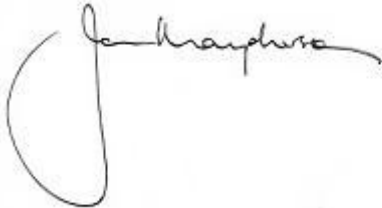


AUSTRALIAN STOCK EXCHANGE RELEASE

NOTICE OF MEETING

Melbourne, Australia, Tuesday, 30th October 2007 (ASX:FRE)

The attached Notice of Meeting and Proxy form for the Annual General Meeting on 27th November 2007 is being sent to Freshtel shareholders.



Jan Macpherson
Company Secretary

About Freshtel Holdings

Freshtel Holdings Limited (ASX:FRE) is an Australian internet telephone technology company that develops and markets VoIP telephony products and services. Freshtel Holdings Limited offers end-to-end white label VoIP solutions to wholesale customers globally through its wholly owned subsidiaries, Voicedot Networks and Virbiage and has a direct-to-market retail channel through www.freshtel.net

Enquiries:

Jan Macpherson
Company Secretary
Freshtel Holdings
Ph: (03) 9095 2000
E: jan.macpherson@freshtelholdings.com

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

For personal use only

FRESHTEL HOLDINGS LIMITED
ACN 111 460 121
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of the shareholders of Freshtel Holdings Limited will be held at Computershare Conference Centre, Yarra Falls, 452 Johnson St, Abbotsford, VIC 3067 on Tuesday 27th of November 2007 at 11:30.

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), a person's entitlement to vote at this Annual General Meeting will be determined by reference to the number of fully paid ordinary shares registered in the name of that person in the register of members as at 7:00pm on Friday 23rd November 2007.

ORDINARY BUSINESS

1. The ordinary of the business of the meeting will be to:

Annual Reports and Accounts

- 1.1 receive and consider the annual financial report, directors' report and independent auditors' report, for the financial year ended 30th June 2007;

Adoption of Remuneration Report

- 1.2 receive and consider for adoption the Remuneration report for the year ended 30th June 2007.

Election of Directors

- 1.3 Consider and if thought fit, pass the following as ordinary resolutions:

Resolution 1.3.1 That Mr Michael Carew, having retired in accordance with Clause 13.2 of the Company's constitution, be re-elected as a Director.

Resolution 1.3.2 Mr Peter Warner, who retires in accordance with clause 13.2 of the Company's constitution does not offer himself for re-election and the meeting records its thanks for Mr Warner services as a Director.

Resolution 1.3.3 Mr Andy Dewhurst, having been appointed as an addition to the existing Directors in accordance with clause 13.4 of the Company's constitution, retires and be re-elected as a Director.

Appointment of Auditor

Resolution 2

To consider and if thought fit, pass the following resolution:

That WHK Greenwoods, having consented to such appointment, be appointed as auditor of the Company in compliance with the Corporations Act 2001 under sections 327A and 327B, and 328A and 328B.

Other Business

To transact any other business which may be lawfully brought forward in accordance with the Company's Constitution and Corporations Act.

Proxies

A Shareholder entitled to attend and vote at the meeting has the right to appoint a proxy to attend and vote instead of the member. The proxy need not be a member of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint not more than 2 proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise half of the votes (disregarding fractions).

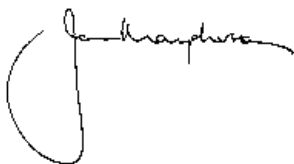
A form for the appointment of a proxy is enclosed with this Notice.

The Proxy Form must, to be effective be lodged at the registered office of the Company, Level 2, 95 Coventry Street, South Melbourne 3205 or by facsimile on (03) 90952099 not later than 11:30am on Sunday 25th November 2007.

Determination of entitlements to attend and vote

The Company has determined in accordance with Corporations Act Regulation Number 7.11.37 that the Shareholding of each Shareholder for the purpose of ascertaining the voting entitlements at the meeting will be determined by reference to the number of fully paid ordinary shares registered in the name of that person (reflected in the register of members) as at 7:00 pm Melbourne time 23rd November 2007.

BY ORDER OF THE BOARD



Jan Macpherson
Company Secretary
25th October 2007

FRESHTEL HOLDINGS LIMITED
ACN 111 460 121

EXPLANATORY STATEMENT

IMPORTANT NOTICE

The Explanatory Statement explains and provides information regarding the Resolutions to be considered at the Annual General Meeting as set out in the accompanying Notice of Annual General Meeting, to assist Shareholders determine how they wish to vote on the Resolutions.

Shareholders should read this Explanatory Statement in full because individual sections do not provide a comprehensive appraisal of the Resolutions in their own right. This Explanatory Statement forms part of the accompanying Notice of Annual General Meeting and should be read together with the Notice of Annual General Meeting.

If you are in doubt about what to do in relation to the Resolutions contemplated in this Explanatory Statement, you should consult your financial or other professional advisor.

This Explanatory Statement is dated 9th October 2007.

Introduction

The Annual General Meeting is being held so that the Directors can table the financial statements and reports of the Company for the previous financial year and so that Shareholders can vote on the re-election of Directors. The company is required to present a Remuneration Report which is contained in the Directors Report. Shareholders are requested to vote on the adoption of this Report. Shareholders should be aware that votes in respect of the Remuneration Report are non-binding on the Company. Shareholders are also required to vote on formalising the appointment of Auditors and on an aggregate amount to be paid to directors who are not executives of the Company. This is known as the Ordinary Business of the meeting.

At the Annual General Meeting, Shareholders will also be asked to consider additional Resolutions set out in the accompanying Notice of Annual General Meeting under the heading Special Business. Details of these Resolutions and an explanation as to why the Company is putting these to Shareholders is set out in this Explanatory Statement.

Words or expressions used in the Notice of Annual General Meeting and in this Explanatory Statement are defined in the Glossary. Unless otherwise stated, all references to sums of money '\$' and 'dollars' are references to Australian currency.

Item 1.1 – Annual Reports and Accounts

The Annual Report including the accounts of the Company has been compiled in accordance with the Corporations Act 2001 (*Cth*) and is tabled for consideration and approval by Shareholders under a non-binding vote.

Item 1.2 - Remuneration Report

A detailed Remuneration Report, included in the Directors Report in the Annual Report has been compiled in accordance with the Corporations Act 2001 (*Cth*) and is tabled for consideration and approval by Shareholders under a non-binding vote.

Item 1.3 - Election to the Board of Non-Executive Directors

Mr Michael Carew, and Mr Andy Dewhurst retire in accordance with the Company's constitution. Each of these directors offers themselves for re-election.

Mr Peter Warner retires in accordance with the Company's constitution and does not offer himself for re-election.

Mr Carew was re-appointed as a director at the 2005 Annual General Meeting and retires by rotation.

Mr Dewhurst was appointed as a director in January 2007 representing Tesco PLC the major shareholder. As this is the first General Meeting since his appointment he is required to retire. He offers himself for re-election.

The Board recommends that shareholders vote in favour of the resolutions electing both Messrs Carew, Dewhurst as directors.

The following information has been provided by each candidate in support of their election as a director.

Mr Michael Carew

Mr Michael Carew has founded and managed several very successful businesses and understands the importance of teamwork and the ability to adapt quickly to take advantage of market change and trends. Michael has always illustrated an energetic and innovative approach to the development of products and services, from inception through design-proofing to sales and marketing. He has experience with product manufacturing processes in Taiwan and mainland China and has successfully negotiated production with overseas manufacturers through globally recognised companies.

Mr Carew is the founder of the Freshtel Group of Companies. He planned and orchestrated the development of Freshtel products and services and was CEO of the Company until January 2007. Since taking on the execution of international focused white label agreements, Michael now spearheads global business development for the Freshtel Group and is a major shareholder in Freshtel.

Mr Carew is often sought out by the industry and media for his opinions and insights on the current and future development of the VoIP industry.

Mr Andy Dewhurst

Andy joined the Freshtel board in January 2007. He is Chief Executive Officer of Tesco Telecoms, including branded handset and landline categories in store, Tesco home phone and Tesco internet phone, internet access and Tesco broadband.

Andy first joined Tesco Stores Ltd in 1983 and has been a Divisional Director for over 15 years. His experience spans Tesco Marketing, Commercial, Supply Chain, Property, and Tesco Personal Finance.

During his time in Tesco Personal Finance, the business achieved its target of acquiring its 1 millionth-customer within two years of launch, as well as moving into profit in 2000.

In June 2003, Andy was appointed CEO of another new joint venture - between O2 and Tesco – Tesco Mobile Ltd. The business launched in September of that year and has now been trading successfully for four years.

Tesco Mobile has grown to 1.4 million customers and is highly popular with consumers for its simple, flat rate tariffs and excellent range of handsets available in store and online. As the second largest retailer of pay as you go mobile handsets in the UK, Tesco has secured its position as a key telecoms retail destination and a telecoms service provider, under Andy's direction.

Resolution 2 – Appointment of Auditor

The Company confirms that it has received a notice of nomination from a member nominating WHK Greenwoods as the auditor of the Company for the financial year ended 30 June 2008 and notice of consent to the nomination within the required time period prior to the AGM.

Voting Exclusion Statement – Corporations Act

Section 224 of the Act prohibits:

- a related party of the Company to whom Resolution 3 would permit a financial benefit to be given; and
- an associate of that related party

from voting on certain resolutions.

In accordance with the Listing Rules of the Australian Stock Exchange Limited ("ASX") the Company will disregard any votes cast as follows;

- not applicable

A director or his associated entity may vote if he or it has been appointed in writing as a proxy for a shareholder who is not prohibited from voting by section 224 of the Act **AND** that shareholder has instructed the director or entity in writing how to vote.

Recommendation

Subject to the abstentions set out below, the Directors unanimously recommend that eligible Shareholders vote in favour of all of the Resolutions set out in the accompanying Notice of Annual General Meeting.

GLOSSARY

In this Explanatory Statement:

Annual General Meeting means the annual general meeting of the company convened under the Notice of Meeting to which this Explanatory Statement is attached.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited ACN 008 624 691.

Board means the board of Directors of the company.

Company or **Freshtel** means Freshtel Holdings Limited ACN 111 460 121

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001(Cth)

Director means Director of the Company

Listing Rules means the listing Rules of ASX and **Rules** means a particular rule of the Listing Rules as applicable.

Notice of Annual General Meeting means the notice of Annual General Meeting that this Explanatory Statement accompanies and which the Resolutions are set out.

Resolutions means the resolutions referred to in the Notice of Annual General Meeting and **Resolution** means any one of them, as the context requires.

Share means a fully paid ordinary Share in the capital of the Company.

Shareholder means the holder of a Share.

Freshtel Holdings Limited

ABN 92 111 460 121

Proxy Form

All correspondence to:

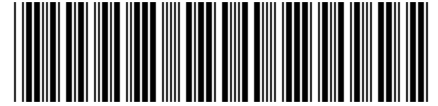
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000
Facsimile 61 3 9473 2555
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001 000 FRE
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



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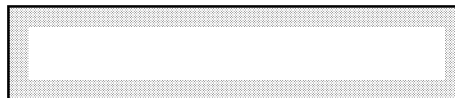
Appointment of Proxy

I/We being a member/s of Freshtel Holdings Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Freshtel Holdings Limited to be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford on Tuesday 27 November 2007 at 11:30am and at any adjournment of that meeting.

Voting directions to your proxy - please mark



to indicate your directions

Item 1.2 Adoption of Remuneration Report

Item 1.3.1 Re-election of Mr Michael Carew as a Director

Item 1.3.3 Re-election of Mr Andy Dewhurst as a Director

Item 2 Appointment of WHK Greenwoods as Auditor

	For	Against	Abstain*
Item 1.2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 1.3.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 1.3.3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

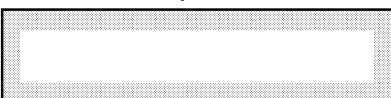
The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

PLEASE SIGN HERE

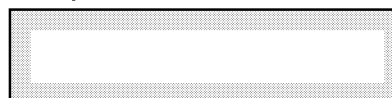
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



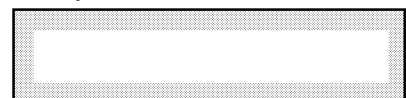
Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy Form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

FRE

13PR



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's Share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's Share registry or you may copy this form.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- | | |
|--------------------|--|
| Individual: | where the holding is in one name, the holder must sign. |
| Joint Holding: | where the holding is in more than one name, all of the securityholders should sign. |
| Power of Attorney: | to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it. |
| Companies: | where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place. |

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's Share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 11:30am on Tuesday 27 November 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged using the reply paid envelope or:

IN PERSON	Level 2, 95 Coventry Street, South Melbourne 3205
BY MAIL	Level 2, 95 Coventry Street, South Melbourne 3205
BY FAX	+61 3 9095 2099