Blackstar Investors Plc (the "Company")

Director's Dealing - Pledge of Shares

As previously announced on 30 June 2008, Blackstar Managers Limited ("BML") acquired 4 million ordinary shares of £1 each in the Company at a price of 75 pence per share (the "Shares"). In order to fund this purchase, BML borrowed £3 million for the acquisition of the shares (the "Loan") and pledged the 4 million ordinary shares together with BML's existing holding of 776,190 shares, as security.

As previously announced, BML made further purchases of shares in the Company as follows:

Date	Number of Shares Purchased	Price (pence)
27 June 2008	4,000,000	75
1 October 2008	223,810	68
2 October 2008	15,000	69
4 December 2008	250,000	23
11 December 2008	240,000	25

Due to the fall in the Company's shares price, BML has now pledged a total of 5,440,000 of its shares in the Company as security for the Loan. Since 30 June 2008, BML has repaid £1 million of the Loan leaving an outstanding balance of £2 million. BML informed the Company that it currently has sufficient cash flow to meet its obligations under the terms and conditions of the Loan.

BML is majority controlled by the interests of Andrew Bonamour, a director of the Company.

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