



May 21, 2006

Dear Strategic Partners,

Through the news you may have become aware of the recent sale of our sister company, O'Neil Product Development Inc (OPDI), to Dover Technologies, a subsidiary of Dover Corporation. To understand the reason for the sale, it is best to reflect on the history behind the company.

Since 1981, OPDI has been the only company specializing in the demanding world of mobile printing solutions. In 2004, OPDI decided to expand far beyond their traditional role as an OEM printer manufacturer by focusing on the O'Neil brand and employing a two-tier distribution model to reach a global audience. With over 48% growth in '04 and 38% growth in '05, clearly the strategy worked well for OPDI. To best ensure that OPDI sustains and continues its global growth, expansion, and leadership position amidst a fierce competitive environment it required a level of manpower and resources far beyond its current capacity.

So how does this affect O'Neil Software, Inc? Quite simply put – it doesn't. Since the late 1990's O'Neil Software (US, UK and Australia) has operated as completely standalone companies and each has resided in their own premises since 2003. We shared a name and common owner but Tim O'Neil, the founder of both O'Neil Product Development and O'Neil Software has always encouraged the local management teams to run the businesses, while he provided guidance on the spirit, ethics and innovation of each company. For O'Neil Software, Tim's guidance will continue as he has decided not to be a part of the new OPDI/Dover Company.

Our special relationship with O'Neil Product Development will continue and our contractual arrangement as an O'Neil Printer Distributor will remain, ensuring that you will continue to receive the best prices on existing and future models of printers.

I hope this addresses the matter but if you have any questions or concerns, please contact me directly at ian.thomas@oneilsoft.com

Yours sincerely,

A handwritten signature in black ink, appearing to read "Ian Thomas".

Ian Thomas
Vice President – Business Development

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