

Company Blue Star Capital plc
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Headline Loan Agreement and Issue of Warrants
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Blue Star Capital plc
28 April 2011

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Blue Star Capital plc ("Blue Star" or "the Company")

Loan Agreement and Issue of Warrants

Loan Agreement

The Company announces that it has today entered into a £400,000 loan agreement (the "Loan Agreement") with Highland Fund Managers Limited, a shareholder of the Company, to fund the Company's immediate working capital requirements. Highland Fund Managers is also acting as agent and trustee for a number of other persons, whose participation in the Loan Agreement is set out in the table below:

Name	Amount of Loan (£)
Highland Fund Managers Limited	100,000
Baisden Investments Limited	200,000
Mr Anthony Fabrizi	32,500
Intrinsic Capital LLP	32,500
Mofiti Limited	30,000
Mr Richard Excell	5,000
Total	400,000

In addition, Highland Fund Managers Limited has committed to provide a further £350,000 if the Company's working capital position requires in the next 12 months, reduced on a pound for pound basis by the amount of any realisation made by the Company on the sale of any of the Company's investment assets. The shareholder loan, together with the accrued 10% interest, is repayable in full by the Company on 30 May 2012.

The Loan Agreement is secured through a debenture agreement which gives Highland Fund Managers Limited a charge over the Company's assets, which were valued at £2,764,027 in the Company's annual report for the year ended 30 September 2010, which was also published today. The Loan Agreement is also conditional on the appointment of Anthony Fabrizi and Noel Lyons to the Board of the Company. Mr Fabrizi and Mr Lyons will not be remunerated for their service.

Issue of Warrants

In addition, the Company announces that it has today issued 15,000,000 warrants over new ordinary shares of 0.1 pence each at an exercise price of 2 pence to the persons set out in the table below:

Name	No. of Warrants
Highland Fund Managers Limited	3,750,000
Baisden Investments Limited	7,500,000
Mr Anthony Fabrizi	1,218,750
Intrinsic Capital LLP	1,218,750
Mofiti Limited	1,125,000
Mr Richard Excell	187,500
Total	15,000,000

Related Party Transaction

Highland Fund Managers Limited is a substantial shareholder of the Company and consequently is related party of the Company for the purposes of the AIM Rules. The Directors of Blue Star consider, having consulted with Panmure Gordon (UK) Limited, its nominated adviser, that the terms of the Loan Agreement and Issue of Warrants are fair and reasonable insofar as its shareholders are concerned.

For further information:

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