

Star Navigation Announces Initial Pilot Project for Airborne Data Service ("ADS")

TORONTO, July 10, 2012 - Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star" or the "Company"), announces that Air North, Yukon's Airline ("Air North") will use the ADS for a 3 month period (the "Service Period") on a trial basis. The system is scheduled to be installed on an Air North Boeing 737-500 aircraft late-July, and is expected to be operational by early August, 2012. A Pilot Project such as this one is provided for in the agreement between Star and Paradigm Services Ltd. establishing the ADS. (See press release June 22, 2011).

Entering its 36th year of operation, Air North, Yukon's Airline, is headquartered in Whitehorse. The largest airline in the Yukon, it utilizes a fleet of 5 Boeing 737 and 4 Hawker Siddeley 748 aircraft. Air North provides scheduled service connecting the Yukon with British Columbia, Alberta, the Northwest Territories and Alaska. It also provides charter services throughout Canada and the USA, as well as cargo and ground handling services.

The ADS 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, while the aircraft is in flight, using satellite networks. The service uses the STAR-ISMS® system in-flight equipment, which also compresses, encrypts and then securely transmits the data via satellite to a Data Management Centre ("DMC"). The DMC then relays this information to airline operators, enabling in-flight visibility of performance from ground-based facilities as well as offering enhanced safety and security features. The ADS also offers enhanced aircraft tracking, even in remote or trans-oceanic situations, as well as a feature which triggers automatic data transmission in the event of a major event.

The ADS addresses the following other concerns common to all airlines:

- the need for accurate fuel monitoring and information to reduce fuel costs.
- the need to reduce maintenance response times without sacrificing safety.
- the need for an information system that is easy to use and that does not place an additional burden on staff while receiving data specific to the airline's needs.
- the need for global coverage.
- the need for an automated, accurate system which provides readily usable information to reduce data analysis man-hours.
- the need for engine control and monitoring data.

About Star Navigation:

Star Navigation Systems Group Ltd. (www.star-navigation.com) owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, the first system in the world to feature in-flight data-analysis, monitoring and diagnostics with a real-time connection between aircraft and ground. Its real-time capability of tracking performance-trends and predicting incident-occurrence enhances aviation safety and improves fleet management while reducing costs for the operator.

Certain statements contained in this News Release constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will" and similar expressions, as they relate to Star or its management are intended to identify forward-looking statements. Such statements reflect Star's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause Star's actual performance or achievements to vary from those described herein. Should one or more of these factors or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Star does not assume any obligation to update these forward-looking statements, except as required by law.

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