

**THIS DOCUMENT (THE "CIRCULAR") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Circular and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if you are not in the United Kingdom, another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your ordinary shares in Blackstar Group SE ("**Shares**"), please immediately forward this Circular to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Shares please immediately contact your stockbroker, bank or other agent through whom the sale or transfer was effected.

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**BLACKSTAR**  
**Blackstar Group SE**  
(the "**Company**" or "**Blackstar**")  
*(Registered in Malta with registered number SE4)*

**Notice of general meeting to consider resolutions  
requisitioned by a minority shareholder**

**Unanimous Recommendation of the Directors to Vote  
AGAINST the Requisitioned Resolutions**

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**Your attention is drawn to the letter from the chairman of Blackstar Group SE which is set out on pages 4 to 6 of this Circular in which the Directors recommend that you vote AGAINST each resolution proposed for consideration at the Requisitioned General Meeting referred to below. This document should be read as a whole.**

A notice convening an extraordinary general meeting of Blackstar (the "**Requisitioned General Meeting**"), to be held at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta at 10h00 CET (11h00 SAST) on Tuesday 27 November 2012 (or as soon thereafter as it may be held) is set out at part 3 of this Circular.

To be valid, the Form of Proxy found at part 4 of the Circular for use in connection with the Requisitioned General Meeting should be completed in accordance with the instructions printed thereon. The signed Form of Proxy must either reach the Company's registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta or be emailed to [Bryan.Moyer@maitlandgroup.com](mailto:Bryan.Moyer@maitlandgroup.com) in either case to be received by no later than Sunday 25 November 2012 at 10h00 (CET). In order to assist shareholders:

- (a) certificated shareholders and own-name registered dematerialised shareholders who are registered on the South African part of the register of members are strongly urged to send their signed Form of Proxy to the South African Transfer Secretaries, Link Market Services South Africa (Pty) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 22 November 2012 at 11h00 (SAST); and
- (b) certificated shareholders who trade their shares on AIM of the London Stock Exchange and are registered on the UK part of the register of members are strongly urged to send their signed Form of Proxy to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than Friday 23 November 2012 at 09h00 (GMT)

so as to enable the Form of Proxy to be forwarded on your behalf to the Company no later than 25 November 2012 at 10h00 (CET).

Completion and return of Forms of Proxy will not preclude shareholders in the Company from attending and voting at the Requisitioned General Meeting should they so wish.

Dematerialised shareholders registered on the South African sub-register, other than own-name registered dematerialised shareholders, must not complete the Form of Proxy and must provide their voting instructions to their Central Securities Depository Participant ("CSDP") or broker in the manner stipulated in their custody agreement entered into between such shareholders and their CSDP or broker.

Dematerialised shareholders registered on the South African sub-register, other than own-name registered dematerialised shareholders, will need to request their CSDP or broker to provide them with a letter of representation should they wish to attend and vote at the Requisitioned General Meeting in person. You are requested to provide a copy of any letter of representation to the Company at its registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta or by e-mail to [Bryan.Moyer@maitlandgroup.com](mailto:Bryan.Moyer@maitlandgroup.com) in either case to be received by no later than Sunday 25 November 2012 at 11h00 (SAST).

Depository Interests Holders will find enclosed with this document a Form of Direction for use in connection with the Requisitioned General Meeting. Whether or not you intend to be present at the Requisitioned General Meeting, you are requested to complete and return the Form of Direction.

Depository Interests Holders are requested to complete and return their Form of Direction for the Requisitioned General Meeting as soon as possible. To be valid, the Form of Direction for use at the Requisitioned General Meeting must be completed and returned in accordance with the instructions printed thereon to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 09h00 GMT on 22 November 2012.

The completion and return of a Form of Direction will not preclude you from attending the meeting and voting in person should you subsequently wish to do so providing a Letter of Corporate Representation has been requested from the Depository.

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## TIMETABLE OF PRINCIPAL EVENTS

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<b>Event</b>	<b>Date</b>
Last day to trade for shareholders on the South African sub-register in order to be able to participate and vote at the Requisitioned General Meeting	9 November 2012
Last day to trade for shareholders on the UK sub-register in order to be able to participate and vote at the Requisitioned General Meeting	15 November 2012
Record date for participating at Requisitioned General Meeting	16 November 2012
Signed Forms of Proxy from certificated shareholders and own-name registered dematerialised shareholders who are registered on the South African part of the register of members should reach the SA Transfer Secretaries	by 22 November 2012, 11h00 (SAST)
Forms of Direction from Depository Interest Holders must reach Capita Registrars	by 22 November 2012, 09h00 (GMT)
For dematerialised shareholders registered on the South African sub-register, the time by which the Central Securities Depository Participant or broker must provide all voting instructions to the transfer secretaries	by 22 November 2012, 11h00 (SAST)
CREST message must be received by the issuer's agent RA10	by 22 November 2012, 09h00 (GMT)
Signed Forms of Proxy from certificated shareholders who trade their shares on AIM of the London Stock Exchange and are registered on the UK part of the register of members should reach Capita Registrars	by 23 November 2012, 09h00 (GMT)
Signed Forms of Proxy must reach the Company	by 25 November 2012, 10h00 (CET)
Time by which dematerialised shareholders registered on the South African sub-register (other than own-name registered dematerialised shareholders) who wish to attend the Requisitioned General Meeting are requested to provide a copy of their letter of representation to the Company	by 25 November 2012, 11h00 (SAST)
Time by which Depository Interest Holders who wish to attend the Requisitioned General Meeting are requested to provide a copy of their letter of corporate representation to the Company	by 25 November 2012, 10h00 (CET)
Requisitioned General Meeting	27 November 2012, 10h00 (CET) (11h00 SAST)

## DEFINITIONS

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The following definitions apply throughout this Circular unless the context otherwise requires:

“AIM”	the market operated by the London Stock Exchange known as AIM;
“Alt <sup>x</sup> ”	the Alternative Exchange of the JSE Limited;
“Board”	the administrative organ of the Company constituted in accordance with the Statutes and the SE Regulation;
“CET”	Central European Time;
“Company” or “Blackstar”	Blackstar Group SE;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Securities Regulations);
“Depository”	Capita IRG Trustees Limited, incorporated in England (with registration number 2729260) whose registered office is The Registry, 34 Beckenham Road, Kent BR3 4TU;
“Depository Interest”	the dematerialised depository interests (in respect of Ordinary Shares) issued on a one-for-one basis by the Depository;
“Form of Direction”	the form of direction to be used by Depository Interest Holders to instruct the Depository how to vote on their behalf, which is contained in part 5 of this Circular;
“Form of Proxy”	the form of proxy to be used by Shareholders in connection with the Requisitioned General Meeting, which is contained in part 4 of this Circular;
“GMT”	Greenwich Mean Time;
“Investment Policy”	the existing investment policy of the Company, which is set out in part 2 of this Circular;
“JSE”	the JSE Limited, a company duly registered and incorporated under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 2004 of South Africa;
“Malta”	the Republic of Malta;
“pounds” or “£”	Pounds Sterling, the lawful currency of the United Kingdom;
“Requisition”	the requisition from Anson Registrars Limited a/c DAMILLE (as nominee for, and acting on the instructions of Damille Investments Limited);
“Requisitioned General Meeting”	the extraordinary general meeting of the Company to be held at 10h00 CET (11h00 SAST) on Tuesday 27 November 2012;
“Requisitioned Resolutions”	the resolutions requisitioned by the Requisitioning Shareholder and which are opposed by the Board, the wording of which is set out in the Notice of Extraordinary General Meeting;
“Requisitioning Shareholder”	Anson Registrars Limited a/c DAMILLE (as nominee for, and acting on the instructions of Damille Investments Limited);
“SAST”	South African Time;
“SE”	<i>Societas Europaeae</i> or European Company, a public limited liability company created in terms of the SE Regulation;
“SE Regulation”	Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European Company;
“Shares”	the ordinary shares in the Company of €0.76 par value;
“Shareholders”	holders of shares of any class in the capital of the Company from time to time;
“South Africa”	the Republic of South Africa;
“Statutes”	the statutes of the Company as adopted on its conversion to an SE;
“UK” or “United Kingdom”	The United Kingdom of Great Britain and Northern Ireland; and
“ZAR”	South African Rand, the lawful currency of South Africa.

# PART 1: LETTER FROM THE CHAIRMAN

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## BLACKSTAR GROUP SE

(registered in Malta with registered number SE 4)  
4th Floor, Avantech Building,  
St Julian's Road,  
San Gwann SGN 2805, Malta

*Directors:*

John Broadhurst Mills (*Non-executive Chairman*)  
Andrew David Bonamour (*Non-executive Director*)  
Wolfgang Andreas Baertz (*Non-executive Director*)  
Marcel Ernzer (*Non-executive Director*)  
Charles Taberer (*Non-executive Director*)

2 November 2012

To: All Shareholders

Dear Shareholder,

### 1. NOTICE OF REQUISITIONED EXTRAORDINARY GENERAL MEETING AND UNANIMOUS RECOMMENDATION OF THE DIRECTORS TO VOTE AGAINST THE REQUISITIONED RESOLUTIONS

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I am writing to inform you of an Extraordinary General Meeting of the Company, which is to be held at the registered office of the Company, 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta on Tuesday 27 November 2012 at 10h00 CET (11h00 SAST).

This letter provides Shareholders with details of the resolutions that are to be put to Shareholders at the Requisitioned General Meeting and sets out the Board's response to the Requisitioned Resolutions.

**The Board believes that the Requisition and the Requisitioned Resolutions are not in the best interests of the Company and Shareholders as a whole and is unanimously recommending that you vote AGAINST each Requisitioned Resolution at the Requisitioned General Meeting.**

You will find set out at the end of this document the Notice of the Requisitioned General Meeting, at which such Requisitioned Resolutions will be considered. Each of the Requisitioned Resolutions will be proposed as an ordinary resolution, which would require a simple majority of those Shareholders represented and entitled to vote at the Requisitioned General Meeting to be passed.

### 2. BACKGROUND

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As announced on 17 October 2012, on 12 October 2012 the Company received requisition from Anson Registrars Limited a/c DAMILLE (as nominee for, and acting on the instructions of Damille Investments Limited) (the "**Requisitioning Shareholder**"), a holder of approximately 18 per cent. of the share capital of the Company, to call an extraordinary general meeting of the Company, to propose resolutions ("**the Requisitioned Resolutions**") that the Company:

1. makes no new investments until it has implemented a buyback of up to 15% of the ordinary shares of the Company via a tender offer, at a price which represents no more than a 10% discount to net asset value ("NAV"); and
2. adopt a new distribution policy that requires the company to assess its free cash position on a monthly basis and, should the discount to NAV be:
  - (a) greater than 25%, return 100% of the Company's free cash to shareholders;
  - (b) between 15% and 25%, return 50% of the Company's free cash to shareholders; and
  - (c) less than 15%, all free cash will be available for new investments.

The full text of the Requisitioned Resolutions is set out in part 3 of this document.

### 3. KEY REASONS WHY SHAREHOLDERS SHOULD VOTE AGAINST THE REQUISITIONED RESOLUTIONS

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In the opinion of the Board, the Requisitioned Resolutions are poorly drafted and, in many ways, are unworkable from a practical perspective. Furthermore, the directors have been advised that under Maltese law, the Requisitioned Resolutions – if passed – would not be sufficient to override the legal duties of the Directors, including the duty to act in the best interests of the Company and the shareholders taken as a whole. In light of this, and in light of the fact that the Board has valid irrevocable undertakings to vote against the Requisitioned Resolutions from shareholders together holding in excess of 50.1% of the issued share capital of the Company, the Board is disappointed that the Requisitioning Shareholder has insisted on putting the Company to the expense and distraction of holding the Requisitioned Meeting.

In addition, the Board wishes to remind shareholders of the points made by the Board in the announcement by the Company on 17 October 2012 in relation to the Requisitioned Resolutions, being:

- The Company has a clear Investment Policy that directs its investment team towards building a balanced portfolio of both listed and unlisted investments that offer both long term capital growth and income returns to Blackstar and its investors. The full Investment Policy is set out in part 2 of this Circular.
- The Board believes the Company has been successful in implementing its Investment Policy since its introduction in 2006 and Blackstar is well positioned for future growth through a strong pipeline of attractive current and near term investment opportunities that are actively being pursued.
- The Company has a clearly stated capital management policy, namely that to the extent that Blackstar has capital in excess of its needs, it will be returned to shareholders in the form of capital reductions, special dividends or share buybacks where appropriate.
- The definition of “free cash” in the Requisitioned Resolutions results in a capital management policy which is materially different from the Company’s existing capital management policy and which the Board considers will be materially detrimental to the Company’s ability to implement its Investment Policy.
- Even though Blackstar’s investment in Mvelaphanda Group Limited is complex, the Board is confident that it will in due course be converted to cash. Consistent with the capital management policy, the Board intends to apply these cash proceeds to support Blackstar’s existing investments and pursue the strong pipeline of attractive new investment opportunities that can deliver growth for all shareholders. Excess capital (being capital above these requirements, as determined by the Board), will be returned to shareholders in accordance with its stated capital management policy.
- The Company makes regular updates of its intrinsic NAV to the market. Although the Company currently trades at a discount to NAV, the Board notes that this discount is comparable and in some cases less than the discount to which the Company’s peers trade on the AIM market and the JSE. Notwithstanding the foregoing, Blackstar has demonstrated a good track record of returning capital to shareholders, when appropriate:
- In the last five years Blackstar has returned a total of £20.81 million to shareholders:
  - In 2012, Blackstar returned £2.27 million through share buybacks;
  - In 2011, Blackstar returned £6.22 million through a special dividend;
  - In 2010, Blackstar returned £0.49 million through a dividend and £3.08 million through share buybacks;
  - In 2009, Blackstar returned £5.77 million through share buybacks; and
  - In 2007, Blackstar returned £2.98 million through share buybacks.
- The Board has the support of a majority of the Company’s shareholders to continue with its current Investment Policy and fundamental long-term strategy, and the Requisitioned Resolutions could jeopardise the success of same. In this regard, Blackstar has recently received irrevocable undertakings from 22 shareholders together holding in excess of 50.1% of the issued share capital of the Company, which are valid for a period of 12 months, to vote against any resolution proposed at a general meeting that may jeopardise the success of the implementation of the Investment Policy and the fundamental long-term strategy, *inter alia*, any resolution to grant or renew the authority for the Company to purchase its own shares via a general or specific authority (which would include a tender offer).
- The Board believes that, given the irrevocable undertakings and the compelling arguments in favour of the Company continuing with its current Investment Policy and fundamental long-term strategy, the Requisitioned Resolutions are bound to fail. The Board is disappointed that despite this having been communicated to the Requisitioning Shareholder, it has still decided to requisition an extraordinary general meeting, which can only be viewed as a waste of the Company’s time and money.
- The Board remains committed to maximising returns for all shareholders and believes that this will be achieved by continuing to pursue the Company’s Investment Policy whilst having regard to its capital management policy and, as is evidenced by the irrevocable undertakings, there is strong support for this from long-term investors.
- The passing of the first Requisitioned Resolution would prevent the Company from making any new investments until a tender offer has been implemented as described above. The Board does not believe that the Company will have the ability to fund a tender offer as anticipated by the Requisitioned Resolutions and at the same time continue to pursue its Investment Policy and does not believe that a repurchase of shares via such a tender offer will maximise returns for all shareholders. Any such tender offer will require a further extraordinary resolution to be passed by shareholders and, given the irrevocables and the support for the Board’s strategy, any such resolution is also bound to fail.



#### 4. ACTION TO BE TAKEN IN RELATION TO THE REQUISITIONED GENERAL MEETING

Shareholders will find enclosed a Form of Proxy in part 4 of this Circular for use at the Requisitioned General Meeting. **THE DIRECTORS UNANIMOUSLY RECOMMEND YOU TO VOTE LIKE THIS AGAINST THE REQUISITIONED RESOLUTIONS:**

Resolutions	For	Against (The Board strongly recommends that you vote <u>against</u> both resolutions)
1. to makes no new investments until completion of a significant tender offer by the Company for its ordinary shares		X
2. to adopt a new distribution policy		X

Whether or not Shareholders propose to attend the Requisitioned General Meeting, they are requested to complete the Form of Proxy in accordance with the instructions printed thereon and sign it. The signed Form of Proxy must either reach the Company's registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta or be emailed to Bryan.Moyer@maitlandgroup.com in either case to be received by no later than Sunday 25 November 2012 at 10h00 (CET). In order to assist shareholders:

- (a) certificated shareholders and own-name registered dematerialised shareholders **who are registered on the South African part of the register of members** are strongly urged to send their signed Form of Proxy to the South African Transfer Secretaries, Link Market Services South Africa (Pty) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 22 November 2012 at 11h00 (SAST); and
- (b) certificated shareholders **who trade their shares on AIM of the London Stock Exchange and are registered on the UK part of the register of members** are strongly urged to send their signed Form of Proxy to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than Friday 23 November 2012 at 09h00 (GMT)

so as to enable the Form of Proxy to be forwarded on your behalf to the Company no later than 25 November 2012 at 10h00 (CET).

The completion and return of a Form of Proxy will not preclude Shareholders from attending the Requisitioned General Meeting and voting in person should they so wish.

Dematerialised shareholders on the South African sub-register, other than own-name registered dematerialised shareholders, who wish to attend the Requisitioned General Meeting in person, will need to request their Central Securities Depository Participant ("CSDP") or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker. You are requested to provide a copy of any letter of representation to the Company at its registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta or by e-mail to Bryan.Moyer@maitlandgroup.com in either case to be received by no later than Sunday 25 November 2012 at 11h00 (SAST).

Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein.

Depository Interests Holders will find enclosed with this document a Form of Direction for use in connection with the Requisitioned General Meeting. Whether or not you intend to be present at the Requisitioned General Meeting, you are requested to complete and return the Form of Direction.

Depository Interests Holders are requested to complete and return their Form of Direction for the Requisitioned General Meeting as soon as possible. To be valid, the Form of Direction for use at the Requisitioned General Meeting must be completed and returned in accordance with the instructions printed thereon to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 09h00 GMT on 22 November 2012.

The completion and return of a Form of Direction will not preclude you from attending the meeting and voting in person should you subsequently wish to do so providing an appropriate letter of corporate representation has been provided by the Depository.

#### 5. RECOMMENDATION

**The Directors believe that it is NOT in the best interests of the Company and Shareholders taken as a whole that the Requisitioned Resolutions be passed at the Requisitioned General Meeting.**

**Accordingly, the Board unanimously recommend that Shareholders VOTE AGAINST ALL RESOLUTIONS to be put to the vote at the Requisitioned General Meeting.**

The Directors, management and funds associated with them intend to follow the Board's recommendation and have indicated that they will vote against the resolutions in respect of their holdings amounting, in aggregate, to 21,750,082 Shares (representing 26.5% of the Shares in issue).

Yours faithfully,

John Mills  
Chairman

## PART 2: INVESTMENT POLICY

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The investment objective of the Company is to generate shareholder returns through investing in a portfolio of businesses in South Africa with the underlying themes of strategic market position, strong cash flows and the ability to exploit the wider African markets from its South African base.

The Company may invest in the form of either equity or debt and may acquire directly or indirectly controlling or minority holdings in investee companies.

Acquired businesses are run on a decentralised manner with local management maintaining an entrepreneurial focus and being responsible for their own operations. The Company seeks to be actively involved in setting the strategy of the investee companies and act as an allocator of capital and resources but does not take day to day responsibility for the management of investee companies. Over a period of time Blackstar intends to dispose of its existing minority investments where it has little management input or influence.

The Company is a long term investor and the Board places no limit on the length of time that any portfolio investment may be held. The Board considers, on a case by case basis, the optimum exit strategy for each portfolio investment.

The Company expects to only hold a small number of portfolio investments at any one time. However, there is no minimum or maximum number of investments that the Company can hold at any one time, nor are there any maximum exposure limits per portfolio investment.

The Company finances its portfolio investments out of its own cash resources and utilises third party debt funding as appropriate. In addition, investee companies may themselves have gearing. There is no maximum gearing level for either the Company or on a Group basis. However the Directors will review the level of gearing in the Group on a regular basis.

Save as set out above, the Company does not have any investment restrictions.

## PART 3: NOTICE OF EXTRAORDINARY GENERAL MEETING

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### BLACKSTAR GROUP SE

(the "Company" or "Blackstar")  
(registered in Malta with registered number SE 4)  
4th Floor, Avantech Building,  
St Julian's Road  
San Gwann SGN 2805, Malta

**NOTICE IS HEREBY GIVEN** to all the Shareholders, Directors and Auditors of Blackstar that an extraordinary general meeting of the Company ("the **Requisitioned General Meeting**") will be held at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta on Tuesday 27 November 2012 at 10h00 CET/11h00 SAST (or shortly thereafter in case of delays) for the purpose of considering and, if thought fit, approving the following resolutions ("the **Requisitioned Resolutions**") with or without modification:

#### ORDINARY RESOLUTIONS:

1. THAT, the Company makes no new investments until it has implemented an Approved Tender Offer or Tender Offers to purchase up to 15 per cent. of the ordinary shares of the Company (the "Shares", individually each being a "Share") in issue (excluding Shares held in treasury). For the purposes of this resolution, an "Approved Tender Offer" shall mean a tender offer pursuant to which:
  - (a) eligible shareholders must be able to tender up to 15 per cent. of their holdings as at close of business on the record date with such tenders being satisfied in full;
  - (b) shareholders will also be able to tender Shares in excess of their 15 per cent. basic entitlement but such excess tenders will only be satisfied on a *pro rata* basis to the extent that other shareholders tender less than (or none of) their basic 15 per cent. entitlement; and
  - (c) the tender offer price will be a price equal to the Company's last published Net Asset Value per Share as at the close of business at the relevant tender date, less a discount of not more than 10 per cent.
2. THAT, the Company, as a way of addressing the discount at which the Shares trade compared to the Company's Net Asset Value per Share, adopt a distribution policy, the terms of which are set out in the Appendix to this notice.

The Requisitioned Resolutions are all ordinary resolutions and may be passed at the Requisitioned General Meeting by a member or members holding more than 50% of the voting rights attached to shares represented and entitled to vote at the Requisitioned Extraordinary Meeting.

The quorum requirement in relation to all Requisitioned Resolutions is at least two Members present or represented at the Requisitioned General Meeting. If the Requisitioned General Meeting is not quorate, it can be adjourned to a date not less than seven and not more than 30 days after the Requisitioned General Meeting as the chairman shall determine.

#### By order of the Board

Bryan Paul Moyer

*Company Secretary*

2 November 2012

#### Notes:

1. This notice is being mailed to the Members on the Register of Members of the Company as at 2 November 2012. Members registered on the Register of Members as at 16 November 2012 (the "**Record Date**") shall have the right to participate and vote at the Requisitioned General Meeting. Accordingly, the last day to trade for shareholders on the South African sub-register in order to be able to participate and vote at the Requisitioned General Meeting is 9 November 2012 and the last day to trade for shareholders on the UK subregister in order to be able to participate and vote at the Requisitioned General Meeting is 15 November 2012. Any change to an entry on the Register after the Record Date shall be disregarded in determining the right of any person to attend and vote at the Requisitioned General Meeting.
2. A member entitled to attend and vote may appoint a proxy to attend and vote instead of him/her using the enclosed Form of Proxy; the appointed proxy need not be a member.
3. To be valid the Form of Proxy must be signed and the signed Form of Proxy must either reach the Company's registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta or be emailed to Bryan.Moyer@maitlandgroup.com in either case to be received by no later than Sunday 25 November 2012 at 10h00 (CET). In order to assist shareholders:
  - (a) certificated shareholders and own-name registered dematerialised shareholders **who are registered on the South African part of the register of members** are strongly urged to send their signed Form of Proxy to South African Transfer Secretaries, Link Market Services South Africa (Pty) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 22 November 2012 at 11h00 (SAST); and



- (b) certificated shareholders **who trade their shares on AIM of the London Stock Exchange and are registered on the UK part of the register of members** are strongly urged to send their signed Form of Proxy to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than Friday 23 November 2012 at 09h00 (GMT)

so as to enable the Form of Proxy to be forwarded on your behalf to the Company no later than 25 November 2012 at 10h00 (CET).

4. Please indicate in the Form of Proxy the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given.
5. A Form of Proxy which may be used to appoint a proxy and give proxy directions accompanies this notice. If you are a shareholder on the UK sub-register and do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact Capita Registrars on 0871 664 0300 or from overseas +44 208 639 3399. Calls cost 10p per minute plus network charges, lines are open 08h30 – 17h30 (GMT) Monday – Friday. If you are a shareholder on the South African sub-register and do not receive a proxy form and believe that you should have one, or if you require additional proxy forms in order to appoint more than one proxy, please contact Link Market Services South Africa (Pty) Limited on 011 713 0800, lines are open 08h30 – 16h30 (SAST) Monday – Friday.
6. In order to participate and vote at the Requisitioned General Meeting, a Member being a body corporate, association of persons, foundation or other body of persons, a representative thereof will only be eligible to attend and be admitted to the Requisitioned General Meeting, and to vote thereat, if a Form of Proxy has been (a) duly executed in his/her favour by the competent organ of the entity which he/she represents, and (b) submitted to the Company Secretary in accordance with the procedures set out at note 3 above, as the case may be.
7. Dematerialised shareholders on the South African sub-register, other than own-name registered dematerialised shareholders, who wish to attend the Requisitioned General Meeting in person, will need to request their Central Securities Depository Participant (“CSDP”) or broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such shareholders and the CSDP or broker. Dematerialised shareholders on the South African sub-register, other than own-name registered dematerialised shareholders, who are unable to attend the general meeting and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner and time stipulated therein. The CSDP or broker must provide all voting instructions to the transfer secretaries by no later than 22 November 2012 at 11h00 (SAST) so as to enable the transfer secretaries to complete a form of proxy and return it to the Company.
8. Holders of depository interests representing shares in the Company can instruct Capita IRG Trustees Limited, the Depository, or amend an instruction to a previously submitted direction, via the CREST system. The CREST message must be received by the issuer’s agent RA10 by 09h00 (GMT) on 22 November 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with instructing Capita IRG Trustees Limited via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a direction appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001. In any case your Form of Direction must be received by the Company’s registrars no later than 09h00 (GMT) on 22 November 2012.

Depository Interests Holders will find enclosed with this document a Form of Direction for use in connection with the Requisitioned General Meeting. Whether or not you intend to be present at the Requisitioned General Meeting, you are requested to complete and return the Form of Direction.

Depository Interests Holders are requested to complete and return their Form of Direction for the Requisitioned General Meeting as soon as possible. To be valid, the Form of Direction for use at the Requisitioned General Meeting must be completed and returned in accordance with the instructions printed thereon to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 09h00 GMT on 22 November 2012.

The completion and return of a Form of Direction will not preclude you from attending the meeting and voting in person should you subsequently wish to do so providing a Letter of Corporate Representation has been requested from the Depository.

9. The register of interests of the directors and their families in the share capital of the Company or in any subsidiary of the Company and copies of contracts of service of directors with the Company or with any of its subsidiary undertakings will be available for inspection at the registered office of the Company in Malta during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Requisitioned General Meeting.
10. Any one of the joint holders of any share for the time being conferring a right to vote may vote either personally or by proxy at any meeting in respect of such share as if he were the sole holder, provided that if more than one of the joint holders is present at any meeting, either personally or by proxy, the person whose name stands first in the register as one of such holders, and no other, shall be entitled to vote in respect of the share.
11. Admission to the Requisitioned General Meeting will commence one hour before the advertised and appointed time.
12. After the Requisitioned General Meeting has proceeded to business, voting documents will continue to be issued until such time as the Requisitioned General Meeting proceeds to vote on the first Resolution of the Agenda whether by show of hands or by poll. Thereafter no further voting documents will be issued and admittance to the Requisitioned General Meeting will be discontinued.
13. The following information is also made available to the Members on the Blackstar website ([www.blackstar.eu](http://www.blackstar.eu)) in the Investor Relations section:
  - (a) a copy of this notice;
  - (b) the total number of shares and voting rights at the date of the notice; and
  - (c) the form of proxy for the Requisitioned General Meeting.

**Appendix to the Notice of Requisitioned General Meeting**  
**Distribution Policy**

On any Discount Assessment Date:

- (i) if the Market Price Discount is greater than 25 per cent., the Company shall distribute 100 per cent. of Free Cash;
- (ii) if the Market Price Discount is equal to or greater than 15 per cent., but less than or equal to 25 per cent., the Company shall distribute 50 per cent. of Free Cash and the remaining 50 per cent. of Free Cash shall be available for re-investment; and
- (iii) if the Market Price Discount is less than 15 per cent., 100 per cent. of Free Cash shall be available for re-investment.

The Market Price Discount and Free Cash amounts shall be determined by the Board as at 9.00 a.m. Johannesburg time on the relevant Discount Assessment Date and will be included in the Company's next published Net Asset Value statements.

All distributions of Free Cash shall be made by pro-rata tender offer, share buy-back or such other method of distribution as the Board, in its absolute discretion, may consider appropriate provided that any tender offer so conducted will be at a discount of not more than 8 per cent. to the then prevailing Net Asset Value per Share.

For the purpose of interpreting the Distribution Policy, the following definitions shall have the following meanings:

<b>"Business Day"</b>	any day on which banks are open for normal business in Johannesburg and London;
<b>"Company"</b>	Blackstar Group SE;
<b>"Discount Assessment Date"</b>	the last Business Day of each calendar month;
<b>"Free Cash"</b>	the freely distributable cash reserves of the Company (whether held in the form of cash or near-cash assets, and whether denominated in South African Rand or another freely convertible currency) but excluding such reserves and hold backs as are necessary to meet the Company's: (i) general working capital requirements; (ii) existing contractual payment or contractual funding obligations (including follow-on funding obligations in relation to existing investments); and (iii) potential contingent liabilities (including guarantees and indemnities provided by the Company in relation to existing investments) for which provision has been made in the Company's financial accounts;
<b>"JSE Trading Day"</b>	any day on which the Johannesburg Stock Exchange is open for trading business;
<b>"JSE VWAP"</b>	the volume weighted average closing price of a Share on the Johannesburg Stock Exchange for the preceding 60 JSE Trading Days, ending immediately prior to such Discount Assessment Date;
<b>"London Stock Exchange"</b>	London Stock Exchange plc;
<b>"LSE Trading Day"</b>	any day on which the London Stock Exchange is open for trading business;
<b>"LSE VWAP"</b>	the volume weighted average closing price of a Share on the London Stock Exchange for the preceding 60 LSE Trading Days, ending immediately prior to such Discount Assessment Date (as reported by Bloomberg);
<b>"Market Price Discount"</b>	the Relevant NAV less the Total VWAP ending immediately prior to a Discount Assessment Date, all divided by the Relevant NAV;
<b>"Relevant NAV"</b>	the Net Asset Value per Share as reported in the Company's last published net asset value statements published prior to such Discount Assessment Date;
<b>"Share"</b>	issued ordinary share in the capital of the Company; and
<b>"Total VWAP"</b>	LSE VWAP plus JSE VWAP, divided by two.

## PART 4: FORM OF PROXY

### BLACKSTAR GROUP SE

(Registered in Malta under the Companies Act 1995 with registration number SE4 and registered office at  
4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta)

#### FORM OF PROXY

For use at the extraordinary general meeting to be held in 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta on Tuesday 27 November 2012 at 10h00 (CET)/11h00 (SAST) ("the Requisitioned General Meeting").

This form of proxy is for use by certificated shareholders and own-name dematerialised shareholders only.

Please read the notice of Requisitioned General Meeting and the explanatory notes below before completing this form.

I/We .....  
(Please insert full name in block capitals)

of .....  
(Please insert address in block capitals)

being (a) member(s) of Blackstar Group SE ("the Company"), hereby appoint the Chairman of the Requisitioned General Meeting, or

.....(see Note 1)  
(Please insert full name in block capitals)

as my/our proxy in relation to all/..... of my/our shares, to attend and vote for me/us at the Requisitioned General Meeting of the Company to be held on Tuesday 27 November 2012 at 10h00 (CET)/11h00 (SAST) and at any adjournment of that meeting. I/We direct the proxy to vote in relation to the resolutions referred to below as follows:

Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made.

For the appointment of one or more proxy see Note 1.

Resolutions	For	Against (The Board strongly recommends that you vote <u>against</u> both resolutions)
1. to makes no new investments until completion of a significant tender offer by the Company for its ordinary shares		
2. to adopt a new distribution policy		

If you want your proxy to vote in a certain way on the resolutions specified, please place an "X" in the appropriate box. If you fail to select any of the given options your proxy can vote as he/she chooses or can decide not to vote at all. The proxy can also do this on any other resolution that is put to the Requisitioned General Meeting.

Please indicate below whether or not you intend to be present at the Requisitioned General Meeting. This information is sought for administrative purposes only and will not affect your right to attend the Requisitioned General Meeting, notwithstanding any indication to the contrary.

I will be attending the Requisitioned General Meeting  / I will not be attending the Requisitioned General Meeting

Signature ..... Date.....2012

## NOTES:

1. To appoint as a proxy a person other than the Chairman of the Requisitioned General Meeting insert the full name in the space provided. A proxy need not be a member of the Company. You can also appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. The following options are available:
  - (a) To appoint the **Chairman** as your **sole proxy** in respect of all your shares, simply fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
  - (b) To appoint a **person other than the Chairman as your sole proxy** in respect of all your shares, delete the words 'the Chairman of the Requisitioned General Meeting (or)' and insert the name and address of your proxy in the spaces provided. Then fill in any voting instructions in the appropriate box and sign and date the Form of Proxy.
  - (c) To appoint **more than one proxy**, you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. If you wish to appoint the Chairman as one of your multiple proxies, simply write 'the Chairman of the Requisitioned General Meeting'. All forms must be signed and should be returned together in the same envelope.
2. If no voting indication is given, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.
3. To be valid the Form of Proxy must be signed and the signed Form of Proxy must either reach the Company's registered office at 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta or be emailed to Bryan.Moyer@maitlandgroup.com in either case by no later than Sunday 25 November 2012 at 10h00 (CET). In order to assist shareholders:
  - (a) certificated shareholders and own-name registered dematerialised shareholders **who are registered on the South African part of the register of members** are strongly urged to send their signed Form of Proxy to South African Transfer Secretaries, Link Market Services South Africa (Pty) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 22 November 2012 at 11h00 (SAST); and
  - (b) certificated shareholders **who trade their shares on AIM of the London Stock Exchange and are registered on the UK part of the register of members** are strongly urged to send their signed Form of Proxy to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU to be received by no later than Friday 23 November 2012 at 09h00 (GMT)so as to enable the Form of Proxy to be forwarded on your behalf to the Company no later than 25 November 2012 at 10h00 (CET).
4. A corporation must execute the Form of Proxy under either its common seal or the hand of a duly authorised officer or attorney.
5. The Form of Proxy is for use in respect of the shareholder account specified above only and should not be amended or submitted in respect of a different account.
6. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Requisitioned General Meeting should you subsequently decide to do so.

# PART 5: FORM OF DIRECTION

## BLACKSTAR GROUP SE

(registered in Malta with registered number SE4)  
4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta  
(the "Company")

### FORM OF DIRECTION

**Form of Direction for completion by holders of Depository Interests representing shares on a one for one basis in the Company in respect of the Requisitioned General Meeting of the Company 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta on 27 November 2012 at 10h00 CET.**

**This form of direction is for use by holders of Depository Interests issued by Capita IRG Trustees Limited only.**

Capitalised terms which are used in this Form of Direction but which are not defined shall have the meaning attributed thereto in the circular to shareholders dated 2 November 2012.

I/We .....

of .....  
(Please insert full name(s) and address(es) in **BLOCK CAPITALS**)

being a holder of Depository Interests representing shares in the Company hereby instruct Capita IRG Trustees Limited, the Depository, to vote for me/us and on my/our behalf in person or by proxy at the 27 November 2012 Requisitioned General Meeting of the Company to be held on the above date (and at any adjournment thereof) as directed by an X in the spaces below.

**Please indicate with an "X" in the spaces below how you wish your vote to be cast. If no indication is given, you will be deemed as instructing the Depository to abstain from voting on the specified resolution.**

<b>Resolutions</b>	<b>For</b>	<b>Against</b> (The Board strongly recommends that you vote <u>against</u> both resolutions)
1. to makes no new investments until completion of a significant tender offer by the Company for its ordinary shares		
2. to adopt a new distribution policy		

Signature ..... Date.....2012

#### NOTES:

- To be effective, this Form of Direction and the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, must be deposited at Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 22 November 2012 at 09h00 (GMT) or 72 hours before the time appointed for holding any adjourned meeting.
- Any alterations made to this Form of Direction should be initialled.
- In the case of a corporation this Form of Direction should be given under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- Please indicate how you wish your votes to be cast by placing "X" in the box provided. On receipt of this form duly signed, you will be deemed to have authorised Capita IRG Trustees Limited to vote, or to abstain from voting, as per your instructions.
- Depository interests held in uncertified form (i.e. in CREST), representing shares on a one for one basis in the Company, may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual. The CREST message must be received by the issuer's agent RA10 by 09h00 (GMT) on 22 November 2012.
- The Depository will appoint the Chairman of the meeting as its proxy to cast your votes. The Chairman may also vote or abstain from voting as he or she thinks fit on any other business (including amendments to resolutions) which may properly come before the meeting.
- Depository interest holders wishing to attend the meeting should contact the Depository at Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by e-mail at [custodymgmt@capitaregistrars.com](mailto:custodymgmt@capitaregistrars.com) by no later than 20 November 2012 at 15h00 (GMT) or 7 days before the time appointed for holding any adjourned meeting.







