

PROGRESS REPORT OF AMBIENT CORPORATION'S TESTS
PURSUANT TO
EXPERIMENTAL LICENSE

Ambient Corporation ("Company") submits this six-month progress report in accordance with the conditions of its Experimental License to evaluate broadband access via carrier current systems over power lines.

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Test Sites: The Company has continued its ongoing test program at its test site in Westchester County, New York since the grant of its original STA in June 2002. The physical layout of this system is unchanged from that reported in the Company's previous Progress Reports.

The MV/LV test system with Orange and Rockland Utilities Inc. ("O&R") at Monsey, New York reported in the company's previous Progress Reports is unchanged and remains in operation.

The Company's previously reported in-house Low Voltage demonstration system at a 200 unit high-rise apartment building in New York, NY, remains in operation.

The Company entered into a BPL Trial Agreement with San Diego Gas & Electric Company (SDG&E), a unit of Sempra Energy (NYSE: SRE), to evaluate BPL-enabled consumer and utility based applications. Installation of a limited test network has been completed and is in operation.

Other Updates: Ambient has previously filed notifications with respect to the following additional test locations:

Ambient Corporation entered into BPL Trial Agreement with FirstEnergy Corporation to install Ambient Access BPL system (84 units) on 4 medium voltage circuits in Brimfield, OH 44240. This network started operation on December 1, 2006.

Ambient Corporation entered into BPL Trial Agreement with Entergy Corporation. The proposed Access BPL system will include up to 18 units on two separate medium voltage circuits in and near Little Rock, AR. These networks started operation on December 1, 2006.

BPL Standards Development: Members of the Company's engineering staff participated in the recently completed IEEE meeting in Piscataway, NJ in which substantial progress was made to develop safety, interoperability, EMC measurement standards for access and in-building Broadband over Power Line (BPL) technologies in the following IEEE working groups:

Dr. Yehuda Cern, Vice Chair of IEEE Working Group P1675, reports that the draft "Standard for Broadband over Power Line Hardware and Personnel Safety" is nearing completion and preparation for the voting process. The next meeting is to be held February 27, 2007 in Las Vegas, NV.

Aron Viner, its Director of Compliance & Standardization, is Chair of the PLC EMC Standard Working Group which will develop the Standard "Powerline Communication Equipment. Electromagnetic Compatibility (EMC) Requirements. Testing and Measurement Methods." The draft is nearing completion and preparation for the voting process. The next meeting is to be held February 28-March 1, 2007 in Las Vegas, NV.

Ram Rao, its Chief Network Architect, and Aron Viner, members of IEEE P1901, the BPL MAC/ PHY Standard Working Group, are participating in the development of a "Standard for Broadband over Power Line Networks: Medium Access Control and Physical Layer Specifications." The Standard is in early stage of development, however, Working Group made substantial commitments to insure that EMC issues will be addressed in technical requirements for Coexistence, Access and In-Home Clusters of the Standard.

Testing of Advanced Hardware and Software Capabilities: In the framework of its Experimental License, the Company continues to develop and test methods for enhancing the performance of its BPL systems and to monitor and adjust the parameters of its test facilities to be responsive to the concerns of the amateur radio operators consistent with its obligations under its Experimental License.

The Company's extensive experimental testing program has made possible rapid development of a new generation of the industry's first high-speed BPL access products and has demonstrated the Company's technical leadership in the industry. In September of 2006, Ambient received a grant of BPL Equipment Authorization, FCC IDENTIFIER: SPKBHPLCAA, Equipment Class: Access Broadband Over Powerline System, X2 PLC NODE. See also test report data submitted with the Company's application for certification for additional background.

The Company has made additional advances in its software and hardware to develop new generations of products which fully address all applicable regulatory requirements. The Company is continuing to make improvements in compliance with applicable radiated emission limits upon power-up following a fault condition or during start-up operation after a shut-off procedure, to immediately restore previous settings.

As previously reported to the Commission, the Company has notched out its signals on Amateur bands, demonstrating significant advancements in our technology over the relatively short time period of its test program. These bands include the following Amateur Radio bands: 80, 40, 30, 20, 17, 15, 12 and 10 meters: 3.5-4 MHz, 7-7.3 MHz, 10.1-10.15 MHz, 14.0-14.35 MHz, 18,068-18,168 MHz, 21-21.45 MHz; 24,890-24,990 MHz, and 28.0-29.7 MHz. Also, the Ambient frequency plan was modified to comply with excluded bands of operations according Table 1 of the FCC Part 15, Subpart G Rules.

The company has also put in place procedures to give prior notification to and to consult with public safety users in the areas where it plans to deploy its Experimental test systems. It has also sent written notifications to public safety users in areas where it has longstanding trials under its Experimental License.

February 5, 2007