

**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**

November 12, 2008

**ITEM 3. NEWS RELEASE**

Press release in the form attached as Schedule "A" was disseminated on November 12, 2008.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced that it had signed a detailed Collaborative Framework Agreement with AVIC Shanghai Aero Measurement-Controlling Research Institute in China.

**ITEM 5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

See attached Schedule "A" for a full description.

**ITEM 5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS**

Not Applicable

**ITEM 6. RELIANCE ON SECTION 7.1(2) 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 3rd day of January, 2011.

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

Schedule "A"



News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:

**Star Navigation Announces Major Agreement With SAMRI, a subsidiary of China Aviation Corporation (AVIC), to supply a jointly branded version of Stars Terrastar: Real Time Monitoring(TM) to the Big Commercial Aircraft Project**

**TORONTO, Nov. 12 /CNW/ - Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star or the Company"), a leading edge technology company focused on providing Aerospace Solutions to aviation operators worldwide, is pleased to announce that a detailed Collaborative Framework Agreement ("CFA") has been signed with the Shanghai Aero Measurement-controlling Research Institute ("SAMRI"), a subsidiary of AVIC - China Aviation Industry Corporation. (Please see press releases October 29 and November 10, 2008).**

**The CFA outlines the working relationship between SAMRI and Star with the objective of supplying a jointly branded version of Star's TERRASTAR:Real-Time Monitoring(TM) system ("TERRASTAR:RTM(TM)") to Chinese Original Equipment Manufacturers ("OEM") for installation on new and existing commercial passenger aircraft in China as part of the Big Commercial Aircraft ("BCA") project, China's entry into the large commercial aircraft field. As noted in Star's press release dated October 29, China has already begun making large commercial aircraft and has raised the possibility of competition for Boeing and Airbus in the country's booming market for new planes. China is expected to be the world's fastest-growing aviation market, and is expected to need 3,710 aircraft to meet unprecedented demand over the next 20 years. (Source: Boeing/AFP Oct. 29/08) The partners are moving ahead to establish joint teams to address the following:**

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- Requirements specific to the Chinese aviation industry,**
- Engineering specific to the Chinese-developed aircraft,**
- Production and delivery of technology and components to satisfy Chinese aviation industry requirements, and,**
- Installation, training, support and operation of the jointly-branded BCA-TERRASTAR:RTM(TM).**

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**COMAC - "Commercial Aircraft Corporation of China, Ltd." (previously CACC) has already booked over 208 ARJ21 (100 seat) aircraft orders. Mr. Viraf Kapadia, CEO of Star stated, "The rapid development of our relationship with SAMRI (a subsidiary of AVIC) and COMAC is a good indication that the next generation of commercial aircraft will be a significant market for our products. We are looking forward to building upon this relationship to include other members of the Chinese aviation industry. We always look at both the short-term and the long-term. In the short-term, we are constantly improving and innovating, improving our processes and building our sales force. This**

agreement is for the long-term; it is a part of building sustainable relationships and this success helps us with our other ongoing efforts in Europe, North America and Asia.

Mr. Dale F. Sparks, CTO of Star, in Calgary presenting at the Air Transport Association of Canada Annual general meeting and enroute to China, commented "Part of the OEM process is to ensure that the technology not only delivers significant immediate value, but also provides a means for future benefit and support, as the demands of the aviation environment change - and our TERRASTAR:RTM(TM) system does exactly that. We look forward to the cross-training of the SAMRI technical personnel and the subsequent integration discussions. This is a strategic partnership opportunity and a very exciting project."

Star's V.P. Marketing & Sales, Mr. Amir Bhatti said at the Zhuhai Air Show, "This agreement is vital in order to enable Star to meet the demands of the relatively untapped commercial aviation industry of China. We are very glad to partner with SAMRI."

**About Star Navigation:**

Star Navigation Systems Group Ltd. ([www.star-navigation.com](http://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 forwardlooking 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.

This press release is available on the company's official on-line investor relations site for investor commentary, feedback and questions. Investors are asked to visit: <http://www.agoracom.com/ir/StarNavigation> and view the Star Navigation IR HUB. Alternatively, investors are asked to e-mail all questions and correspondence to [SNA\(at\)Agoracom.com](mailto:SNA(at)Agoracom.com)

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

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/For further information: Please visit [www.star-navigation.com](http://www.star-navigation.com) or contact Viraf Kapadia, CEO, [viraf.kapadia\(at\)star-navigation.com](mailto:viraf.kapadia(at)star-navigation.com); AGORACOM Investor Relations, Investor Relations, [SNA\(at\)agoracom.com](mailto:SNA(at)agoracom.com), <http://www.agoracom.com/ir/StarNavigation/> (SNA.)

CO: Star Navigation Systems Group Ltd.

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