

Blue Star Capital plc - Investment in Izimi Limited

12 September 2006

BLUE STAR CAPITAL PLC

("Blue Star" or "the Company")

Investment of ?150,000 through a convertible loan in Izimi

Blue Star Capital plc (AIM: BLU), the Company created to provide seed capital for early stage companies, is pleased to announce an investment in Izimi Limited ("Izimi"), the innovative web-based software company that is currently developing a peer to peer (P2P) social networking computer application.

Izimi is being led by an exceptional management team that has substantial experience in the management of technology-based start-ups and their growth into large companies. The team includes Nigel Robertson and Chris Chedgzoy founders of ScootTM, the online classified directory, which grew into an international business with a London Stock Exchange listing. ScootTM was ultimately acquired by British Telecom.

Izimi's applications are currently in a beta-testing phase, with an expected launch in early 2007. As such, the company is not yet revenue generating. Since its incorporation on 14 September 2005 Izimi has incurred development losses of ?266,460. As at 30 July 2006 the company had net assets of ?101,534.

Blue Star has made an investment of ?150k, as part of a total investment of ?575k through a convertible loan which carries an annual interest rate of 7% and which can be converted into ordinary shares of the Company at any time up to 31 December 2007.

Under the terms of the conversion the loans are, in aggregate, convertible into such number of ordinary shares in Izimi as represent 13% of the enlarged ordinary share capital of Izimi at the time of conversion.

Nigel Robertson, Blue Star's Chairman, is a shareholder and director of Izimi. The proposed investment by Blue Star in Izimi is, accordingly, deemed to be a related party transaction under the AIM Rules.

Haresh Kanabar, has no connections with Izimi and is therefore independent of the transaction. Mr Kanabar considers, having consulted with Teather & Greenwood Limited, that the terms of the transactions are fair and reasonable insofar as Blue Star's shareholders are concerned.

Haresh Kanabar commented "Our proposed investment in Izimi, with its planned blend of revenue generating channels including display advertising and commission on transactions, is a great fit with Blue Star's strategic intent, of investing in early-stage companies that have significant potential capital growth. Our investment in Izimi's proprietary technology will, I believe, generate attractive returns."

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For further information

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Notes:

Izimi is a peer to peer (P2P) social networking computer application with user generated content, integrated instant messaging and Voice over Internet Protocol (VoIP) telephony. People will use it to find and socialise with friends or customers, and to buy, sell or exchange digital media content or professional services. Izimi is both an entertainment medium and, a means to earn money in return for digital content and services.

Nigel Robertson is a Director of Izimi and also a substantial shareholder holding 40.5% of the equity. Nigel Robertson is also a Director of Blue Star Capital and holds 32.2% of the equity.