

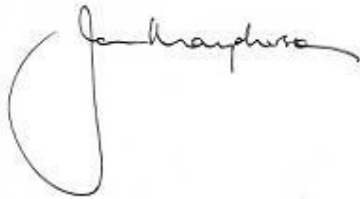
AUSTRALIAN STOCK EXCHANGE RELEASE

OPTIONS LAPSE

Melbourne, Australia, Thursday 11th October, 2007 (ASX:FRE)

Notice is hereby given of the lapse of **255,001 Options** under the Freshtel Employee Share Option and Performance Rights Plan due to the resignation of the relevant employees.

- 10,000 Options from ASX Security Code FREAB
- 45,000 Options from ASX Security Code FREAC
- 100,000 Options from ASX Security Code FREAY
- 100,001 Options from ASX Security Code FREAZ



Jan Macpherson
Company Secretary

About Freshtel Holdings

Freshtel Holdings Limited (ASX:FRE) is an Australian internet telephone technology company that develops and markets VoIP telephony products and services. Freshtel Holdings Limited offers end-to-end white label VoIP solutions to wholesale customers globally through its wholly owned subsidiaries, Voicedot Networks and Virbiage and has a direct-to-market retail channel through www.freshtel.net

Enquiries:

Jan Macpherson
Company Secretary
Freshtel Holdings
Ph: (03) 9095 2000
E: jan.macpherson@freshtelholdings.com

Kyahn Timms
Media Consultant to Freshtel
Buchan
Ph: (03) 9866 4722
E: ktimms@bcg.com.au