

AUSTRALIAN STOCK EXCHANGE RELEASE

FRESHTEL APPOINTS NEW CEO

Melbourne, Australia, Monday 2nd July 2007: Freshtel Holdings (ASX.FRE) has named former Telstra Victorian Businesswoman of the Year, and Novell Asia Pacific Chairman Ms Rhonda O'Donnell as its new CEO.

Ms O'Donnell has been working with Freshtel in an advisory capacity for the past two months.

Rhonda brings significant management and information and communication technology (ICT) industry experience to Freshtel. She joined Novell in 2001 as President and CEO of Novell Asia Pacific with responsibility for the management of Novell's entire regional operation spanning 13 markets and employing over 800 staff. She was a member of the company's Worldwide Management Committee.

Mr Ken Loughnan AO, Chairman of Freshtel said "The Freshtel board is absolutely delighted to welcome Rhonda to the role of Chief Executive Officer of the Freshtel Group. Over the past two months Rhonda demonstrated that she has the skills, acumen and vision to take this company forward.

"Rhonda has a strong track record in growing and transforming companies, global experience and deep government and industry connections that will bode well for Freshtel as we continue to grow."

Ms O'Donnell said "Freshtel's technology and solutions have the potential to transform the telecommunications industry as we know it. I am very excited by this opportunity and look forward to using my skills to help this promising Australian company heighten the impact it is having globally."

Mr Loughnan added that the Board is confident that Freshtel is well positioned to progress and deliver on its strategic growth plan.

"We have now delivered some of the critical areas of our strategic growth plan: we have launched our next generation network V2 – a platform for our expansion in the UK and Europe; signed a letter of intent with a European mobile company and appointed a very capable leader."

Ms O'Donnell will bring a wealth of business management experience to Freshtel. She transformed Novell from a proprietary to an open source model throughout the APAC region, and has driven new revenue growth over the past three years.

She was the architect behind Novell's global strategy to capitalise on Linux and open source technology in emerging markets and successfully led Novell's expansion into China and India. Novell became the leading supplier of Linux in China during the first half of 2005.

Prior to joining Novell she was Managing Director of Cambridge Technology Partners, which was acquired by Novell in 2001 and previous to this was Managing Director of Global Customer Solutions (GCS), a subsidiary of TXU, one of the world's largest energy utilities.

Ms O'Donnell is involved in a number of advisory boards and committees including the Victorian Government's Innovation Economy Board, member of the Victorian Government's Purchasing Board (VGPB); and chairs the Vic ICT for Women Network, a joint Victorian government and industry initiative.

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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 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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Rhonda O'Donnell - Profile



Rhonda was appointed CEO of Freshtel Holdings Limited in July 2007.

Her most recent role is Chairman of Novell Asia Pacific, a global provider of Linux (open source) technologies and identity management solutions. She joined Novell in 2001 as President and CEO of Novell Asia Pacific, She was responsible for the management of Novell's entire Asia Pacific operation encompassing 13 markets with more than 800 employees and an extensive partner network and was a member of Novell's Worldwide Management Committee which provides strategic planning and direction for the Company's global operations.

During her tenure at Novell Rhonda transformed the Company from a proprietary to an open source model throughout the Asia Pacific region, drove revenue growth and was the architect behind Novell's expansion into China and India. Novell became the leading supplier of Linux in China during the first half of 2005.

Rhonda's recent and current industry achievements and experience include:

- * She was awarded the Victorian Telstra Business Woman of the Year in 1999
- * Under her leadership, (as Managing Director), Global Customer Solutions won Victorian Call Centre of the year in 1999 and Australian Call Centre of the Year in 1999
- * She is the Founding Chairman of the Vic ICT for Women network
- * She is a member of a number of Victorian Government business advisory boards, including: The Innovation Economy Advisory Board (The Hon. John Brumby, Treasurer); Victorian Government Purchasing Board (The Hon. John Lenders, Minister for Finance); and Ministerial Advisory Board – ICT (The Hon. Tim Holding, Minister for Information and Communication Technology)

Prior to joining Novell, Rhonda was Managing Director of IT consulting firm Cambridge Technology Partners, which was acquired by Novell in 2001. Previously she was Managing Director of Global Customer Solutions (GCS), a subsidiary of TXU (now TRU), one of the world's largest energy utilities.

Rhonda holds a Masters Degree in Innovation and Service Management from RMIT University.