



May 27, 2004

Dear Customer:

We are pleased to inform you that an affiliate of Oracle Corporation has acquired Phaos Technology Corporation. We want to share with you Oracle's strategy for Phaos' products, and our plans to continue the valued relationship that you have had with Phaos.

Oracle, on behalf of its affiliate, intends to support Phaos' current products under the name Oracle® Phaos. Our goal is to incorporate Phaos' industry leading security technology into the Oracle® Application Server and Oracle® Identity Management products. Additional information about the acquisition, support and product directions can be found in the enclosed FAQ document.

We recognize the value of the relationship you have established with the employees who develop and support the Phaos products. We are pleased to announce that all of the key Phaos employees in development, support and business development have agreed to join Oracle effective May 21, 2004, and will continue to support you.

Oracle Technical Support

Phaos and Oracle are working together to assure a smooth transition of Phaos' maintenance and support obligations to Oracle. Initially you will be supported by the same individuals and in the same manner as before the acquisition. Later, in 2004, product support for the Phaos technologies will transition to Oracle's global product support organization. Our goal is to provide uninterrupted support services to Phaos' customers under their existing Phaos Maintenance Service Agreement, and to make the transition smooth and seamless.

For every customer who has a currently in-force Phaos Maintenance Service Agreement, Oracle will continue to provide technical support. To contact Technical Support, please use the following:

Effective 21-May-2004:

Email:	tech@phaos.com
Telephone:	1.212.514.6514 (toll) or 1.888.997.4267 (US toll free)
Fax:	1.212.514.6528

Effective 19-June-2004:

Email:	phaos-support_ww@oracle.com
Telephone:	1.212.813.5300 (toll) or

1.888.997.4267 (US toll free)

Additional information about technical support can be found in the enclosed FAQ sheet.

As your current Phaos Maintenance Service Agreement expires, Oracle Support Sales will work with you to effect a smooth transition to a standard Oracle License and Services Agreement and to renew your software maintenance and support. As we work to integrate technical support within Oracle and provide you with access to the Oracle Support tools, we will notify you when changes to information access tools, telephone numbers, and other operational procedures occur.

Oracle is very excited about this change, which allows us to provide a more complete and competitive product to our customers. This is one of many strategic moves you will see as we continue to strengthen our security and identity management solutions.

If you have any immediate questions about Oracle Technical Support, please send email to us at phaos-support_ww@oracle.com. If you have any business questions, please email us at phaos_questions_ww@oracle.com.

We look forward to meeting you.

Sincerely,

Thomas Kurian
Senior Vice President
Oracle Corporation

Roger Sullivan
President
Phaos Technology Corporation