

COMPLETION OF CAPITAL RAISING

20th September 2016

Freshtel Holdings Ltd announces the successful placement to sophisticated investors of 224,735,237 shares being 15% of the shares on issue in accordance with the company's placement capacity under Listing Rule 7.1 (Placement).

Each share issued also attracts a 1:8 free attaching option at \$.0025 in the same manner as the recent Rights Issue.

The Placement was managed by Patersons Securities Ltd.

An Appendix 3B in relation to the Placement also accompanies this announcement.

The Board is very pleased with the response to the Rights Issue by shareholders, in that the majority of the major shareholders took up their rights, and expressed confidence in the Board going forward. The shortfall from the Rights Issue was placed by Patersons Securities Ltd (as underwriter). Most of the funds, minus costs, have now been received, ensuring the company remains a going concern.

As stated previously, the Board is now fully focussed on finding a new project for Freshtel. The Board will update shareholders as and when any material items progress.



Peter Buttery
Chairman