



**NATIONAL  
SCIENTIFIC  
CORPORATION**

National Scientific Corporation  
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May 4, 2009

Dear Shareholders,

As you are very well aware we are currently trading on the Pink Sheets. Please understand that NSC desires to remain a publicly traded company and shares will therefore continue to trade through the Pink Sheets.

A principal reason for moving to the Pink Sheets is to allow NSC management to focus the necessary time and resources on developing and expanding the business. The combination of internal staff, legal and accounting professional fees and other related expenses necessary to remain a Fully Reporting company exceeds \$65,000 per year. This burden has drained resources from the development, marketing and sales efforts. Obviously, if NSC spends a significant proportion of its cash to publish audited results and remain fully reporting we will have far fewer resources to actually create the results we are reporting. By moving to the Pink Sheets, we avoid some of these expenses and instead can focus resources on our many exciting opportunities to grow the business.

As a Pink Sheet quoted company, NSC is no longer required to be under SEC mandated requirements to file various reports. Irrespective, NSC plans to continue to complete and post quarterly and annual financial reports, all be it un-audited, on our website. These reports will be compiled with the same care and accounting standards that we have used in the past. Last week we published the annual statement for the year ending September 30, 2008. We will publish the subsequent quarterly results in the coming weeks.

We are by no means in a unique position in our decision to move to the Pink Sheets. Many companies are finding the costs to comply with the full reporting requirements prohibitive and still wish to continue to operate publicly and profitably. In some cases, the very profits shareholders are looking for hang in the balance between the substantial expenses associated with reporting compliance and the ability to invest in the actual business the company conducts.

I know firsthand the roller coaster we have been on during the past years. We have constantly struggled to get traction in the market and just as we are there the market and world economy tanks! As a company, I guess, we have had more experience at operating in a tight economy with very limited resources than we really wanted or needed; however, that experience will keep us in good standing during the following months.

As part of our continuing endeavor to survive and grow the business, Michael Grollman, our CEO, is moving to a part time position. This will have the immediate effect of significantly reducing the cost structure of the company. The move to Pink Sheets and Michael's reduction in hours will save NSC approximately \$150,000 to \$200,000 in annual costs. He will remain involved with the Company as a strategic consultant, Director and Chief Technology Officer. Mr. Grollman's resignation was effective April 30, 2009.

Greg Szabo will move into the positions of Chief Executive Officer and Chairman, on an acting basis, and I will assume the additional role of acting CFO. Our lives will be a bit harder in the short term; however, I believe we still have a good shot at surviving this horrendous economy and emerging out the other side in a strong position. We have a busy schedule starting later this month with a couple of new customers and some existing ones expanding their fleet. Our order backlog is growing nicely for installations later this summer.

I appreciate all of your continued support, and I think that these changes place NSC in a better position to succeed as a company.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Clark', with a stylized flourish at the end.

Graham Clark

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**Please note, that these comments are my personal beliefs, and should not be relied upon in any way in your investment decisions. I strongly urge you to conduct your own due diligence with regard to any investment in NSC. I refer you to our filings with the United States Securities and Exchange Commission and the subsequent un-audited filing on our web site.**