

**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

September 16, 2010

ITEM 3. NEWS RELEASE

Press release in the form attached as Schedule "A" was disseminated on September 16, 2010.

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company announced an agreement for sale of units. The sale is subject to a performance evaluation.

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 5th day of January, 2011.

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

Schedule "A"



STAR SIGNS AGREEMENT WITH SHAHEEN AIR INTERNATIONAL

TORONTO, September 16, 2010 - Star Navigation Systems Group Ltd. (TSX-V: SNA) ("Star" or the "Company"), a leading edge technology company focused on providing Aerospace Solutions to assist aviation operators worldwide, is very pleased to announce that it has entered into an agreement (the "Agreement") with Shaheen Air International ("Shaheen") to install Star's flagship product, the In-Flight Safety Monitoring system ("STAR-ISMS™") on one of Shaheen's Boeing 737-200/300 aircraft, on a performance evaluation and configuration basis. The evaluation period will last for 90 days and will commence as soon as the Operational STC is issued.

The Agreement provides that, upon successful completion of the performance evaluation, Shaheen will purchase the installed unit and purchase a further eleven (11) STAR-ISMS™ systems for the balance of its fleet. Based on list prices, if completed, the value of the order over the 60 month contract is expected to be approximately USD 2,400,000, including ongoing airtime charges.

Dale F. Sparks, Star's CTO stated: "We are very pleased to have this opportunity with Shaheen Air. With the thousands of flight hours, our STAR-ISMS™ system has already performed (and continues to perform) on an A-310 in that region, we're very confident we will deliver more than expected. Shaheen's fleet of B737's also provides a good platform and environment for our new, advanced SSU-G2 server. We are looking forward to working together with Shaheen Air and demonstrating the many benefits and flexibility of our STAR-ISMS™ system."

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.

About Shaheen Air International: Shaheen Air commenced operations as the first Pakistani private airline in December, 1993. It has a fleet of twelve self-owned Boeing 737 aircraft that operate on domestic and international routes from its base in Karachi, Pakistan.

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 forwardlooking

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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the content of this release.

For further information:

please visit www.star-navigation.com or

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