FRIGRITE LIMITED

ACN 112 452 436 ABN 91 112 452 436

2 July 2009

Frigrite Limited – Update on Recapitalisation

On 26 May 2009, Frigrite Limited (**Frigrite**) announced the withdrawal of the Rights Issue and Convertible Note placement it launched on the 13 May 2009, following an announcement by Coles to Frigrite that it had entered into a co-operative arrangement with City Facilities Management (Aus) Pty Ltd, a subsidiary of City Refrigeration Holdings (UK) Ltd (**City Refrigeration**) for the servicing of refrigeration equipment for Coles stores. Frigrite withdrew the capital raising to enable it to assess the impact of Coles' announcement on its business.

Following this assessment, Frigrite is pleased to announce that it intends to recommence its capital raising process shortly.

Frigrite is working closely together with Coles on its capital project plans for the upcoming financial year and will provide further updates to the market as orders become firm.

Frigrite and ANZ have finalised the ongoing ANZ facilities and agreed the repayment and other conditions, including the financial covenants. The facility is due for review in December 2009.

With operational improvements made by the new management team, Frigrite has been able to remove the $1,500,000 temporary ANZ overdraft facility on 28 May 2009. This temporary facility was originally put in place 28 September 2007. Frigrite has not utilised the ongoing $1,000,000 overdraft facility over the last month. Further operational improvements are expected over the coming six months.

PPK Group Limited (**PPK**) (Frigrite's major shareholder) has confirmed to Frigrite its support for a capital raising with a similar structure to the capital raising announced in May. PPK has agreed to underwrite $2 million of a rights issue and to secure $8 million through the issue of Convertible Notes (with attaching Options) to PPK and selected professional and sophisticated investors.

Frigrite intends to release further information in relation to the capital raising shortly, including the total size of the capital raising and the details of the rights issue once finally determined.

Frigrite would like to thank its customers, suppliers, staff and shareholders for their continued support over this period.

Yours faithfully,

David Hoff

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Chairman

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