

FOR IMMEDIATE RELEASE 29 May 2007

**PNC TELECOM PLC**

("PNC" or the "Company")

**ISSUE OF EQUITY**

At a Board Meeting on 27 May 2007, the Board received and accepted a request from Cairns Investment Holdings Limited ("Cairns"), pursuant to the issuance of Convertible Loan Notes totalling £500,000 convertible at 0.1p per share at any time for 7 years from 29 April 2005 to 28 April 2012, for the conversion of the £50,000 Loan Note and has agreed to allot 50,000,000 new ordinary shares at 0.1p per share (the "Shares") in accordance with the terms of the Loan Note Instrument.

The resulting holding of 50,000,000 ordinary shares will represent approximately 18.65% of the enlarged issued share capital.

Application will be made for the Shares, which will rank pari passu with existing ordinary shares, to be admitted to trading on AIM.

For further information:

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**END**