

AUSTRALIAN STOCK EXCHANGE RELEASE

FRESHTEL APPOINTS NEW DIRECTOR

Melbourne, Australia, Wednesday, 2 July 2008: Freshtel Holdings Limited (ASX:FRE) is pleased to advise it has appointed Tesco Telecoms Director of Commerce and Finance, Sean Wilkins to its Board.

Mr Wilkins is an Oxford University graduate with a depth of global executive experience in the telecommunications and finance fields. He has formerly held senior positions with O2, British Telecoms and accounting firm Coopers and Lybrand.

Tesco and Freshtel have a strong strategic partnership. Tesco is a major investor in the company, and has collaborated with Freshtel to enhance the network, billing and pricing infrastructure for the Tesco Internet Phone, which is provided by Freshtel and is sold throughout Tesco stores in the UK.

Tesco is also partnering with Freshtel in the first stage of its targeted global roll-out of its converged mobile technology, and values the input Mr Wilkins will be able to offer the board as Tesco UK makes this technology commercially available.

Ken Loughnan AO said he was delighted with the appointment. He said "Freshtel's strategic push into the global market with its converged mobile technology can only be enhanced by a person with Sean's unique operations experience serving on Freshtel's Board."

At the request of the Board, former CEO of Tesco Telecoms, Mr Andy Dewhurst has confirmed that he will remain on the Freshtel board as an independent director.

"Andy has been an excellent contributor to the Freshtel board, and we are delighted that we will continue to benefit from his vast experience and global networks in this industry," Mr Loughnan said.

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 Freshtel's retail site.

Freshtel Holdings: www.freshtelholdings.com

Voicedot Networks: www.voicedot.com

Freshtel retail: www.freshtel.net

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