

Blue Star Capital plc - Related Party Transaction

29 January 2007

BLUE STAR CAPITAL PLC

("Blue Star" or "the Company")

Investment of £150,000 in Izimi

On 12 September 2006 Blue Star Capital plc (AIM: BLU), the company created to provide seed capital for early stage companies, announced an investment in Izimi.com ("Izimi"), the innovative web-based software company that is currently developing a free desktop software application that enables users to self-publish adverts, media, documents and files on the internet, without the need for a third party web site or hosting service.

Blue Star today announces that it is making an additional £150,000 investment in Izimi, at a valuation of £5.08m. The investment is in the form of a subscription for ordinary shares as part of a total placing of £580,000. Following this new investment, Blue Star's aggregate investment in Izimi will be £300,000.

Izimi's applications are currently in a beta-testing phase, with an expected launch in February 2007. As such, the company is not yet revenue generative. Since its incorporation on 14 September 2005 Izimi has incurred development losses of £690,896 and, as at 31 December 2006, the company had net assets of £124,204.

Nigel Robertson, Blue Star's Chairman, is a shareholder and director of eSeekers Limited, the holding company for 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.

For further information:

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Notes:

Izimi is a free desktop software application that enables users to self-publish adverts, media, documents and files on the Internet, without the need for third party web site or hosting service.

Izimi has the functionality that enables people to find and socialise with friends and customers, and to buy, sell, or exchange digital media content (user generated content) or professional services. Izimi is both entertainment and a means to earn money in return for digital content services.

Nigel Robertson is a Director of Izimi and also a substantial shareholder holding 30.74% of the equity. Nigel Robertson is also a Director of Blue Star Capital and holds 32.2% of the equity.