



Tuesday, May 22 2007

Dear Shareholder,

I am writing to update you on Double Carbon Battery Company plc ("DCBC").

DCBC conducted its inaugural Annual General Meeting on 19 February 2007 and was pleased to welcome and meet with a number of shareholders. The draft audited accounts up to 30 September 2006 were presented and you may view or download the final version from our website www.doublecarbon.com. The auditors and directors of the company were re-appointed. Discussion surrounding the results of the Cambridge evaluation on Prototype 1 of the Double Carbon Battery also took place with the Executive Summary of the report presented at the meeting. Dr Richard McMahon positively described the technology as 'a battery' and expressed his eagerness to conduct further evaluations of the subsequent prototypes.

The Cambridge report highlighted two particular areas where further R&D is required:

- Voltage leak – i.e: the battery can be charged sufficiently, but with or without a load the voltage decreases.
- Low capacity – i.e: although the battery could start a vehicle, it does not hold sufficient charge to keep your side lights on for two hours then start the vehicle.

Since the release of the report, work has taken place to address these issues. DCBC has received four additional prototypes from China with each showing improvement. Early reports from Dr McMahon indicate that the leakage issue is being resolved. These four prototypes are due to undergo a full evaluation at Cambridge with reports expected within the coming months.

DCBC is working hard to refine the technology, forging new relationships with local and international businesses and individuals with the potential to help DCBC achieve its goals. We are expecting an introduction from Dr McMahon to Southampton University (experts in the field of electromagnetics) within the coming weeks and believe they could be instrumental in bringing the battery forward to manufacturing stage. DCBC is seeking an industry professional with experience in the field to assist us in our aim to have a commercially viable product within the next 18 months.

www.doublecarbon.com
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A provisional Australian patent for the technology has been secured and an application to the Patent Cooperation Treaty covering China and 127 other countries is to be filed on completion of the R&D.

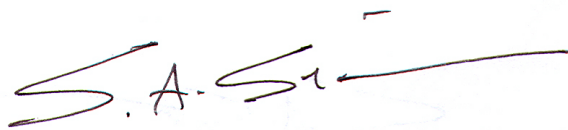
Further to recent enquiries regarding the listing of the company on the stock exchange and/or floating on AIM, DCBC directors would like to state that while this is an ultimate goal it is not a decision that will be made without recourse to professional advice. This will be acted upon only when the time is right for the company.

Finally, the DCBC website (www.doublecarbon.com) was launched in March 2007. It will be a hub of information for shareholders where company news will be posted on a regular basis. We appreciate that not all shareholders have access to the internet, however, in an effort to minimize costs and environmental impact, we request that if you wish to continue receiving updates from us by post, please write and let us know and we will keep your details on a separate mailing list. If we do not hear from you, we will assume you either have access to our website or you do not wish to receive any further communications by post.

Please find enclosed a copy of the Cambridge introduction letter from Dr. McMahon. Copies of the AGM minutes, the full Cambridge Report and the audited accounts are available on request.

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

Yours sincerely

A handwritten signature in dark 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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