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If you have sold or otherwise transferred all your existing Ordinary Shares in Blue Star Capital Plc (“**Blue Star**”), please forward this Document and the enclosed Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold only part of your holding, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately. Such documents should not however be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction.

BLUE STAR CAPITAL PLC

(Incorporated and registered in England and Wales under the Companies Act 2006 with registered number 05174441)

Proposed further investment in SatoshiPay Proposed issue of Consideration Shares and Notice of General Meeting

A letter from the Chairman of Blue Star is set out on page 6 of this Document which includes a recommendation of the Directors on page 8.

Notice of the General Meeting of Blue Star to be held at 2 p.m. on 20 March 2017 at the offices of Cairn Financial Advisers LLP at Cheyne House, Crown Court, 62-63 Cheapside, London EC2V 6AX, is set out on pages 9 to 11 of this Document. Whether or not you plan to attend the General Meeting, please complete the enclosed Form of Proxy. To be valid, the accompanying Form of Proxy for use at the General Meeting should be completed, signed and returned in accordance with the instructions thereon to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible and, in any event, so as to arrive by not later than 2 p.m. on 18 March 2017. The completion and return of a Form of Proxy will not prevent you from attending, speaking and voting at the General Meeting in person should you wish to do so.

Copies of this Document, which is dated 2 March 2017, will be available free of charge to the public during normal working hours on any weekday (except public holidays) from the registered office of the Company at Rawlinson & Butler Nominees Limited, Griffin House, 135 High Street, Crawley, RH10 1DQ.

No person should construe the contents of this Document as legal, tax or financial advice and recipients of this Document should consult their own advisers on the matter described in this Document.

The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK into whose possession this Document comes should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Document contains “forward-looking statements” which includes all statements other than statements of historical fact including, without limitation those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words “targets”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “might”, “anticipates”, “would”, “could” or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company’s control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law or the AIM Rules.

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DEFINITIONS

“Act”	the Companies Act 2006 (as amended);
“Admission”	admission of the Consideration Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules;
“Announcement”	the announcement made by the Company on 2 March 2017 in relation to the acquisition of the SatoshiPay Sale Shares;
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as issued by the London Stock Exchange from time to time;
“AIM”	a market of that name operated by the London Stock Exchange;
“Company” or “Blue Star”	Blue Star Capital Plc a company incorporated and registered in England and Wales with registered number 05174441;
“Consideration Shares”	268,213,880 Ordinary Shares;
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
“Directors”	the directors of the Company whose names are set out on page 6 of this Document;
“Document”	this document;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“FastForward”	FastForward Innovations Limited a company incorporated and registered in Guernsey with registered number 44403;
“Form of Proxy”	the form of proxy accompanying this Document for use at the General Meeting;
“General Meeting” or “GM”	the general meeting of the Company to be held at the offices of Cairn Financial Advisers LLP, at Cheyne House, Crown Court, 62-63 Cheapside, London EC2V 6AX, on 20 March 2017 at 2 p.m., notice of which is set out at the end of this Document;
“London Stock Exchange”	London Stock Exchange plc;
“Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in this Document;
“SatoshiPay”	SatoshiPay Ltd, a company incorporated and registered in England and Wales with registered number 09366948;
“SatoshiPay Sale Shares”	the 1,471 SatoshiPay Shares which are the subject of the SPA;

“SatoshiPay Shares”	the ordinary shares of €0.01 each in the capital of SatoshiPay;
“SPA”	the conditional sale and purchase agreement entered into between the Company and FastForward on 1 March 2017 in relation to the SatoshiPay Sale Shares as further described in paragraph 2 of this Document;
“Shareholder(s)”	the holders of Ordinary Shares from time to time;
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.

Notes:

- 1) All references in this Document to “£” or “pence” are to the lawful currency of the UK.
- 2) All references to legislation in this Document are to English legislation unless the contrary is indicated.

EXPECTED TIMETABLE OF PRINCIPLE EVENTS

	<i>2017</i>
Date of this Document and posting of the Form of Proxy	2 March
Latest time and date for receipt of Forms of Proxy	2 p.m. on 18 March
General Meeting	2 p.m. on 20 March
Expected Date of Admission of the Consideration Shares	21 March

Notes:

- 1) References to times in this Document are to London time (unless otherwise stated).
- 2) The times and/or dates set out in the timetable above may be subject to change.
- 3) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to a regulatory information service.

LETTER FROM THE CHAIRMAN OF BLUE STAR CAPITAL PLC

Blue Star Capital Plc

(Incorporated and registered in England and Wales with registered number 05174441)

Directors:

Graham Parr (*Non-Executive Chairman*)
Anthony Fabrizi (*Chief Executive Officer*)
William Henbrey (*Non-Executive Director*)

Registered Office

Rawlinson & Butler Nominees Limited
Griffin House
135 High Street
Crawley
RH10 1DQ

2 March 2017

Dear Shareholder

Proposed additional investment in SatoshiPay and Notice of General Meeting

1. Introduction

The Company announced on 2 March 2017, that it intended to increase its holding in SatoshiPay, a nanopayment software and blockchain company, to approximately 19.1 per cent. through the acquisition of the SatoshiPay Sale Shares. The total consideration for the acquisition is €500,140 (approximately £425,119) to be satisfied entirely through the issue of the Consideration Shares to FastForward, the existing holder of the SatoshiPay Sale Shares.

It is therefore proposed that at the forthcoming General Meeting (notice of which is included in this Document), Shareholders be asked to approve certain resolutions which will provide the Company with sufficient authorities to be able to issue the Consideration Shares and complete the acquisition of the SatoshiPay Sale Shares.

2. Background and terms of the additional investment in SatoshiPay

On 16 January 2017, the Company announced that it had entered into a conditional agreement to subscribe for an amount of €0.64 million in SatoshiPay (the "**Investment**"). Further details on SatoshiPay are set out below. The Company announced completion of the Investment on 31 January 2017, having subscribed for 1,886 SatoshiPay Shares at a price of €340 per SatoshiPay Share. Following completion of a fundraise by SatoshiPay of approximately €1.0 million in aggregate (including the Investment), Blue Star has a 10.68 per cent. holding in SatoshiPay, which has a post-new money valuation of approximately €6 million.

Subsequent to completion of the Investment, the Company entered into the SPA with FastForward in which the Company agreed to purchase the SatoshiPay Sale Shares for a total consideration of €500,140 (approximately £425,119), equivalent to a price of €340 per SatoshiPay Sale Share. The consideration payable is to be satisfied entirely through the issue of the Consideration Shares to FastForward, at a price of 0.1585 pence per Ordinary Share, being the average mid-market price for the ten trading days prior to the Announcement.

The SPA is conditional upon:

- the passing of the Resolutions as set out in the Notice of General Meeting below; and
- Admission.

Pursuant to the SPA, FastForward has agreed that the Consideration Shares will be subject to lock-in and orderly market arrangements as follows:

- 89,404,627 of the Consideration Shares will be subject to a lock in for a period of three months following Admission followed by a three month orderly market requirement;

- 89,404,627 of the Consideration Shares will be subject to a lock in for a period of six months following Admission followed by a three month orderly market requirement; and
- 89,404,626 of the Consideration Shares will be subject to a lock in for a period of nine months following Admission followed by a three month orderly market requirement.

Subject to, *inter alia*, the Resolutions being passed at the forthcoming General Meeting, Blue Star will purchase the SatoshiPay Sale Shares from FastForward resulting in:

- the issue of the Consideration Shares to FastForward; and
- Blue Star's total holding in SatoshiPay increasing to 3,357 SatoshiPay Shares with Blue Star's interest in SatoshiPay therefore increasing from 10.68 per cent. to 19.10 per cent.

Application will be made for the Consideration Shares to be admitted to trading on AIM. Subject to completion of the SPA, it is expected that the Admission will become effective and dealings in the Consideration Shares will commence at 8.00 a.m. on 21 March 2017.

3. About SatoshiPay

SatoshiPay is developing a two-way payment platform, which enables online content providers to monetise their digital content through the acceptance of nanopayments. Using the SatoshiPay platform, online media companies are able to process nanopayments of 5 pence or less with minimal transaction fees. SatoshiPay technology can also process payments greater than 5 pence, but the company believes the real technical innovation is in relation to nanopayments, in some cases being less than 1 pence. SatoshiPay is based on blockchain technology and currently bitcoins (a cryptocurrency) are the only means of payment.

SatoshiPay believe its technology will provide a direct alternative to paywalls and subscriptions, currently adopted by some media companies, and should instead enable users to pay for consumption on a per article, per song or per download basis; or for content to be consumed and paid for on an incremental basis (payment per paragraph or minute of audio or video content). SatoshiPay works without software download or sign-up for the user (save for creation/top up of an online wallet). Payments are instant and the user's wallet balance is available on each website that integrates the SatoshiPay software.

In February 2016, SatoshiPay released a beta version of its product, which integrates with WordPress, the world's most popular web publishing platform. SatoshiPay introduced its first Application Programming Interface (API) in mid 2016, potentially extending the company's reach to all websites, internet applications (including mobile apps) and internet connected software.

In July 2016, SatoshiPay announced a collaboration with Visa Europe's innovation department relating to a proof of concept project to develop the capability to deliver a trusted top-up service to a digital wallet, using just a Visa card. Following successful conclusion of this project, SatoshiPay's primary focus is to make its website "widget" more appealing and compatible to the mass markets by adding payment methods like credit cards for topping up credit without the need for website users to hold Bitcoins. The Directors believe this capability will appeal to a wide range of online content providers and expect the €1.0 million raised by SatoshiPay in February 2017, principally from Blue Star, to facilitate progression of this key stage.

SatoshiPay has also recently added more features to its WordPress plug-in to support audio/video and file downloads, allowing consumers to pay small amounts for increments of content like an online news article or an individual image and is in discussions with various online content publishers.

Further details regarding SatoshiPay are available at its website www.satoshipay.io

4. Update on Blue Star

In addition to Blue Star's holding in SatoshiPay, Blue Star is continuing to work with its other portfolio companies to enhance their value. Sthaler, an early stage identity and payments technology business which enables a consumer to identify themselves and pay using just their finger at retail points of sale, is currently raising capital and has commenced small-scale trials of its technology in a commercial

payment setting. The Directors maintain their belief that Sthaler has the potential to become a very large business in the area of payments, loyalty and data. Blue Star's largest investee company, DTL, is working closely with VNU Group LLC, a speciality online direct retailer of premium goods paid for through an instant credit facility. VNU continues to demonstrate strong growth characteristics and the Directors continue to believe that significant value can be created from DTL's stake in VNU.

5. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at the offices of Cairn Financial Advisers LLP at Cheyne House, Crown Court, 62-63 Cheapside, London EC2V 6AX on 20 March 2017 at 2 p.m..

The Resolutions to be proposed at the General Meeting are as follows:

Resolution 1: will be proposed as an ordinary resolution to authorise the Directors to allot the Consideration Shares and further Ordinary Shares up to a maximum nominal amount of £500,000.

Resolution 2: will be proposed as a special resolution and is conditional upon the passing of Resolution 1 and seeks to empower the Directors to dis-apply statutory pre-emption rights to allot the Consideration Shares and further Ordinary Shares up to a maximum nominal amount of £500,000.

6. Action to be taken by Shareholders

You can use your vote in respect of your shareholding by attending the General Meeting or by appointing a proxy to attend the meeting and vote on your behalf.

A proxy may be appointed by either:

- returning the accompanying Form of Proxy in the post; or
- using the CREST electronic proxy appointment service (for CREST members only).

In each case the notice of appointment of your proxy should reach (whether by post or by CREST) our registrar, Capita Asset Services, by no later than 2 p.m. on 18 March 2017. Please refer to the notes in the Notice of General Meeting and the accompanying Form of Proxy for detailed instructions.

7. Recommendation

The board of Directors considers that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, your Directors unanimously recommend that Shareholders vote in favour of all Resolutions, as they intend to do in respect of their own shareholdings.

Yours faithfully

Graham Parr
Non-Executive Chairman

NOTICE OF GENERAL MEETING

NOTICE is hereby given that a General Meeting of Blue Star Capital plc (the “**Company**”) will be held at the offices of Cairn Financial Advisers LLP at Cheyne House, Crown Court, 62-63 Cheapside, London EC2V 6AX on 20 March 2017 at 2 p.m. for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolution 1 shall be proposed as an ordinary resolution and Resolution 2 shall be proposed as a special resolution.

This Notice concerns matters described in a circular to shareholders of the Company dated 2 March 2017 (the “**Circular**”). Terms defined in the Circular have the same meaning in this Notice.

THAT:

Ordinary Resolution

1. That, the Directors be hereby unconditionally authorised pursuant to section 551 of the Act, to exercise all the powers of the Company to allot ordinary shares of £0.001 each in the capital of the Company (“**Ordinary Shares**”) and to grant rights to subscribe for, or convert any security into, Ordinary Shares PROVIDED THAT this authority shall be limited to:
 - a. the allotment of Ordinary Shares up to a maximum aggregate nominal amount of £268,213.88 pursuant to the Company’s obligations under the SPA; and
 - b. the allotment of Ordinary Shares and the grant of rights to subscribe for, or convert any security into, Ordinary Shares generally up to a maximum aggregate nominal amount of £500,000;

provided that this authority shall expire on the date of the next annual general meeting of the Company following the date of the passing of this resolution, except that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired.

Special Resolution

2. That, subject to the passing of Resolution 1 above, the Directors be given:
 - a. in accordance with section 571 of the Act, power to allot equity securities (as defined by section 560 of the Act) for cash pursuant to the authority conferred by sub-paragraph (a) of Resolution 1 above, up to a maximum aggregate nominal amount of £268,213.88; and
 - b. in accordance with section 570 of the Act, a general power to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to the authority conferred by subparagraph (b) of Resolution 1 above, up to a maximum aggregate nominal amount of £500,000;

in each case, as if section 561(1) of the Act did not apply to any such allotment. The power granted by this Resolution 2 will expire at the conclusion of the Company’s next annual general meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board:

Graham Parr
Non-Executive Chairman

Registered Office
Rawlinson & Butler Nominees Limited
Griffin House
135 High Street
Crawley
RH10 1DQ

2 March 2017

Notes:

1. Pursuant to Regulation 41 of the CREST Regulations, only those members registered on the Company's register of members at close of business on 18 March 2017 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of the adjourned meeting, shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries in the register of members after close of business on 18 March 2017 or, in the event that the meeting is adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at a meeting.
2. A member is entitled to appoint one or more persons as proxies to exercise all of any or all of his rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise rights attached to a different share or shares held by him. To appoint more than one proxy you may photocopy the proxy form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. Appointment of a proxy does not preclude a member from attending the meeting and voting in person.
3. A form of proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars being Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to arrive no later than 2 p.m. on 18 March 2017 or, in the event that the meeting is adjourned, by no later than 48 hours before the time of any adjourned meeting.
4. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>).

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message ("**a CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Capita Asset Services (ID RA10) by no later than 2 p.m. on 18 March 2017. No such message received through the CREST network after this time will be accepted. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which Capita Asset Services is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change in instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Capita Asset Services by telephone on 0871 664 0300 calls cost 12p per minute plus your phone company's access charge. If you are outside the United Kingdom, please call +44371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF. In the case of a member which is a company, the revocation notice must be executed under its common seal or the hand of its duly authorised agent or officer. In the case of an individual, the proxy must be signed by the appointor or his attorney, duly authorised in writing. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Capita Asset Services so as to arrive no later than 2 p.m. on 18 March 2017 or, in the event that the meeting is adjourned, by no later than 48 hours before the time of any adjourned meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

