

TRADING STATEMENT

FOR THE QUARTER ENDED 31<sup>ST</sup> MAY 2010

In accordance with the Rule 53 of PLUS Quoted Markets the company is issuing the following Trading Statement following the end of the third quarter of the company's trading at the 31<sup>st</sup> of May 2010.

As stated in the Interim Results statement released on 28<sup>th</sup> May, the company continues to be constrained in its investment activities by a lack of capital to develop the business. The board recognises that Early Equity needs to raise additional capital, however while the market value of the company remains substantially below asset value, any meaningful capital raising at current share prices would lead to substantial and unacceptable levels of dilution for existing shareholders. It therefore remains the intention of the board to continue to progress a programme of selective sale of investments within the current portfolio in order to improve the cash position and to provide additional investment funds.

Whilst the opportunity exists to make exceptionally high returns from investment in early stage businesses, it must also be recognised that they are highly illiquid in nature and realisation of those returns by means of sale of shares in the short term can be protracted. It has proven difficult so far to raise cash from sale of its investments in the short term. However, the efforts of the directors are firmly focussed on this and some progress is being made.

During the quarter to 31<sup>st</sup> May, no investments have taken place; the directors continue to work unpaid on behalf of the company, and costs have been reduced to minimum levels required to retain the PLUS Markets Quotation. The major shareholders, director Rob Painting and Harbinger Capital Plc, continue to support the company and the Company remains reliant on the support of these shareholders until such times as investment sales are made.

No material events, transactions or developments other than outlined above have taken place during the period.

Early Equity remains committed to the early stage company financing and development market, where we see significant long term potential.

--ENDS--

The Directors of the Issuer accept responsibility for this announcement

ENQUIRIES:

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