



190 Camden High Street, London, NW1 8QP

Monday, 14 January 2008

Dear Shareholder,

We are writing to you about progress of the Double Carbon Battery Company plc and its innovative technology.

When we last wrote to you in May 2007, the company had received additional prototypes from the Chinese inventor that were then forwarded to Cambridge for evaluation. These four adaptations aimed to address the two main issues highlighted by Dr McMahon in his initial report on the technology. Having now reviewed the new evaluation report it would appear that we have achieved some success in one of these areas:

“The (first) prototype batteries showed varying degrees of leakage current but attempts in the later prototypes to limit leakage have met with some success.”

We are now looking more deeply at the other issue and concentrating on increasing the capacity of the Double Carbon Battery. The directors are actively exploring other avenues in order to get a broader level of expertise both to focus on this particular aspect and perhaps most importantly, to increase our quality control measures to ensure that we can reliably re-produce the type of cells that are performing much better than others. (ie: cells with low leakage and low impedance). If we can attain a certain level of consistency we will have made a very significant leap forward. This is substantiated in Dr McMahon’s latest report.

Remaining flexible, the company is also investigating other ways in which the technology can be utilized with minimal adjustment from its current state.

You will note that in the report summary letter from Dr McMahon, he suggests that the battery may be well suited to the super capacitor market. We are working with

Cambridge to evaluate the characteristics of super-cats on the market today to determine the advantage(s) the Double Carbon configuration may have over these products.

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Super capacitors have a number of beneficial qualities; virtually unlimited cycle life, rapid charging without danger of overcharge, temperature stability and excellent safety properties. They are known to work well in combination (or in parallel) with chemical batteries and are highly suited to a variety of commercial applications including electric and hybrid cars, uninterrupted power supply (UPS) systems and other green energy uses.

We remain convinced that we have a unique product with the potential to occupy a significant place in the growing area of greener energy.

As soon as we have assessed the super cat market and received news from Cambridge on their findings in this area we will be better positioned to determine the best way forward. We aim to contact you again with this information early this year whereupon we will also inform you of the date and venue of the company's second Annual General Meeting.

DCBC plc's accountants are currently preparing the annual financial statements for the year ending 30 September 2007. Approval of these will be an item on the AGM agenda. To send out a copy of audited accounts to all shareholders would be a very costly and environmentally unfriendly procedure - we would also not want to post accounts on the website before they are approved. However, we are prepared to send (by post) audited accounts to any shareholders who specifically request such. Therefore, if you would like to view a copy of these before they can be approved at the AGM, please contact us as soon as possible.

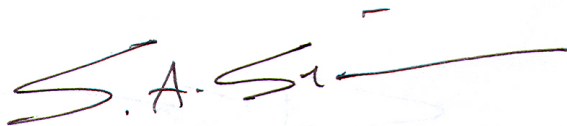
In the meantime, please find enclosed a copy of the most recent letter from Dr. Richard McMahon for your information.

We would like to take this opportunity to welcome any new shareholders to the company and to wish you all a safe and prosperous New Year.

In keeping with the company's green aspirations, if any **new** shareholders would like to continue receiving updates by post, please contact us and let us know. Otherwise, please register on our website www.doublecarbon.com where all updates are posted.

If you have any questions, please don't hesitate to contact us on 08700 429 696 or by email to info@doublecarbon.com.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. A. Saville', with a long horizontal stroke extending to the right.

Sebastian Saville
Director of Double Carbon Battery Company plc

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