



Australian Government

Takeovers Panel

MEDIA RELEASE

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Freshtel Holdings Limited – Panel Receives Application

The Panel has received an application from Dominet Digital Corporation Pty Ltd in relation to the affairs of Freshtel Holdings Limited. The application concerns an entitlement offer.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 19 August 2016, Freshtel announced a non-renounceable entitlement offer of 1 for 3 shares at an issue price of \$0.001 per share (together with 1 free attaching option exercisable at \$0.0025 for every 8 shares subscribed for and issued) to raise up to a total of approximately \$375,000. The entitlement offer is fully underwritten by Patersons Securities Limited.

Any entitlement not taken up under the entitlement offer will form a shortfall offer which is a separate offer that will remain open for up to three months. The directors of Freshtel reserve the right to issue shares under the shortfall offer at their absolute discretion and shareholders have been advised not to apply for shortfall shares unless instructed to do so by the directors.

Freshtel is currently the subject of an on-market takeover bid from Dominet at \$0.001 per share.

Dominet submits (among other things) that:

- the shortfall offer is structured so as to deny a reasonable and equal opportunity for shareholders to participate in an offer of a substantial interest in Freshtel
- the entitlement offer is designed to stymie Dominet's takeover bid and
- there are deficiencies in the prospectus disclosure.

Dominet seeks an interim order to delay the opening and closing dates of the entitlement offer. It seeks a final order that the entitlement offer not proceed or alternatively, that it not proceed without a priority shortfall facility for shareholders.

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