

**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**

March 12, 2008

**ITEM 3. NEWS RELEASE**

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

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

The Company announced corporate update.

**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 14th day of January, 2011.

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

Schedule "A"



**Star Navigation announces corporate update at the request of the TSX Venture Exchange**

**TSX Venture Exchange Symbol: SNA**

**TORONTO, March 12 /CNW/ - Star Navigation Systems Group Ltd. (TSX: SNA-V) ("Star" or the "Company") at the request of the TSX Venture Exchange provides a Corporate Update with respect to certain previous announcements. Spicejet, Air Sahara, A.R. Airways**

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On January 17, 2006, Star issued a press release stating, among other things, that agreements had been signed in 2005 aggregating \$17 million. This figure assumed US dollar denominated sales, converted to C\$ at the then prevailing rate of exchange, and included \$10,600,000 for 34 Spicejet aircraft, \$3,120,000 for 10 A.R. Airways aircraft and \$2,900,000 for 15 Air Sahara aircraft. The number of aircraft and values disclosed were based upon projected fleet buildout conditional upon the initial trials being successful. All three carriers are based in India, and an Aeromobile license is required in order to operate the Star ISMS(TM) system in Indian airspace. Star's application has been under consideration for over two years and to date, has not yet been granted by the Indian Government. However, the license is the subject of current detailed discussions between Star's representatives and the Indian Government. Star's Chairman, Viraf Kapadia, will attend the next round of meetings in India next month. Installations were initially completed on two Spicejet and one Air Sahara aircraft. However, the Aeromobile license issue prevented system activation and consequently, none of these agreements have been concluded at this time.

Air Sahara has since been taken over by another airline. Due to the licencing delays and new management at Air Sahara, management believes that the terms of the previous agreement with Air Sahara will require renegotiation at such time as the Aeromobile license is granted. Similarly, due to the licencing delays, management believes that the terms of the previous agreements with both Spicejet and A.R. Airways will also require renegotiation if and when the Aeromobile license is granted.

**T.A.P / Kharkov**

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On February 27 and 28, 2006, Star announced the signing of Memorandums of Understanding ("MOU") with TAP Maintenance and Engineering in Portugal and Kharkov State Aircraft Manufacturing Company in Ukraine. Due to a reallocation of available resources to the Middle East, India and Pakistan by Star, discussions leading to definitive agreements with these firms were suspended.  
**Bexair**

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Further to the Company's press releases dated November 29, 2005 and April

27, 2006, this purchase did not proceed due to problems encountered with availability of the customers' Challenger 604 Supplemental Type Certificate ("STC") certification and contract issues with Bexair. Star intends to revisit opportunities with Bexair when resource allocations permit.

**Indian Airforce Glider Project**  
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On January 12, 2006 and April 27, 2006, Star announced that it had been selected to provide technical assistance to the Indian Airforce Round the World Glider Expedition 2006. The Expedition was postponed by the Airforce until 2007. Without notice to Star, the Expedition proceeded with the assistance of other providers. This issue forms a part of current litigation of the Company against its former president, Hilary Vieira (see press release dated September 18, 2007).

**Air Arabia**  
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Star's announcements dated November 30, 2005 and April 27, 2006, referred to a MOU entered into between Star and an "undisclosed" purchaser, Air Arabia. The Company was unable to satisfactorily conclude those negotiations. Star's new sales team will revisit this customer as resource allocations permit.

**Medical Monitoring**  
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In reference to Star's press release dated May 15, 2006 announcing a MOU regarding a Medical Monitoring project, we advise that this has been on hold for some time due to a corporate reorganization involving Star's partner in the venture. However, the project has recently been reactivated and design/development work is underway. A formal agreement is being negotiated and further disclosure will be provided when completed.

**Etihad Airways**  
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Further to Star's press release dated September 22, 2006, Star's technical team continues to work with Etihad to overcome their internal timing and personnel allocation issues. The required Airbus A-340 300 Series STC, together with a full design and installation package, has been provided by Star. Star expects that installation on an Etihad aircraft for trial evaluation should follow in due course.

**Zain Aviation**  
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Star's press release dated October 25, 2006 disclosed that it had received a purchase order from Zain Aviation with respect to purchase of a Satellite Telephone, Cabin Information System and ancillary services. Prior to delivery and installation, Zain Aviation ceased operations resulting in this purchase order not being fulfilled.

**Pakistan International Airways ("PIA")**  
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As an update to the Company's press release dated May 23, 2007, the trial evaluation of Star's In-Flight Safety Monitoring System ("ISMS(TM)") on a PIA Airbus A-310 has been underway for some time. The testing and evaluation phase of the trial is now complete and all system expectations were met or exceeded. Final negotiations are underway regarding a formal agreement and PIA's decision is expected shortly. The government of Pakistan has provided approvals for use of Iridium's satellite system over Pakistan. STC approvals for Airbus A-310-300 are complete for Pakistan and Star intends on pursuing STC approvals for additional aircraft types once a formal agreement has been executed with PIA.

**Electronic Flight Bag ("EFB")**  
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On September 12, 2007, Star announced an expansion of its product line through a MOU with an industry leading EFB supplier. This project has been on hold pending release of Star technical personnel from the PIA trial evaluation. Preliminary integration testing with Star's ISMS(TM) has already taken place. Star is now prepared to commence detailed work and is in the process of coordinating personnel and timing. Star has agreed that the identity of the EFB supplier will remain confidential for the time being. A definitive agreement will be negotiated after further detailed discussions have taken place.

**Aerosoft Systems Inc.**

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On September 19, 2007, Star entered into a MOU with Aerosoft which provided for, among other things, evaluation of the possibility of cooperating for the purpose of developing integrated solutions to various concerns of the aircraft industry. As a result of very positive ongoing discussions, Star announced the relationship on January 2, 2008. Discussions and cooperation continue, and while a definitive agreement is not considered to be necessary at the moment, as the relationship evolves, one may be required.

**Skylink**

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The Skylink Aviation Inc. agreement, announced November 13, 2007 is proceeding as planned with a trial installation of one unit. The ISMS Lite(TM) equipment purchased is in the process of testing and is expected to be shipped to the customer within 10 days. The customer will evaluate the system and if it performs up to expectations, is expected to use it in all of their ongoing and future operations. The agreement provides for both equipment and airtime purchase by the customer and would be the first ISMS Lite(TM) sale by the Company. The customer currently operates 30 aircraft in Sudan and will be operating 10 aircraft in Afghanistan and as such, they have indicated that up to 40 installations could follow, however, there is no firm commitment by Skylink to make any such further purchase. As Star determines the exact number of installations following the trial installation, the Company will provide further disclosure of the value of this potential contract. Until such time, the total value is uncertain. At this time, the Company is unaware of any specific approvals required for the trial installation and any such approvals, if required, are the responsibility of the client, who will advise Star of any such requirements on an ongoing basis.

**Indus Airways**

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Further to the Company's press release dated November 14, 2007, the agreement between the Company and Indus Airways is scheduled to proceed immediately upon delivery to Indus of its new aircraft, the MA 60. We are advised that certain pilot and aircraft certification requirements of the Indian government with respect to the Chinese aircraft remain outstanding, as this will be the first time that the MA60 (a Chinese designed and built aircraft) will be operated by an Indian airline. Star's Chairman, Viraf Kapadia, met personally with the General Manager, Marketing of Indus Airways last week, and was assured that the required certification will be forthcoming shortly. Indus has agreed to purchase fifty (50) ISMS(TM)/satellite phone systems, with one time initial licensing fees per aircraft to be paid as each installation occurs, and monthly payments per aircraft to be payable annually, in advance. Installations and payments will be dependent upon aircraft delivery schedules and the potential value of this contract will be calculated and disclosed once the pilot and aircraft certification is complete and scheduling is determined.

**Kestral Holdings**

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**As announced December 20, 2007, Star has entered into a strategic partnership with Kestral Holdings Private Limited. Kestral Holdings is based in Pakistan and has close to 350 employees active in the fields of Aviation, Defense Consulting, Trading, Logistics, Air Charter Services and Travel. Kestral Trading, a subsidiary, is a sales agent for Star, and by agreement dated January 16, 2008 for an initial three month period (with contemplated extensions), provides Star with meeting, office support and logistic services in Pakistan for a nominal amount. Kestral Holdings has significant contracts in the region, both commercial and military, management believes that Kestral is in a position to benefit Star's sales and marketing activities.**