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May 1st, 2006

Dear Shareholders and friends.

As a result of hard work, determination and believing in miracles, I have good news. Today, after four long years of legal dispute between Veritec and Mitsubishi, we have come to an amicable settlement both with Mitsubishi and our other creditors. Veritec has settled with its creditors and emerged out of bankruptcy stronger than ever. Enclosed is a copy of the order of Confirmation entered on May 26, 2006."

Veritec will begin a new life debt free, with available capital and the best part is that all our shareholders shall retain 100% of their equity undiluted by our reorganization in bankruptcy.

I would personally like to take this opportunity to thank all of you for your support and your prayers through a most difficult time. Because of your belief in our Board, Veritec's technologies, and myself, Veritec has weathered the storm and is now better than we were prior to filing for bankruptcy protection.

With the litigation with Mitsubishi completely resolved and new cross licensing agreements in place, our future now has a path that clearly defines our focus in 4 areas:

- 1. Safety, personal identification and security markets;*
- 2. Automated manufacturing markets;*
- 3. Data communication markets; and,*
- 4. The licensing of our technologies to Multi-Dimensional Bar Code users.*

Within a couple weeks, I will announce the names of a new President/COO, Chief Financial Officer and VP of Sales and Marketing. I will remain with the company as Chairman and CEO. We now have a new beginning with a new and experienced management team on board that are eager to grow the company. With their efforts and your support, Veritec shall move forward as a recognized, financially strong and respected technology company for the 21st century.

Again, please accept my appreciation for all your support both for the past and as we move forward into the future.

Sincerely,

A handwritten signature in black ink that reads "Van Tran".

Van Tran, CEO

Veritec Inc.

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