

AUSTRALIAN STOCK EXCHANGE RELEASE

FRESHTEL SIGNS WHITE LABEL DEAL TO TARGET AUSTRALIAN CHRISTIAN NETWORK

Melbourne, Australia, Thursday 15th January 2009: Freshtel Holdings (ASX: FRE) has signed a new white label deal with Yippii Pty Ltd, to create an internet telephony service to be developed for Australia's Christian community.

The white label deal is to establish a complete internet telephony service that encompasses the internet phone, Freshtel Mobilelink and hardware such as the Siemens dual cordless phone which will be customised and branded for Yippii, whose primary target market is the Australian Christian community.

Yippii Pty Ltd is a service provider to the Christian community through links with their immediate Christian network and the broader Australian Christian church network encompassing all denominations. They will use direct marketing to target the pastors and communities in their immediate network, which has a reach of approximately 1 million members.

Freshtel will earn a licence fee for the establishment of the service over the three years of the deal, as well as an ongoing licence fee per user.

Rhonda O'Donnell, Chief Executive of Freshtel Holdings said the new white label deal followed a number of new partnerships established over the past year both in Australia and overseas.

"The white label deal with Yippii Pty Ltd, follows a number of new partnerships that focus on targeting specific segments of the communities or customer groups, similar to our arrangements with PTCL which is targeting the Pakistani expat community in the UK and Star-Tech which creates services tailored to universities.

"This segmentation approach is working well for Freshtel and our partners. We are able to offer solutions that are tailored to the unique needs of our customers and we are working with partners who understand their customer base and driving the marketing of the product.

"This in-depth customer knowledge has meant that we are able to set some clear targets in terms of sales, and we are expecting upwards of 15,000 new users in the first year of the deal with Yippii," she said.

Michael Webb, Director of Yippii Pty Ltd said through their dealings with the Australian Christian community they had identified a strong need for a dedicated internet telephony service to reduce the cost of telecommunications for their members.

“Yippii services a very active and loyal community and we established that there was a need for a dedicated internet telephony service to facilitate communication between our members and to assist them in managing their telecommunications costs. Freshtel emerged as the clear leader in providing white label services and have been able to work with us to provide a packaged solution that will be simple for us to rebrand and market.”

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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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