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The Freshtel Holdings Limited Board has determined to seek expressions of interest from potential investors in relation to a private placement of up to 50 million ordinary shares. This new phase of capital raising will facilitate the commercialisation of the significant opportunities that have emerged in international markets for Freshtel's white label internet telephony solutions. Specifically, Freshtel has a contractual arrangement with Maskina, the leading Scandinavian telecommunications provider which has recently listed on the London Stock Exchange and is to implement the phased roll-out of a Freshtel managed internet telephony solution for a major UK retailer in accordance with the letter of intent signed last month.

Funds raised will be used to fund a roll-out of the technology in the UK & US markets including network infrastructure development, installation and project management and the manufacture and roll-out of the award winning Analogue Telephone Adapter and PABX hardware. Funds will also be used for Freshtel's increased expenditure over the next twelve months, as the expanded commercialisation of the product suite and telephony solutions come on stream.

Jan Macpherson
Company Secretary