

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**ITEM 1. REPORTING ISSUER**

Star Navigation Systems Group Ltd.  
2970 Lakeshore Blvd. W., Suite 300,  
Toronto, ON M8V1J7

**ITEM 2. DATE OF MATERIAL CHANGE**

December 9, 2011

**ITEM 3. NEWS RELEASE**

Press release in the form attached as Schedule "A" was disseminated on December 9, 2011 via Marketwire.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced that no amendments were required with respect to its June 22, 2011 agreement with Paradigm Services and further, that it had entered into a new Licensing agreement with respect to the patents upon which its technology is based.

**ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE**

For a full description of the material change, please refer to the press release attached hereto.

**ITEM 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not Applicable

**ITEM 7. OMITTED INFORMATION**

No information has been omitted on the basis of confidentiality.

**ITEM 8. EXECUTIVE OFFICER**

The following officer of the Company is knowledgeable about the material change and the Report:

Viraf S. Kapadia  
Chief Executive Officer  
(416) 252-2889

**ITEM 9. DATE OF REPORT**

Dated at Toronto, Ontario this 13th day of December, 2011.

By: (signed) Viraf S. Kapadia  
Viraf S. Kapadia

Schedule “A”



**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange Symbol: SNA**

**STAR NAVIGATION ANNOUNCES NO AMENDMENTS TO ASTRIMUM  
AGREEMENT- ENTERS INTO NEW LICENSING AGREEMENT REGARDING  
STAR-ISMS® TECHNOLOGY**

TORONTO, Ontario, December 9, 2011, – Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star" or the "Company") is very pleased to announce that it has been determined that no amendments are required to the agreement announced June 22, 2011 (the "June 22 Agreement") between Star and Paradigm Services Limited (an affiliated company of Astrium Services).

The June 22, 2011 agreement was subject to possible amendment or termination where a provision was found to be contrary to, and amendment was necessary to comply with, the TSX Venture Exchange rules or any other applicable Canadian securities regulatory authority legislation or rules.

A Special Committee of the Board of Directors of Star has determined that, having reviewed the terms and conditions of the June 22 Agreement, engaged the services of third party professionals, made all required filings and received the advice of outside counsel, the June 22 Agreement complies with the Rules of the TSX Venture Exchange and does not contravene the rules and regulations of Canadian Securities Regulators.

Star's CEO, Viraf S. Kapadia said,

"We are delighted to announce that the agreement to offer an airborne data service is now fully finalized. Teams from both companies have been working diligently since June in order to complete the detailed work necessary to integrate Star's STAR-ISMS® technology with Paradigm's expertise in secure Satcom, data handling, service delivery and satellite operations, so that we can jointly provide airborne data service to the aviation world."

This new airborne data service enables the real-time transmission of flight data to aircraft operators by utilizing on-board processors capable of analyzing actual flight performance against expected parameters. The service uses in-flight equipment that also compresses, encrypts and then securely transmits the data via satellite to ground stations, which then relay this information to airline operators, enabling in-flight visibility of performance from ground-based facilities.

Star is also pleased to announce that it has entered into a new Licensing Agreement (the "New License") with the owner of the patents covering the technology upon which the company's products are based. A condition of the June 22 Agreement requires the owner of the patents and / or Viraf S. Kapadia to assume personal or corporate liability in certain situations. These parties agreed to accept this condition in return for the payment of additional royalties. A Special Committee of the Board of Directors (which did not include the CEO, Viraf S. Kapadia) was formed in order to negotiate the terms and conditions of the New License on behalf of the Company. Having satisfied itself through its own research and the results of the report of a third party independent professional valuator, the Special Committee reported to the Board that the royalty provisions in the New License were in all respects fair and reasonable and in accordance with commercial norms.