

**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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Testing: 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. In December of 2009, testing of the second generation BPL equipment reported in prior progress reports at this location was completed and the equipment was removed from service. When the Company commences testing of new or modified BPL equipment, it will notify the Commission and file a report confirming compliance with Sections 15.109 and 15.209 of the Commission's rules, as applicable.

The Company continues to follow the development of new generations of Smart Grid communication technologies, BPL included, and continues to integrate these technologies into commercial products.

The Company also has 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 License test systems. It has also sent written notifications to public safety users in areas where it has longstanding trials under its Experimental License.

BPL Standards Development: Aron Viner, Ambient 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." A second version of the draft standard passed the official recirculation ballot phase with an 84% approval rate and the working group is in the process of addressing the new set of comments.

Ram Rao, the Company's Chief Technology Officer, and Aron Viner, who are members of IEEE P1901, the BPL MAC/PHY Standard Working Group, are participating in the development of the "Standard for Broadband over Power Line Networks: Medium Access Control and Physical Layer Specifications." The working group has made substantial progress in developing this

standard and is planning to move to the official ballot phase in the second quarter of 2010. Also, Ram Rao and Aron Viner are actively participating in the development of IEEE P2030, "Draft Guide for Smart Grid Interoperability of Energy Technology and Information Technology Operation with the Electric Power System (EPS), and End-Use Applications and Loads."

Conclusion: The Company is focusing its development activity on utility applications that will help develop a Smart Grid for the nation's electrical infrastructure. In particular, significant work is being done on integrating wireless communications, including cellular, with metering technologies. Implementation of a Smart Grid will allow more efficient usage of electrical energy and reduce consumer use, thereby mitigating environmental concerns. Implementation of a Smart Grid also would help secure the electrical power grid. For these reasons, the Company encourages the Commission to support the expansion and implementation of Smart Grid communication solutions, including BPL, that will help transform U.S. electrical power systems into a highly efficient, fully manageable, and consumer friendly Smart Grid.

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