoenix Trust | Australia | WFAL No.1 Loan Trust | Hong Kong |

Note: Westpac retains 60% ownership of BT Investment Management Limited who lodges separate notices under ASX code 'BTT'

| | |
|--|-----------|
| BT Investment Management Limited (60%) | Australia |
| BT Investment Management (RE) Limited (Subsidiary of BT Investment Management Limited) | Australia |