

21 December 2007

Blue Star Capital plc
(“ Blue Star” or “the Company”)

Investment Update

Blue Star Capital plc (AIM: BLU), the company created to provide seed capital for early stage companies, issues the following investment update.

Existing Investments

Eseekers LTD (ShareNow.com) the developers of the innovative internet self-publishing file-sharing application has just successfully completed a US\$4 million fund raising that values Eseekers LTD at US\$40 million, an increase of 166% on the previous valuation.. Blue Star has, up to this point, invested GBP300,000 and owns 3.54% of the company valuing its shareholding after the fund-raising at US Dollars 1.41 million. ShareNow enables a registered user to instantly share any files and of any size on their computer with anyone else on the web – without the need to have to upload them to anyone's servers, in essence, the user remains in control and ownership of their media. This is a key differential advantage in establishing ShareNow as a leading social networking site in a sector that is rapidly growing.

Zenergy PLC (AIM: ZEN) the global manufacturer and developer of commercial applications for superconductive materials, has announced a fund-raising of GBP10 million to provide additional working capital and acceleration of its ongoing research and commercial development. Blue Star has, up to this point, invested GBP473,000 and realised net gains of GBP654,140. It currently retains 501,277 ordinary shares and owns 1.14% of the company, valuing its shareholding after the fund-raising at GBP1,586,542.

Blue Star continues to hold minority investments in 5 public companies and two unquoted companies with a total cost of investment of GBP3,131,159 at the end of the financial year to 30th September 2007; the Company has cash balances of GBP1,135,479

New Investment

The PegasusBridge Fund is a new private specialist investment fund. The fund's objective is to attain significant capital growth through investment in unquoted and some quoted shares in defence-related and security related companies including a strong focus on Homeland Security. Pegasusbridge is Europe's first Homeland Security Fund and Blue Star has co-investment rights alongside the fund. Pegasusbridge's Advisory board is Chaired by General Sir

Michael Wilkes, who was previously Commanding Officer of 22 SAS. Blue Star has invested GBP300,000 in the Fund for a minority stake. Blue Star believes that the Fund meets all the Company's strategic investment objectives as it has the potential for significant capital growth and a strong management team.

Nigel Robertson, Blue Star's Chairman, said:

"I am delighted that the companies we have invested in are meeting their strategic objectives. Our investments in Eseekers, Zenergy and The PegasusBridge Fund demonstrate our continuing focus on opportunities which will deliver significant capital growth."

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Notes to Editors:

Eseekers LTD (ShareNow.com)

Eseekers is a private company which launched the ShareNow.com portal in March 2007. ShareNow's desktop application allows users to serve an unlimited number of files to the internet directly from their own personal computer with just a simple URL. The free ShareNow internet self-publishing application is the first of its kind to place no restrictions on file type, size or quality that users can share without the need for recipients of the URL to register or download any client application. Files can be accessed directly with just a web browser by clicking a link. The Internet is a rapidly changing space and ShareNow is the next logical step in user-generated content, social media and social networking phenomenon taking place now by enabling users to easily share all types of content with anyone with a web browser. Using ShareNow's simple service people are now able to completely control their own media without relying on external servers. ShareNow is right on the curve of this fundamental change of truly empowering users to self publish and self manage their own content.

Zenergy PLC

Zenergy PLC (AIM: ZEN) is a global specialist manufacturer and developer of commercial applications for superconductive materials. Comprising three operating subsidiaries located in Germany (Trithor), USA (SC Power Systems) and Australia (Australian Superconductors), Zenergy is developing a number of energy efficient applications to be adopted in renewable energy power generation, energy efficient applications to be adopted in renewable energy power generation, energy distribution and large scale, energy intensive industrial processes.

Zenergy announced on 19 December 2007 that it passed a key technical milestone as it had successfully produced a 10 metre length of 2nd generation HTS wire using its ground-breaking “all chemical” production process. Subject of a recent grant from the German Ministry of Economics and Technology, Zenergy’s “all chemical” production processes, are being developed with a view of making the Group highly economically viable superconductor materials for commercial exploitation.

PegasusBridge Fund

The PegasusBridge Fund’s objective is to attain significant capital growth through investment in unquoted and some quoted shares of defence-related and security-related technology companies including a strong focus on Homeland Security. These companies are located primarily in the UK but occasionally will be elsewhere, for example in mainland Europe, Scandinavia, the USA and elsewhere in the developed world.

Investments will be primarily in first and second stage companies, pre-floatation companies and occasionally companies in later stages of development, to include corporate divestments. The fund’s investments will be normally in the form of equity investments (including convertible loans and other appropriate instruments). The fund will not normally seek active participation on the board of directors of each investment but will ensure it is appropriately placed to advise on and influence both the strategic and tactical management decisions.

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