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Star Navigation signs Cooperation Framework Agreement with Chengdu Spaceon
Technology Co. Ltd. of China

TORONTO, Ontario, August 26, 2014 - Star Navigation Systems Group Ltd. (TSX-VENTURE:SNA)(OTCBB:SNAVF) ("Star" or the "Company"), is pleased to announce that it has signed a Cooperation Framework Agreement ("CFA") with Chengdu Spaceon Technology Co. Ltd., ("Spaceon"). Spaceon is a well-recognized aerospace research and product development corporation in China, with expertise and experience in airborne avionics, in-flight controlling and data communications equipment and services.

The CFA prepares the way for a full Cooperation Agreement to be completed and signed shortly. That agreement will provide for the manufacturing, marketing and sale by Spaceon of Star's STAR-ISMS® Lite system in China, and for the joint research and development of new products.

Mr. Viraf S. Kapadia, CEO of Star said:

"This is a great example of how Star utilizes strategic alliances to provide the best solutions for our customers. In this case, our expertise in the tracking and aircraft health monitoring sectors, along with our working participation at the BEA, ICAO, IATA, ITU investigations after the MH- 370 incident (namely through the ATTF, Aircraft Tracking Task Force), allied with Spaceon's expertise and experience in R&D and on-board electronics, make it an excellent fit. We expect that this relationship may prosper in related fields, as Spaceon brings outstanding experience and knowledge of the Chinese market, allowing for the rapid development of a simpler version of our existing on-board equipment.

"This new version of Star's STAR-ISMS® Lite system will be targeted towards the general aviation market rather than commercial airliners.

"Our main focus continues to be the STAR-A.D.S.™ system for larger commercial operators. This cooperation will allow us to accelerate our penetration of China and other market segments worldwide. In the future, Spaceon may undertake the marketing, sales and implementation of the STAR-A.D.S.™ in China for commercial airlines."

Mr. Yang Shaoping, General Manager of Spaceon said:

“As a senior product provider and system integrator in avionics and maritime fields, it is a great pleasure for Chengdu Spaceon Technology Co., Ltd. to establish the cooperation relationship with Star Navigation in joint development and exploring of markets in customized in-flight data service system and on-board equipment. Currently, the timing and opportunity for both parties is good, as the Chinese government pays high attention to the application and promotion of in-flight real-time health management system of aircraft. Spaceon will fully take advantage of its own technical capabilities in avionics and Satcom fields and the localization strength, combined with Star’s advanced techniques and expertise background in the aviation field, to create suitable products, systems and services for the market localization requirements and become the main provider of in-flight health management system in Chinese market.

“I hope a jointly-developed, cost-effective Star-ISMS® Lite system will enter into the Chinese market as well as the rest of the markets in the world in the near future. Lastly, I sincerely wish a home-made STAR-A.D.S.™ system could come out in the Chinese market as soon as possible offering high-quality services to Chinese commercial airlines.”

About Star Navigation: (www.star-navigation.com)

Star Navigation Systems Group Ltd. owns the exclusive worldwide license to its proprietary, patented In-flight Safety Monitoring System, STAR-ISMS®, the heart of the STAR-A.D.S.™ System. It is 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.

Star’s MMI Division designs and manufactures high performance, mission critical, flight deck flat panel displays for defence and commercial aviation industries worldwide.

About Spaceon: (www.spaceon.cn)

Established in December 2001, Chengdu Spaceon Technology Co., Ltd. (“Spaceon”) is a Hi-tech company affiliated to CETC. Spaceon masters specialized communication, navigation and recognition techniques, and is engaged in maritime electronics, ground-air communication, air traffic control identification and satellite communication & navigation. The company offers advanced devices and system solutions in the fields like government, civil and foreign trade.

Currently, the Company has more than 300 employees, 81% of whom have doctoral, master’s or bachelor’s degrees and provides a supportive environment of scientific research, production and office informatization, with an area of over 24,000m² used for scientific research and production.

Certain statements contained in this News Release may 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.

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