



May 15, 2007

To our Shareholders,

We began this year by issuing a letter to our shareholders, reviewing the progress of 2006. This letter is to bring you up to date of the Company's progress since then.

The Company announced in September 2006 that we received a purchase order from Duke Energy for BPL equipment in the aggregate amount of approximately \$3.5 million. We have fulfilled about 95% of that purchase order and continue to work towards the completion of it. The commercial deployment of our BPL communications platform in Charlotte, North Carolina continues.

As announced this month, the Company has entered into a new research and development project with Consolidated Edison of New York. This project is based in Manhattan and is focused on Con Edison's underground system. The Company had also announced early last year that it had moved to the grid management phase in our Westchester, New York deployment with Con Edison. We have completed the work there as defined by the contract with the New York State Energy Research and Development Authority (NYSERDA) and have received payment accordingly.

The Company continues to work with San Diego Gas and Electric (SDG&E) in San Diego, CA, Entergy Corporation in Little Rock, Arkansas and FirstEnergy Service Company in Akron, Ohio. Albeit small in nature, these pilots are important to the proof of concept phase many utilities are exploring.

The introduction of Ambient's newest intelligent grid applications, current and voltage sensing, enhancing our Smart Grid capabilities was unveiled in April. These applications are vital in improving energy and operational efficiency for utilities. Ambient has also introduced our newest medium-voltage inductive coupler to our utility partners, which is significantly reduced in size and weight. Additionally, we have progressed to the third generation of our network management system, AmbientNMS, and added a service management system into it.

By enabling BPL technology for utilities to improve energy and operational efficiency, especially in an aging grid infrastructure, Ambient has positioned itself as a leading innovator in delivering Smart Grid capabilities. Ambient will continue to focus on the development of new applications and products for the Smart Grid as well as deployments with our utility and technology partners. We also continue to strengthen our existing relationships and will seek additional partners as needed.

I am pleased to report that based on first quarter sales results included in our quarterly report on Form 10-QSB for the quarter ended March 31, 2007, Ambient is reporting revenues of approximately \$1.8 million for first quarter 2007. The quarterly report contains other important financial information.

At the Annual Meeting we will review our performance in 2006, our current financial condition and our plans to position the Company for the future to enhance your investment. Our 2007 Annual Meeting of Stockholders is scheduled to be held on Thursday, May 24, 2007 at 9:30 a.m. (EDT) at the Hyatt Regency, 575 Memorial Drive, Cambridge, MA. For those unable to attend, we will be posting a copy of my presentation immediately following the meeting.

While we have challenges ahead of us, we believe that we have achieved many milestones. As is the case with many companies focused on a nascent and evolving field, the advancements in our BPL technology and its prospects are not fully reflected in the market cap of the company today. We are enormously excited by the tremendous possibilities that lie ahead.

We thank you for your continued support.

Sincerely,

John J. Joyce
President and CEO

Ambient Corporation

Ambient is a pioneer in the Broadband over Power Lines (BPL) industry and is engaged in the design, development and marketing of patented, FCC-certified BPL equipment and technologies. Ambient utilizes proprietary technology and in-depth industry experience to provide optimal green solutions for the Smart Grid and the Access and In-Premise markets. Headquartered in Newton, MA, Ambient is a publicly traded company (OTCBB: ABTG). Visit Ambient at www.ambientcorp.com.

This letter contains forward-looking statements that involve substantial uncertainties and risks. These forward-looking statements are based upon our current expectations, estimates and projections about our business and our industry, and that reflect our beliefs and assumptions based upon information available to us at the date of this release. We caution readers that forward-looking statements are predictions based on our current expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Our actual results, performance or achievements could differ materially from those expressed or implied by the forward-looking statements as a result of a number of factors, including but not limited to, changes in economic conditions generally and the broadband over power lines ("BPL") market specifically, changes in technology, legislative or regulatory changes that affect us, the availability of working capital, changes in costs and the availability of goods and services, the introduction of competing products, changes in our operating strategy or development plans, our ability to attract and retain qualified personnel, and changes in our acquisition and capital expenditure plans, and the risks and uncertainties discussed under the heading "RISK FACTORS" in Item 1 of our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006, and in our other filings with the Securities and Exchange Commission. We undertake no obligation to revise or update any forward-looking statement for any reason.

Ambient is a trademark of Ambient Corporation registered in the U.S. Patent and Trademark Office.