



*ANNUAL REPORT*

*FOR THE YEAR ENDED JUNE 30, 2010*

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## ***CORPORATE INFORMATION***

### **Legal Counsel**

Fogler, Rubinoff LLP  
Barristers and Solicitors  
Toronto, Ontario

### **Auditors**

Collins Barrow Toronto LLP  
Toronto, Ontario

### **Executive Offices**

2970 Lakeshore Blvd. W.,  
Suite 300,  
Toronto, Ontario  
M8V 1J7

### **Chief Executive Officer**

Viraf Kapadia

### **Chief Financial Officer**

Randy Koroll

### **Shareholders Information**

TSX-V Symbol : SNA

### **Registrar and Transfer Agent**

Capital Transfer Agency Inc.  
Toronto, Ontario

### **Contact Star**

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### **Chief Technology Officer**

Dale F. Sparks

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## Message from the Chief Executive Officer

**December 23, 2010**

In my remarks to shareholders for the past two years, I have made the following comment :

“In the past year we have demonstrated our ability to survive the financial conditions facing us, invest in our next generation Star Server Unit (“SSU”), control legal costs without losing ground, protect our Intellectual Property, improve the functionality of our software, fuel and fleet management reporting, and increase sales of our secondary products. In the near future, we look forward to the full fledged commercialization of our In-Flight Safety Monitoring System and the benefits that it can provide to the airlines, and to the traveling public.”

As I write this message in late December, 2010, I can advise you that we have continued along that path and have built upon the foundation of previous year’s hard work and planning.

Our Star Server Unit (“SSU”) is now fully developed. Although the process has taken longer than originally anticipated, we are in the final stages of quality testing and hope to have the SSU ready for commercial sale in the first quarter of calendar 2011. As designed, the new SSU features increased performance, smaller size and weight (which accommodates space limitations in a modern aircraft), and, perhaps most importantly, a lower price point, allowing Star to offer customers an even more cost effective solution than before.

We continue to actively monitor our legal costs to ensure that we receive value for money spent, while maintaining our vigilance with respect to any infringement of our Intellectual Property.

Star continues to pursue oppourtunities both Worldwide and in North America. A number of initiatives are ongoing with respect to cooperation with other Aerospace companies to provide integrated solutions for customers.

Our efforts in Pakistan are finally beginning to pay off. Earlier this year, we signed an agreement with Shaheen Air International and are presently preparing to install our system aboard one of their aircraft for a 90 day demonstration. We are confident that this will result in one of our first STAR-ISMS™ sales. In addition, our SSU continues to fly on a Pakistan International Airlines Corporation A-310, providing valuable data to both Star and to PIA. A sale to PIA remains our objective.

Star’s initiatives in China with respect to the C919 Big Aircraft Project continue. We are advised that the selection process for suppliers of second level systems is underway, although apparently there have been scheduling extensions.

As noted in several press releases over the past months, Star continues to work closely with Astrium Services with respect to providing an integrated solution to problems in the field of aircraft critical data collection and transmission systems and service.

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We continue to participate in the BEA Flight Data Recovery and Triggered Transmission of Flight Data Working Groups initiative. (BEA is the French Air Accident Investigation Bureau, currently in charge of the safety investigation into the accident of AF-447 in June of 2009.) We also continue our efforts with Astrium Services and the General Directorate for Civil Aviation (“DGAC”) of France, on a study aimed at proposing solutions to the need to access in-flight positioning and monitoring data for commercial aircraft while in oceanic or remote airspace.

Sales of our secondary product line, STAR-ISMS™ Lite, which provides Flight Tracking, Asset Management, Two-way Data/Voice Communications, and Backup Emergency SOS/Distress Capabilities, continue to improve.

Our marketing and sales department continues to work closely with various Canadian and International operators.

We have continued with a rigorous cost containment program. However, hiring for key positions is taking place as necessary.

In 2011, we will continue to focus our efforts on developing our relationship with Astrium, exploiting the benefits of our next generation SSU, securing major airline sales, improving the functionality of both our software, and our fuel and fleet management reporting, containing costs and increasing sales of our secondary products.

Sincerely,

**“Viraf Kapadia”**

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CEO and Chairman of the Board