

AUSTRALIAN STOCK EXCHANGE RELEASE

FRESHTEL POISED FOR EUROPEAN EXPANSION

Melbourne, Australia, 15th June 2007: Freshtel's next generation internet telephony network, V2, has been successfully launched in the UK signalling the company's readiness for expansion in the lucrative UK and European markets.

Acting CEO, Peter Warner, said the development of V2 had been a major internal priority and a significant achievement for the company. The enhanced V2 network infrastructure will allow Freshtel to accelerate its expansion into Europe and to secure white label partners currently in discussion with the company.

V2 is more sophisticated and robust than the previous network infrastructure, and will allow the accelerated deployment of new white label partners at a lower cost. It will also allow the company to launch new products including a converged mobile service.

"Our customers in Australia already have access to the newly launched Australian V2 network and the launch of its sister V2 network in the UK this week now expands the capability and directly links Freshtel's Next Generation V2 networks ready for expansion into Europe and the Asia Pacific region," said Mr Warner.

The V2 network delivers significant improvements including increased reliability and an opportunity to expand Freshtel's product and service offering.

"Our close strategic relationship with our UK partners has been instrumental in launching V2 and has the capability to result in new opportunities with our current partners and in securing further white label agreements throughout Europe.

V2 is an important element in providing an improved platform to support the growth in our partners' customer bases now and in the future," added Mr Warner.

V2 is also the technical platform which will allow Freshtel to launch new products such as its converged mobile technology, which is currently in development. Converged mobile will allow customers to enjoy mobile coverage using Freshtel's VoIP (Voice over IP) network and represents a major opportunity for the company.

"The converged mobile technology is a point of differentiation for us in the European market. The successful launch of V2 is a clear signal to potential partners that we have the ability to support new white label partners and lead the market with new technologies."

The V2 network was launched in Australia in May 2007, and has been developed in the Cisco and IBM test labs.

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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 www.freshtel.net

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