

## **Blue Star Capital plc**

("Blue Star Capital" or the "Company")

### **Subscription, Loan Conversion and Director Dealing**

Blue Star Capital is pleased to announce that it has raised £150,000 by way of a subscription of 27,272,727 new ordinary shares of 0.1p each ("Ordinary Shares") at a price of 0.55p per share (the "Subscription Shares") with institutional and private investors and a director of the Company (the "Subscription").

It is intended that the proceeds of the Subscription will be used to provide working capital for the Company and to repay the shareholder loan originally entered into on 28 April 2011 and due for repayment by 30 June 2014 (the "Loan") as further described below. As a result of this subscription, and an additional loan conversion of shares, the Company is now debt free.

Graham Parr, Chairman of Blue Star, commented:

"We are delighted to have received interest in the Subscription from both institutional and private investors. The directors have also participated in the fundraising, demonstrating the board's confidence in the Company's outlook and further aligning its interests with shareholders. A year ago the Company had debts of £600,000 and we are delighted that Blue Star Capital is now debt free and has additional working capital to pursue its strategy and for supporting its existing portfolio of investments "

#### **Loan Conversion**

The amount outstanding under the Loan as at the date of this announcement is £85,292. Certain holders of the Loan, including Anthony Fabrizi, Chief Executive Officer of the Company, (the "Loan Holders") have agreed to convert £70,292 of the Loan into 12,780,363 new Ordinary Shares in the capital of the Company (the "Loan Conversion Shares") at a price of 0.55p per share (the "Conversion"). The remaining £15,000 of the Loan has been repaid to the Loan Holders (the "Repayment") from the proceeds of the Subscription.

Application has been made for the Loan Conversion Shares and the Subscription Shares to be admitted to trading on AIM and it is expected that Admission will take place on or around 12 June 2014 ("Admission").

Following Admission, the Company will have 430,753,532 Ordinary Shares in issue. The Company does not hold any Ordinary Shares in treasury. Therefore the total number of Ordinary Shares in the Company with voting rights will be 430,753,532.

The above figure may be used by shareholders in Blue Star 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 share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

#### **Director Dealing**

Graham Parr, Non-Executive Chairman of the Company, has participated in the Subscription. Mr Parr has invested £20,000 and has been issued 3,636,363 new Ordinary Shares.

Following Admission, Graham Parr will be interested in 3,636,363 Ordinary Shares in the Company, representing 0.84 per cent of the issued share capital.

Anthony Fabrizi, has also participated in the Subscription. Mr Fabrizi has invested £5,000 and has been issued 909,090 new Ordinary Shares.

As part of the Conversion, Anthony Fabrizi, has agreed to convert 100% of his portion of the Loan, amounting to £15,158, into 2,756,000 Ordinary Shares at a price of 0.55p per share.

Following Admission, Anthony Fabrizi will be interested in 13,091,293 Ordinary Shares in the Company representing 3.04 per cent of the issued share capital.

**Related Party Transaction**

Anthony Fabrizi, is amongst those that provided the Loan and is a related party for the purposes of AIM Rule 13. Graham Parr, the independent director of the Company considers, having consulted with the Company's nominated adviser Daniel Stewart & Company plc ("Daniel Stewart"), in relation to the Loan Conversion that the terms of the Loan Conversion are fair and reasonable insofar as the Company's shareholders are concerned.

**Enquiries:**

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