

For immediate release 17 August 2009

P N C TELECOM PLC

("PNC Telecom" or "the Company")
Issue of Equity
Holding(s) in Company

The Board received and accepted a request from Cairns Investment Holdings Limited to convert a £140,000 convertible loan note and has agreed to issue and allot 140,000,000 new ordinary shares at 0.1p per share in accordance with the terms of that note, namely to be convertible at 0.1p per share at any time for seven years from 29 April 2005 to 28 April 2012.

The Board have also agreed to issue and allot 16,666,667 new ordinary shares in settlement of an outstanding invoice for £5,000.

Application will be made for a total of 156,666,667 new ordinary shares which will rank pari passu with the existing ordinary shares to be admitted to trading on AIM.

In addition, the Company was notified on 12 August 2009 that as at 31 July 2009 Barclays PLC, through Barclays Stockbrokers Ltd, held 50,815,023 ordinary shares representing 5.20% of the total voting rights in the Company's issued share capital.

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