17 November 2005

Dear Fast Scout Shareholders,

LETTER FROM CHAIRMAN

As you may be aware, I was recently invited to become Chairman of your Company and was appointed as such on the 26th October 2005.

I was pleased to receive such invitation as I felt that the proposed change in activities of Fast Scout from that of a technology company to the resources sector allowed me to become involved in its development from its inception as a resource company.

I welcome the challenge involved in developing the Company in its formative years.

As part of my appointment as Chairman, it was felt important to develop a strategic vision and path for the Company at the outset of its change to the resources sector.

I have accordingly spent the time since my appointment working with the Board to identify a path for the future and write to you now to outline our progress in this matter.

As shareholders, you would be aware Fast Scout proposes to acquire a series of uranium exploration tenements in the Northern Territory and Western Australia. I believe the uranium potential of these tenements to be very exciting.

I also consider that the uranium sector is one that affords significant growth possibilities for junior resource companies. It appears there will be a looming shortage of uranium required for nuclear power, due in a part to the massive nuclear power expansion planned for China and India in coming years. This should underpin the price for uranium in the future and therefore the prospects for junior uranium explorers.

Whilst I recognise the potential for Fast Scout's uranium assets, I am also aware of the current Australian regulatory environment restricting the development of new uranium mines.

It is likely that this restriction will not remain indefinitely. The Northern Territory and South Australia may well lead a change in current regulatory policy. Once either of these Territories/States allow new uranium mines to be developed, I believe other States will follow given the economic imperatives that will be lost if uranium mining continues to be blocked.

This presents an interesting challenge for a junior resource company such as Fast Scout. It holds assets that are potentially valuable, yet it is restricted in profiting from such assets with no discernable time frame for knowing when it may be possible to exploit such assets.

The dilemma that faces Fast Scout and other exploration companies with Australian uranium assets appears to be the level of expenditure that one should commit to on such assets in this uncertain regulatory environment.

Notwithstanding this, the Board maintains that its Australian uranium tenements represent core assets to which funds should be applied in order to prove up their potential in anticipation of regulatory changes.

In addition, and as previously announced, Fast Scout has considered widening the geographic scope of its uranium exploration effort and is currently negotiating to acquire prospective uranium projects in Tanzania. Negotiations are ongoing and no agreement has been reached.

After my appointment, the scope of these considerations widened again, leading the Board to conclude that Fast Scout should properly regard itself as an energy company.

This consideration led to three key strategic objectives being determined for the Company:

1. A desire to transition from that of an explorer to that of a developer/producer in as short a timeframe as possible;

2. The identification of energy assets that provide early cash flow opportunities; and

3. The ability of such assets to underpin a regular dividend flow to shareholders and fund its exploration activities.

In accordance with the foregoing, the Board considers that the coal sector meets these objectives and has accordingly sought to identify new coal opportunities.

These efforts are ongoing, but I am pleased to report that Fast Scout has entered into a Memorandum of Understanding (**MOU**) with PT Kaltim Jaya Coal and PT Kaltim Jaya Mineral, being two Indonesian companies that hold coal mining concessions in Indonesia (**Indonesian Coal Concessions**).

The MOU relates to two thermal coal prospects of approximately 7363ha (**Concession 1**) and 5000ha (**Concession 2**) in the East Kalimantan Province of Indonesia. The MOU provides the framework for Fast Scout to commercially mine coal from these concessions and receive 100% of coal proceeds subject to the payment of a coal royalty to the existing concession holder, the staged payment of US$400,000 per Concession and payment of normal government imposed mining royalties.

Concession 1 is located 65km southwest of BalikPapan, the capital city of Kalimantan along a bitumen road and a ferry connection to the capital. It is conveniently located 7 to 15 km from two potential barging ports along the oceanfront. This prospect has 30 mapped outcrops of coal seams, several of which were inspected by Mr Shanker Madan, a geologist and director of Fast Scout, prior to signing the MOU.

Concession 2 is located approximately 150km north of BalikPapan along a tributary of the Mahakam River and northwest of Samarindha, a major coal barging port. The concession abuts a lease being developed by the Korean Coal Corporation.

Both these concessions appear to Fast Scout to be attractive based on their open cut potential and the proximity of the concessions to water transportation routes.

Fast Scout will, subject to execution of a binding agreement by 29 November 2005, conduct confirmatory due diligence on the Concessions. This will consist of mapping and test drilling during the three months following execution to confirm the presence of a coal resource and determine its quality and mining characteristics.

The MOU is non binding and contemplates the execution of a formal and binding agreement by 29 November 2005 which will be conditional upon Fast Scout thereafter having a 3 month period to conduct the due diligence work referred to above to its satisfaction.

In parallel with the MOU Fast Scout has entered into discussions with coal users for off-take agreements for any coal produced. These discussions have occurred with cement manufacturers and small to large electricity producers in India.

Again, no agreement has been reached. They will require confirmation of continuity of supply, coal quality and pricing prior to making firm commitments. This will be resolved in due course through the due diligence examination of the Indonesian Coal Concessions contemplated by Fast Scout.

In addition to the Indonesian Coal Concessions, the Company has provided an indicative term sheet to another company holding coal assets in Indonesia. This is part of the Company's objective to seek and identify the best commercial coal opportunities available.

The Company will continue to investigate this and other opportunities and keep the market informed of its exploration and development activities in both uranium and coal.

Yours Faithfully,

John Stephenson
Chairman