

Freshtel raises approximately \$1.05 million following closure of its 2010 rights issue

Melbourne, Australia, Monday, 31st May 2010:

Renounceable Rights Issue

On 22nd April 2010, Freshtel Holdings Limited announced a renounceable rights issue to raise approximately \$1.6 million through the issue of 424,592,354 new shares.

The Company advises that the offer closed on 25th May 2010, with eligible shareholders applying for 279,850,715 new shares, or approximately 65.91% of the rights issue, raising a total of \$1,049,455.25 before costs. The total under subscription of the rights issue was 144,741,639 new shares (\$542,781.15).

It is expected that new shares will be issued today and that holding statements containing details of the new shares issued will be dispatched to shareholders by the 2nd June 2010. The new shares are expected to commence trading on the 3rd June 2010.

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