

AUSTRALIAN STOCK EXCHANGE / MEDIA RELEASE

**FRESHTEL WINS UK TRADE AND INVESTMENT 'NEW INVESTOR'
INTERNATIONAL BUSINESS AWARD**

Melbourne, Australia, Tuesday, 24th October 2006: Internet telephony company, Freshtel Holdings (ASX:FRE) has been recognised for its success in establishing a presence in Britain winning the "New Investor Award" at the recent UK Trade and Investment International Business Awards.

The award follows a year of impressive growth in the UK for the Australian company, which has a very successful white label agreement with Tesco, the UK's leading retailer and is building its own retail presence through partnerships with other large UK retailers such as Woolworths and Argos.

Mr Michael Carew, CEO of Freshtel said the company was thrilled to receive an award which showed an appreciation for the valuable market position created in such a short time.

"When Freshtel was launched in 2003 we knew global scale would be very important in the internet telephony industry. Our innovative white label model ensures that our products are available to millions of consumers in the UK.

Key to our success is the true partnership with our retailers and wholesalers, and a model that ensures that the growth of the Voicedot network is of benefit to all of these partners, which in turn has created a solid foundation for global growth." said Mr Carew.

Freshtel is now a world leader in internet telephony, and the only provider which researches and develops its own products, as well as having its own carrier grade infrastructure. Freshtel also partners with Binatone, one of the world's leading manufacturers of telecom hardware to design and manufacture handsets and other devices to use with the Freshtel Internet Telephone service.

Investor Relations & Media enquiries:

Peter Warner
Director / Corporate Affairs
Freshtel Holdings
Ph: (02) 8669 9600
E: peter.warner@freshtelholdings.com

Kyahn Timms
Media Consultant to Freshtel
Buchan
Ph: (03) 9866 4722
E: ktimms@bcg.com.au