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Copies of this Document are being sent to Shareholders. If you have sold or otherwise transferred all of your Ordinary Shares in Blue Star Capital plc ("Blue Star" or the "Company"), please forward this document (together with the accompanying Form of Proxy) immediately to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. If you have sold or transferred only part of your holding in Blue Star you should retain this document and consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

The Directors whose names are set out on page 3 of this Document and the Company accept responsibility for all the information contained in this Document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The distribution of this Document together with the accompanying Form of Proxy in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

THE WHOLE OF THIS DOCUMENT SHOULD BE READ. YOUR ATTENTION IS DRAWN, IN PARTICULAR, TO PART II OF THIS DOCUMENT, WHICH SETS AND OUT AND DESCRIBES CERTAIN RISK FACTORS THAT YOU SHOULD CONSIDER CAREFULLY WHEN DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE RESOLUTIONS AND TO PART I OF THIS DOCUMENT AT WHICH THERE IS A LETTER FROM THE CHAIRMAN OF THE COMPANY WHICH CONTAINS A UNANIMOUS RECOMMENDATION BY THE INDEPENDENT DIRECTORS THAT YOU VOTE IN FAVOUR OF THE RESOLUTIONS.

BLUE STAR CAPITAL PLC

(Incorporated and registered in England and Wales with registered number 05174441)

Conditional Subscription for 50,000,000 Ordinary Shares in aggregate at 0.3 pence per share and an allotment of a further 50,000,000 Ordinary Shares on the Capitalisation of the Converting Loans

Removal of share capital limit and increase in authority to issue securities

Proposed adoption of an Investing Policy

Notice of General Meeting

Daniel Stewart & Company Plc ("Daniel Stewart"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("FCA"), is acting as nominated adviser to the Company in connection with the proposed adoption of the Investing Policy and will not be acting for any other person or otherwise be responsible to any person for providing the protections afforded to clients of Daniel Stewart or for advising any other person in respect of the proposed adoption of the Investing Policy. No representation or warranty, express or implied, is made by Daniel Stewart as to any of the contents of this Document and accordingly, no liability is accepted by Daniel Stewart for the accuracy of any information or opinions contained in this document or for any omission of any material information for which the Company and the Directors are solely responsible.

Certain statements in this Document constitute "forward-looking statements". Forward-looking statements include statements concerning the plans, objectives, goals, strategies and future operations and performance of the Company and the assumptions underlying these forward-looking statements. The Company uses the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "may", "will", "should" and any similar expressions to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the Company's actual results, performances or achievements to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding past and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company is not obliged, and does not intend, to update or to revise any forward-looking statements, whether as a result of new information, future events or otherwise except to the extent required by any applicable law or regulation. All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on behalf of the

Company, are expressly qualified in their entirety by the cautionary statements contained throughout this Document. As a result of these risks, uncertainties and assumptions, Shareholders should not place undue reliance on these forward-looking statements.

A notice convening a General Meeting to be held at the offices of Daniel Stewart at Becket House, 36 Old Jewry, London, EC2R 8DD at 9.00a.m. on 30 October 2013 is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use in connection with the General Meeting. The enclosed Form of Proxy should be completed, signed and returned to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed thereon as soon as possible and to be valid must arrive not later than 48 hours before the time fixed for the General Meeting. The return of a Form of Proxy will not preclude a member from attending, speaking or voting in person at the General Meeting should they so wish.

Shareholders who hold Ordinary Shares in CREST may also appoint a proxy using CREST by following the instructions set out in paragraph 8 of Part III of this Document. If the Form of Proxy is not lodged by the relevant time, it will be invalid. Pursuant to Regulation 41 of the CREST Regulations, the time by which a person must be entered onto the register of members in order to have the right to vote at the meeting is 6.00 p.m. on 28 October 2013 or 48 hours before any adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the meeting.

Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they so wish.

Copies of this document are available from the Company's registered office at Griffin House, 135 High Street, Crawley, West Sussex, RH10 1DQ (Telephone +44 207 612 7310) from the date of this document until the date of the General Meeting. This document will also be available for download from the Company's website: www.bluestarcapital.co.uk.

Directors, Secretary and Advisers

Directors:	The Rt Hon The Lord Geoffrey Dear Anthony Fabrizi
Company Secretary:	Rawlinson & Butler Nominees Limited
Registered office:	Griffin House 135 High Street Crawley West Sussex RH10 1DQ
Nominated Adviser:	Daniel Stewart & Company Plc Becket House 36 Old Jewry London EC2R 8DD
Registrars:	Capita Asset Services 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors:	Clarke Willmott LLP 1 Georges Square Bath Street Bristol BS1 6BA
Auditors:	Alder Shine LLP Aston House Cornwall Avenue London N3 1LF

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of this document	7 October 2013
Latest time and date for receipt of completed Form of Proxy for General Meeting	9.00a.m. on 28 October 2013
General Meeting	9.00a.m. on 30 October 2013
Admission	8.00am on 1 November 2013

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

SHARE CAPITAL STATISTICS

Number of Ordinary Shares in issue at the date of this document	192,942,191
Number of Subscription Shares	50,000,000
Number of Capitalisation Shares	50,000,000
Issue Price per Subscription Share	0.3p
Gross proceeds of the Subscription	£150,000
Net proceeds of the Subscription	Approximately, £127,000
Enlarged Share Capital following Completion	292,942,191
Number of Subscription Shares as a percentage of the Enlarged Share Capital	17.07%
Diluted Enlarged Share Capital ¹	307,942,191

¹ This assumes the exercise of the Existing Warrants

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“Act”	the Companies Act 2006
“Admission”	the admission of the Subscription Shares and the Capitalisation Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name, operated by the London Stock Exchange Plc
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange
“Capitalisation”	the capitalisation of the Converting Loans by way of an issue of the Capitalisation Shares at a price of 0.3 pence per Ordinary Share
“Capitalisation Shares”	50,000,000 Ordinary Shares to be issued to the Converting Loans Holders pursuant to the Capitalisation
“Clear Days”	means (in relation to a period of a notice) that period, excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect
“Company” or “Blue Star”	Blue Star Capital Plc, a company incorporated in England and Wales with Registered Number 05174441
“Completion”	completion of the Subscription in accordance with its terms
“Converting Loans”	loans in the aggregate amount of £150,000 which have been advanced to the Company by the Converting Loan Holders and forming part of the Shareholder Loans
“CREST”	the computer-based system established under the CREST Regulations which enables title to units of relevant securities (as defined in the CREST Regulations) to be evidenced and transferred without a written instrument and in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Daniel Stewart”	Daniel Stewart & Company Plc, the Company’s nominated adviser and broker for the purposes of the AIM Rules, a member of the London Stock Exchange and regulated in the UK by the Financial Conduct Authority
“Diluted Enlarged Share Capital”	the maximum number of Ordinary Shares in issue assuming exercise of all of the Existing Warrants

“Directors”	the Directors of the Company, being at the date of this Document: The Rt Hon The Lord Geoffrey Dear and Anthony Fabrizi
“Enlarged Share Capital”	292,942,191 Ordinary Shares in issue immediately following Admission, comprising the Existing Ordinary Shares, the Subscription Shares and the Capitalisation Shares
“Existing Ordinary Shares”	the 192,942,191 Ordinary Shares in issue as at the date of this document
“Existing Warrants”	the warrants issued and outstanding constituted on the terms set out in the warrant instrument executed by the Company on 28 April 2011 (as amended) to subscribe at GB 0.6 pence per share for up to 15,000,000 Ordinary Shares
“Form of Proxy”	the form of proxy for use in connection with the General Meeting
“GB”	Sterling, the lawful currency of the United Kingdom
“General Meeting”	the general meeting of the Company, to be held at the offices of Daniel Stewart at Becket House, 36 Old Jewry, London, EC2R 8DD, at 9.00a.m. on 30 October 2013 to approve the Resolutions, notice of which is set out at the end of this document
“Investing Policy”	the proposed investing policy of the Company to be pursued by the Company following repassing of the Resolutions, further details of which are set out in paragraph 3 of part I of this document
“Issue Price”	GB 0.3 pence per Subscription Shares
“Loan Agreement”	the loan agreement entered into with Highland Fund Managers Limited, Anthony Fabrizi and certain other lenders on 28 April 2011 as amended by subsequent announcements by the Company
“Lenders”	Highland Fund Managers Limited, Anthony Fabrizi and certain other lenders who are party to the Loan Agreement as lenders
“Ordinary Shares”	the ordinary shares of GB 0.1 pence each in the share capital of the Company
“Proposals”	the Subscription, the Capitalisation and the adoption of the Investing Policy
“Registrar”	Capita Asset Services, the Company’s registrar
“Regulatory Information Service”	any service by which companies can disseminate information in accordance with the AIM Rules
“Resolutions”	the resolutions set out in the Notice of General Meeting
“Share Authorities”	the authorities of the Directors to issue and allot shares

	pursuant to the Resolutions
“Shareholder Loans”	the loans provided to the Company by the Lenders pursuant to the Loan Agreement
“Shareholders”	person(s) who is/are registered as holder(s) of Ordinary Shares from time to time
“Subscribers”	the persons making the Subscription
“Subscription”	the conditional subscription for the Subscription Shares as described in this document
“Subscription Agreements”	the agreements dated 4 October 2013 between the Company and the Subscribers pursuant to which the Subscribers have agreed, to subscribe and the Company has agreed to issue the Subscription Shares, further details of which are set out in paragraph 4 of Part I of this document
“Subscription Shares”	50,000,000 new Ordinary Shares to be issued to the Subscribers pursuant to the Subscription.

PART I

LETTER FROM THE CHAIRMAN OF BLUE STAR CAPITAL PLC

(Incorporated and registered in England and Wales with registered number 05174441)

Directors:

*The Rt Hon The Lord Geoffrey Dear – Non-Executive
Chairman
Anthony Fabrizi – Chief Executive Officer*

Registered Office:

*Griffin House
135 High Street
Crawley
West Sussex
RH10 1DQ*

7 October 2013

Dear Shareholder,

**Conditional Subscription for 50,000,000 Ordinary Shares and an allotment of a further
50,000,000 Ordinary Shares on the Capitalisation of the Converting Loans**

Removal of share capital limit and increase in authority to issue securities

Proposed adoption of an Investing Policy

**Notice of General Meeting
(the “Proposals”)**

1 Introduction

The Company today announced proposals to raise £150,000 (before expenses) through the issue (by way of the Subscription) of 50,000,000 new Ordinary Shares at an issue price of 0.3 pence per Ordinary Share. The Subscribers have agreed to subscribe for the Subscription Shares subject to the passing of the Resolutions and Admission, pursuant to the Subscription Agreements. The Issue Price represents a discount of approximately 52 per cent. to the price of 0.625 pence per Existing Ordinary Share, being the mid market price of the Existing Ordinary Shares at the close of business on 4 October 2013 (being the last practicable date prior to the publication of this document).

The Company has also agreed to capitalise the Converting Loans by the issue of the Capitalisation Shares at a price of 0.3 pence per Ordinary Share.

It is intended that the proceeds of the Subscription will be used to provide working capital for the Company.

Subject to the completion of the Proposals and the passing of the Resolutions, it is intended that application will be made to the London Stock Exchange to admit the Subscription Shares and Capitalisation Shares to trading on AIM.

The Company also proposes to change its Investing Policy. Currently, the Investing Policy restricts the Company to a very specific segment of the market and while this sector remains of interest, the Board believes there are significant opportunities in certain other sectors and it would therefore be in the Company's and shareholders' interests to broaden the areas of potential investment to these sectors.

Pursuant to Rule 8 of the AIM Rules, an investing company must seek the prior consent of its shareholders in a general meeting for any material change to its investing policy.

The purpose of this document is to comply with the requirements of Rule 8 of the AIM Rules and to provide you with information about the background to and the reasons for the Proposals and to explain why the Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and to seek the Shareholders' approval of the Resolutions to be proposed at the General Meeting, notice of which is set out in Part III of this document.

2 Background to and reasons for the proposed Subscription and Capitalisation

The Board is proposing to raise funds in order to provide working capital for the Company and to provide a small amount of funds for new investments. Over the last two years, the Company has significantly cut costs and sought transactions which would allow value to be created for Shareholders. It is the Board's belief that market conditions are now looking more favourable and with the Subscription and the change in investing policy, the Board believes the Company will be in a stronger position to source, evaluate and execute new investment opportunities.

The Board of Blue Star is keen to reduce the size of the Company's indebtedness which is making Blue Star a less attractive investment proposition. As at 30 September 2013, the amount outstanding under the Shareholder Loans (including interest and repayment premium) was £601,832.

Following discussions with certain Lenders, the Capitalisation will result in £150,000 or 25 per cent. of the principal of the Shareholder Loans being converted into Ordinary Shares at the Subscription Price.

The Company has consulted with the main Shareholders of Blue Star which have indicated support for the Capitalisation.

Further to the announcement on 30 September 2013, the Company has agreed a further extension to the Shareholder Loans; the terms of the Shareholder Loans remain unchanged, except that repayment, which had been extended to 31 October 2013, has now been deferred until 31 January 2014.

3 Proposed Investing Policy

The Company's current Investing Policy states the following:

Blue Star intends to invest in the Security and Surveillance sector, including Explosives Detection Systems Surveillance, Border & Perimeter Security Systems, Bio-Terror: Detection, Diagnostics & Treatment, Training & Simulation Systems, Access Control/Biometrics, People Screening, Cyber Security & Data Security, Container Screening, Emergency Planning and Integrated Response Systems.

The Company's geographical range is mainly UK companies but considers opportunities in the mainland EU and will actively co-invest in larger deals.

The Company can take positions in investee companies by way of equity, debt or convertible or hybrid securities.

The Company's investments are passive in nature, but may be actively managed. The Company may be represented on, or observe, the boards of its investee companies. The Company's investments are likely to be illiquid and consequently are to be held for the medium to long term.

The Company does not have any maximum exposure limits, limits on cross-holdings or other investing restrictions. It is the Directors intention not to invest more than 10% of the Company's gross assets in any individual company (calculated at the time of investment).

The Directors may exercise the powers of the Company to borrow money and to give security over its assets. The Company may also be indirectly exposed to the effects of gearing to the extent that investee companies have outstanding borrowings.

It is anticipated that returns from the Company's investment portfolio will upon realisation or sale of its investee companies, rather than from dividends received. Whilst it is not possible to determine the timing of exits, the Directors will seek to return capital to shareholders when appropriate.

For the reasons highlighted in paragraph 1, the Directors believe the current Investing Policy restricts the company to a small segment of the market and the Directors believe it is in the Company's and shareholders interest to broaden the areas of potential investment to a wider remit.

Therefore, subject to Shareholder approval, the Directors propose the following additions to the amended Investing Policy:

The Company is seeking potential investment opportunities in the media, technology and gaming sectors in general. It is proposed therefore that the Company's investment remit be expanded to include companies where a significant part of their business is performed through the internet, television and social media and/or companies engaged in telecoms, gaming and media.

4 The Subscription and Capitalisation

The Company intends to raise £150,000 (before expenses) pursuant to the Subscription.

As described in paragraph 1 above, the Subscribers have conditionally agreed to subscribe for 50,000,000 new Ordinary Shares (representing approximately 17.07 per cent. of the Enlarged Share Capital) at the Issue Price, subject to the Resolutions being approved and to Admission.

The Subscription is conditional upon:

- each of the Resolutions being duly passed at the General Meeting;
- Admission becoming effective by no later than 8 a.m. on 1 November 2013;

The Subscription Shares will upon their issue rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions declared, made or paid by the Company following Admission.

Application will be made to the London Stock Exchange for the Subscription Shares to be admitted to trading on AIM. It is expected that such admission will occur at 8.00 a.m. on 1 November 2013.

5 Use of proceeds

The issue of the Subscription Shares will raise gross proceeds of £150,000 for the Company (approximately £127,000 after expenses). The Company intends to use the net proceeds for the general working capital requirements of the Company and to source, evaluate and execute new investment opportunities.

6 General Meeting

You will find set out at the end of this document, a notice convening a General Meeting of the Company to be held at the offices of Daniel Stewart at Becket House, 36 Old Jewry, London, EC2R 8DD at 9.00 a.m. on 30 October 2013 at which the Resolutions will be proposed for the purposes of implementing the proposed Investment Policy. The Resolutions are summarised as follows:

1. Resolution 1 is an ordinary resolution to approve the adoption of the Investing Policy.
2. Resolution 2 is an ordinary resolution to authorise the Directors to allot the Subscription Shares and the Capitalisation Shares and to renew the Directors general authority to allot equity securities as set out therein; and
3. Resolutions 3 is a special resolution (a) to remove the limit on the share capital of the company which currently applies (£500,000) and (b) to dis-apply any pre-emption rights in relation to allotment and issue of the Subscription Shares and the Capitalisation Shares and for an issue of shares pursuant to the general authorities set out in Resolution 2. But for this resolution, the Subscription Shares and the Capitalisation Shares would be required to be offered to all Shareholders in proportion to their existing shareholdings.

Shareholders should note that the Resolutions are inter-conditional and, if any one is not passed, the implementation of the proposed Investment Policy will not proceed.

7 Action to be taken

You will find included at the end of this document a Form of Proxy for use by Shareholders at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon. To be valid, completed Forms of Proxy must be received by the Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event not later than 9.00 a.m. on 28 October 2013. Completion of a Form of Proxy will not preclude you from attending the meeting and speaking and voting in person if you so choose.

Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "Crest Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, to be valid, be transmitted so as to be received by Capita Asset Services (ID RAIO) no later than 9.00 a.m. on 28 October 2013.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST

member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Blue Star may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

If you have any questions about this document, the General Meeting, or are in any doubt as to how to complete the Form of Proxy, please call Capita Asset Services on 0871 664 0300 (calls cost 10 pence per minute plus network charges) (from outside the UK: telephone +44 208 639 3399). Lines are open Monday to Friday 9am to 5.30pm. Please note that the helpline cannot provide financial, legal or tax advice on the merits of the Proposals.

8 Board Recommendation

The adoption of the Investing Policy will provide the Board with the flexibility to actively seek out and acquire new investment opportunities in line with its Investing Policy, which the Board believes has the potential to create value for Shareholders.

The Board considers that the terms of the Proposals are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly the Board unanimously recommend that Shareholders vote in favour of Resolutions 1, 2, and 3 to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 7,274,855 Ordinary Shares, representing approximately 3.77 per cent. of the Existing Ordinary Shares.

Yours faithfully

The Rt Hon The Lord Geoffrey Dear
Non-Executive Chairman

PART II RISK FACTORS

RISK FACTORS

Shareholders should carefully consider all of the information in this Document including the risks below. The Board have identified these risks as material risks, but additional risks and uncertainties not presently known to the Board, or that the Board consider immaterial, may also adversely affect the Company. If any or a combination of the following risks materialise, the Company's business, financial condition and/or performance could be materially adversely affected. In any such case the market price of the Ordinary Shares could decline. The following risk factors should not be considered in any order of priority. The Company's future performance might be affected by changes in market conditions and legal, regulatory and tax requirements.

RISKS RELATING TO THE COMPANY'S INVESTING POLICY

1 No history of operating under scope of expanded Investing Policy

The Company will only commence pursuing the Investing Policy following approval of the Resolutions. In addition, the Company currently has limited financial resources. As a result, there can be no assurance that the Company will be successful or it will meet the objectives of its Investing Policy. There is, therefore, no basis on which to evaluate the Company's ability to achieve its objective, implement its Investing Policy and provide a satisfactory investment return.

Any failure in achieving its Investing Policy or in managing its financial controls, reporting systems or procedures could have a material adverse effect on the Company's results of operations, financial condition and prospects.

2 Identifying a suitable target

The Company will be dependent upon the ability of the Directors to identify suitable investment opportunities and to implement the Investing Policy. As at the date hereof, the Directors have not identified any investment opportunities which they have resolved to pursue. If the Directors do not identify an opportunity that corresponds to the Investing Policy for creating value, then the Company may not be able to invest its cash in a manner which accomplishes its objectives. There is no guarantee that the Company will be able to acquire an identified opportunity at an appropriate price, or at all, as a consequence of which resources might have been expended fruitlessly on investigative work and due diligence.

3 Change in Investing Policy

The Investing Policy may be modified and altered from time to time, but only after obtaining Shareholder approval; so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those presently expected to be used and disclosed in this Document.

4 Market conditions

Market conditions may have a negative impact on the Company's ability to execute investments in suitable assets which generate acceptable returns. There is no guarantee that the Company will be successful in sourcing suitable assets.

5 Costs associated with potential investments

The Company expects to incur certain third party costs associated with the sourcing of suitable assets. The Company can give no assurance as to the level of such costs, and given that there can be no guarantee that negotiations to acquire any given investment will be successful, the greater the number of deals that do not reach completion, the greater the

likely impact of such costs on the Company's performance, financial condition and business prospects.

6 Ownership risks

Under the Investing Policy, the Company has the ability to enter into a variety of investment structures, including joint ventures, acquisition of controlling interests or acquisition of minority interests.

In the event the Company acquires a 100 per cent. interest in a particular asset or entity, or makes a single investment in an entity, the resulting concentration of risk may result in a total or partial loss on its investment and have a material adverse effect on the Company's performance.

In the event the Company acquires less than a 100 per cent. interest in a particular asset or entity, the remaining ownership interest will be held by third parties and the subsequent management and control of such an asset or entity may entail risks associated with multiple owners and decision-makers. Any such investment also involves the risk that third party owners might become insolvent or fail to fund their share of any capital contribution which might be required. In addition, such third parties may have economic or other interests which are inconsistent with the Company's interests, or they may obstruct the Company's plans, or they may propose alternative plans. If such third parties are in a position to take or influence actions contrary to the Company's interests and plans, this may affect the ability of the Company to implement its strategies.

In addition, there is a risk of disputes between the Company and third parties who have an interest in the asset or entity in question. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses, and distract the Directors from focussing its time to fulfil the Investing Policy. The Company may also, in certain circumstances, be liable for the actions of such third parties.

7 Due diligence process

The Company intends to conduct such due diligence as it deems reasonably practicable and appropriate, based on the facts and circumstances applicable to each potential project, before making an investment. The objective of the due diligence process will be to identify material issues which might affect an investment decision. When conducting due diligence and making an assessment regarding an investment, the Company will be required to rely on resources available to it, including in the main, public information and, in some circumstances, third party investigations. As a result, there can be no assurance that the due diligence undertaken with respect to any potential project will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such project. Further, there can be no assurance as to the adequacy or accuracy of information provided during any due diligence exercise or that such information will be accurate and/or remain accurate in the period from the conclusion of the due diligence exercise until the desired investment has been made. Due diligence may also be insufficient to reveal all of the past and future liabilities relating to the operations and activities of the target, including but not limited to liabilities relating to litigation, breach of environmental regulations or laws, governmental fines or penalties, pension deficits or contractual liabilities.

8 Valuation error

The Company may miscalculate the realisable value of an investment in a project. A lack of reliable information, errors in assumptions or forecasts and/or inability to successfully implement an investment, among other factors, could all result in the project having a lower realisable value than anticipated. If the Company is not able to realise an investment at its anticipated levels of profitability, project investment returns could be adversely affected.

9 Financing

Implementation of the Investing Policy may require significant capital investment. The only sources of financing currently available to the Company are the Shareholder Loans, which have been fully drawn down and on conditional approval of the Resolutions, the proceeds of the Subscription and any potential future issue of additional equity capital or shareholder loans. The Company's ability to raise further funds will depend on the success of existing and acquired investments. The Company may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Company may be required to reduce the scope of its investments or anticipated expansion. Further, Shareholders' holdings of Ordinary Shares may be materially diluted if debt financing is not available.

PART III

NOTICE OF GENERAL MEETING

Blue Star Capital plc

(Incorporated and registered in England and Wales with number 05174441)

NOTICE IS HEREBY GIVEN that the General Meeting of Blue Star Capital plc (the "Company") will be held at the offices of Daniel Stewart & Company plc at Becket House, 36 Old Jewry, London, EC2R 8DD on 30 October 2013 at 9.00 a.m. to consider and, if thought fit, pass the following resolutions of which 1 and 2 will be proposed as ordinary resolutions and resolution 3 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1 THAT, the Investing Policy (as set out in the circular to shareholders of the Company dated 7 October 2013) be and is hereby approved for the purposes of Rule 8 of the AIM Rules and that the Directors be and are hereby authorised to take all such steps as they may consider necessary or desirable to implement the same.

2 THAT, in accordance with section 551 of the CA 2006, the Directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this resolution):

2.1 comprising equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £100,000 provided that the authority hereby granted shall be limited to the issue of 50,000,000 ordinary shares of 0.1 pence each in the Company to the Subscribers pursuant to the Subscription and the issue of a further 50,000,000 ordinary shares of 0.1 pence each in the Company to the Converting Loan Holders pursuant to the Capitalisation, as described in the Circular; and

2.2 in any other case, up to an aggregate nominal amount of £219,706 (such amount to be in addition to the nominal amount of any equity securities allotted pursuant to the authority in paragraph 2.1),

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 29 October 2018 save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the Directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

SPECIAL RESOLUTION

3 THAT, subject to the passing of the Resolution 2 above:

(a) Article 3 of the Articles of Association of the Company and any other restriction on the maximum share capital which may be allotted by the Company which might otherwise

apply by virtue of any provision of the Memorandum of Association of the Company shall be deleted and shall not apply; and

- (b) the Directors be given the general power to allot equity securities (as defined by section 560 of the CA 2006) for cash, either pursuant to the authority conferred by resolution 2, as if section 561(1) of the CA 2006 did not apply to any such allotment, provided that this power shall be limited to:
- (i) the allotment of equity securities up to an aggregate nominal amount of £100,000 provided that the authority hereby granted shall be limited to the issue of 50,000,000 ordinary shares of 0.1 pence each in the Company in each case to the Subscribers pursuant to the Subscription and a further 50,000,000 ordinary shares of 0.1 pence each in the Company to the Converting Loan Holders pursuant to the Capitalisation, as described in the Circular; and
 - (ii) the allotment (otherwise than pursuant to paragraph (b)(i) above) of equity securities up to an aggregate nominal amount of £219,706.

The power granted by this resolution will expire on 29 October 2018 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the CA 2006 did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

By order of the Board

The Rt Hon The Lord Geoffrey Dear
Non-Executive Chairman

Griffin House, 135 High Street, Crawley, West Sussex RH10 1DQ

Dated: 7 October 2013

Notes

Relevant Securities

1 In this resolution, Relevant Securities means:

shares in the Company, other than shares allotted pursuant to:

- an employee share scheme (as defined in section 1166 of the CA 2006);
- a right to subscribe for shares in the Company where the grant of the right itself constituted a Relevant Security; or

- a right to convert securities into shares in the Company where the grant of the right itself constituted a Relevant Security; and

any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined in section 1166 of the CA 2006). References to the allotment of Relevant Securities in this resolution include the grant of such rights.

Entitlement to attend and vote

- 2 Only those members registered on the Company's register of members at:

6.00 p.m. on the date 2 days prior to the meeting; or,

if this Meeting is adjourned, at 6.00pm on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

Appointment of Proxies

- 3 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
- 4 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 5 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact Capita Asset Services on 0871 664 0300 (calls cost 10 pence per minute plus network extras). From outside the UK: telephone +44 208 639 3399. Lines are open from Monday to Friday 9.00 a.m. to 5.30 p.m.
- 6 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

7. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Capita Asset Services at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; and
- received by Capita Asset Services no later than forty eight hours prior to the time for the meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxies through CREST

8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID:- RAIO) by 9.00 a.m. on 28 October 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services on 0871 664 0300 (calls cost 10 pence per minute plus network extras). From

outside the UK: telephone +44 208 639 3399. Lines are open from Monday to Friday 9.00 a.m. to 5.30 p.m.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

12. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

13. As at 9.00 a.m. on 7 October 2013, the Company's issued share capital comprised 192,942,191 ordinary shares of GB 0.1 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 9.00 a.m. on 7 October 2013 is 192,942,191.

The Company's website at www.bluestarcapital.co.uk will include information on the number of shares and voting rights.

Voting

14. You may not use any electronic address provided either:

in this notice of general meeting; or

any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

