

1 February 2012

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

Placing to fund corporate investment and working capital

Blue Star Capital is pleased to announce that it has conditionally raised £245,000 before expenses (approximately £232,000 net of expenses) via the proposed issue of 12,250,000 new Ordinary Shares (the “Placing Shares”) at a price of 2 pence per share (“Placing Price”) to new and existing investors. The Placing Price is at a discount of 30.6% to the closing mid price of 2.88 pence per Ordinary Share on 30 January 2012.

The Company will use the proceeds to make a loan of £150,000 to Overtis Limited (“Overtis”). The purpose of the loan is to provide Overtis with working capital and to secure a period of exclusivity as part of a process which the Company expects, subject to due diligence, further fund raising and shareholder approvals, will lead to the full acquisition of the issued share capital of Overtis in line with the Company’s stated investment policy.

Overtis is a software company and a provider of User Activity Management solutions. It is an expert in information protection and compliance and has significant potential in the cybersecurity and data security space

The Placing is conditional, inter alia, on admission of the Placing Shares to trading on the AIM Market of the London Stock Exchange.

The New Shares will rank pari passu with the ordinary shares already in issue. Application has been made for the admission to trading of the Placing Shares on AIM and dealings are expected to commence at 8.00am on 7 February 2012.

Total Voting Rights

Following the issue of the New Shares, the Company’s voting capital will consist of:

Ordinary Shares	Nominal Value	GBP	Ordinary Shares held in Treasury
164,090,950	0.1	164,090	-

As the Company does not hold any ordinary shares in Treasury its total number of voting rights equals its capital. The above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FSA’s Disclosure and Transparency Rules.

Commenting on the Placing, Richard Leaver, the Company’s Chief Executive Officer, said:

"We are pleased to have had support for the Placing both from existing and new investors. The funds raised will allow us to begin investment in an exciting new technology for the Company."

Contacts:

Blue Star Capital plc 020 7612 7310
Dr Richard Leaver

Panmure Gordon (UK) Limited 020 7459 3600
Adam Pollock/Callum Stewart

Alexander David Securities 020 7448 9800
David Scott/Trevor Coote

Square 1 Consulting 0207 9295599
David Bick

This announcement does not constitute an offer to underwrite, subscribe or otherwise acquire or dispose of any new Ordinary Shares or other shares in Blue Star Capital.

The Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or under the securities legislation of any State of the United States. This announcement is not an offer of securities for sale in the United States, and the Offer Shares may not be offered or sold in the United States absent the registration of the Offer Shares under the Securities Act, or an exemption therefrom, or in a transaction not subject to, the registration requirements of the Securities Act. The relevant clearances have not been, and will not be, obtained from the Securities Commission of any province or territory of Canada; no document in relation to the Placing has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission; no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Placing. Accordingly, subject to certain exceptions, the Ordinary Shares the subject of the Placing may not, directly or indirectly, be offered or sold within the United States, Canada, Australia, Japan or offered or sold to a resident of the United States, Canada, Australia or Japan.

This press release may contain forward-looking statements with respect to Blue Star Capital and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Blue Star Capital could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and changes in government regulation. The cautionary statements qualify all forward-looking statements attributable to Blue Star Capital and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

Panmure Gordon (UK) Limited is authorised and regulated in the United Kingdom by the Financial Services Authority, is advising Blue Star Capital and no-one else in connection with the Placing and will not be responsible to any person other than Blue Star Capital for providing the protections afforded to its clients or for advising any other person in relation to the Placing.

Alexander David Securities Limited is authorised and regulated in the United Kingdom by the Financial Services Authority, is advising Blue Star Capital and no-one else in connection with the Placing and will not be responsible to any person other than Blue Star Capital for providing the protections afforded to its clients or for advising any other person in relation to the Placing.