

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

Completion of Asset Acquisition

The board of the Company is pleased to announce that, further to the passing of the resolutions by shareholders on 30 June 2009, it has completed the acquisition of the assets of The PegasusBridge Defence & Security Fund Limited.

The consideration for the acquisition was £1,487,111 which was to be satisfied by the issue of 44,760,935 new ordinary shares of 0.1 pence, at a price of 3.3 pence per share and the payment of £10,000 of the Sellers professional fees.

Application has been made to the London Stock Exchange for admission of the 44,760,935 new ordinary shares which is expected to take place on or around 12 August 2009.

Following the completion of the acquisition, the Company’s issued ordinary share capital comprises 150,260,935 ordinary shares of 0.1 pence per share.

The board of the Company considers that the Acquisition provides a clear opportunity to strengthen the Company's portfolio in line with its strategic focus on the HSI sector whilst conserving the Company's cash reserves for further investments in this sector.

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