



STARCHASER
commercial space access

Date: 23 April 2007

Dear potential investor,

I am writing to thank you for your interest in becoming a Starchaser investor and I also wanted to take this opportunity to update you on where our share offer is currently at.

Towards the latter half of 2004, we decided to look into the possibility of making an Initial Public Offering (IPO) of shares for Starchaser Industries but we placed this on hold in 2005 as one of our principle shareholders invested further significant funds into the company and our financial advisors suggested that we should wait a while. We continued to take the details of potential shareholders however, as we knew that in the future, we would want to revisit this issue.

To date, we have recorded the details of nearly 700 potential shareholders who have indicated that they would be interested in investing £1000 or more in Starchaser Industries. At first glance an investment sum of about three quarters of one million pounds does not seem like a large amount of money for a cash hungry R&D space company such as ours, but we feel this is a healthy sign that there are plenty of people out there who are interested enough to make a Starchaser IPO successful. Indeed, we feel that a comprehensive advertising campaign will attract all the additional investment needed; to date, our IPO advertising has been restricted to a button on the Starchaser website and a few ad hoc pieces in the news.

In December 2006, we called in our City experts to review our IPO strategy and this is what they recommended;

- Create a holding company that would take ownership of both Starchaser Industries Ltd and Starchaser Industries Inc (our UK and US companies respectively).
- Starchaser should put up about 30% of the holding company for sale to high net worth individuals who would come in for investment amounts ranging £50,000 to £100,000 apiece in order to raise about £3 million in capital
- Make the IPO in three years time with a view to doubling the value of the Starchaser Company by 2010; this will provide a good return for our early investors as well as defining an exit strategy for them.
- The IPO in 2010 should aim to raise £8 million
- Starchaser should endeavour to double the value of the company again by 2015. Early investors could therefore potentially quadruple their original investment while our IPO investors might double their money.

The above was put to the Starchaser board and it was decided that we should write to everyone who has expressed an interest in becoming a shareholder for their views.

We have therefore enclosed a short questionnaire which we hope you will take the trouble to complete and return; this will enable us to move forward on making Starchaser shares available.

Yours sincerely,

Steven M Bennett
CEO Starchaser Industries

FINANCIAL SERVICE & MARKETS ACT 2000

This letter is not a prospectus and does not, and is not intended to, constitute an offer or invitation to invest in securities, nor shall it or any part of it, be relied upon in any way in connection with an offer to subscribe for shares. You should seek your own independent advice in relation to the information contained herein. Investment in a new business carries high risks as well as the possibility of high rewards: it is highly speculative and investors should be aware that no established market exists for the trading of shares in private companies. Before investing in a project about which information is given, potential investors are strongly advised to take advice from an authorised person who specialises in advising on investments of this kind.

STARCHASER INDUSTRIES LTD

Unit A · Adamson Industrial Estate · Alexandra Street · Hyde · Cheshire · SK14 1EE · England
Tel: 0161 882 9922 · Fax: 0161 882 9233 · Email: info@starchaser.co.uk · Web: www.starchaser.co.uk

Registered Office: 7 Stamford Square · Ashton-u-Lyne · Lancs OL6 6QU · Registered in England 368 4640 · VAT Registration number: 732 9269 16

STARCHASER INITIAL PUBLIC OFFERING (IPO) QUESTIONNAIRE

1. Please indicate the level of investment you would be interested in making
 - £1000
 - Up to £10,000
 - Up to £50,000
 - Up to £100,000

2. How soon would you want to see a significant return on your investment?
 - Within 3 years
 - 3 – 5 years
 - 5 – 10 years
 - Whenever it makes the most financial sense for the company

3. What is your primary motivation for investing with Starchaser?
 - To get in on a brand new industry
 - To make money
 - Ownership of a space company

4. As a Starchaser investor, would you be interested in taking a discounted Space Tourism flight?
 - Yes
 - No
 - Don't know

For our records please confirm the following;

Name _____

Address _____

Telephone number _____

Email address _____

THANK YOU, PLEASE RETURN YOUR COMPLETED QUESTIONNAIRE TO: