

**AUSTRALIAN STOCK EXCHANGE RELEASE**

**FRESHTEL GOES 3G**

*Melbourne, Australia, Thursday 7<sup>th</sup> September 2006:*

Freshtel has completed internal trials that have allowed users to make and receive calls to and from its Voicedot Network using 3G handsets.

This allows consumers to make internet telephony (VoIP) calls utilising the Freshtel VoIP software via the 3G network. The handset can still be used to make standard GSM calls to mobiles and landlines. This brings a new level of functionality to the mobile phone industry.

Customers utilising Freshtel's Voicedot network would be able to make free calls through the internet compatible handset via 3G or a Wi-Fi hotspot to other Voicedot customers anywhere in the world.

Mr Michael Carew, CEO of Freshtel, said; "Imagine that you use your 3G capable mobile in Australia to call a family member in the UK at home, or a business associate at the office - their phone rings but because they are using a Voicedot Network compatible device such as Freshtel's award winning internet phone adaptor, it is an internet phone call and your call is free. We now have the technology to allow that to happen."

The Freshtel software on the 3G handset has sophisticated functionality with features such as real-time account balance, contact lists, multiple numbers for contacts, messaging functionality, and diversion features via web interface.

Freshtel believes this advancement in its technology will eventually allow the Company to offer a bundle of mobile VoIP, Wi-Fi and internet telephony solutions to its clients.

Mr Carew said; "Freshtel is in a position to encroach not only on fixed line telephony but also move into the mobile arena. The converged mobile market is potentially highly lucrative and would allow Freshtel to offer total communications packages for home and business customers."

**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](http://www.freshtel.net)

**About 3G**

3G is a term used to describe third generation mobile telephone networks and devices. These networks and devices offer increased bandwidth that can be used for the transmission of many different media types such as Video or Voice over Internet Protocol (VoIP) calls.

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