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20 December 2011

BLACKSTAR GROUP SE

ANNOUNCEMENT OF SHARE BUY-BACK PROGRAMME

Further to today's joint announcement relating to the withdrawal of Blackstar Group SE's ("**Blackstar**" or the "**Company**") offer to acquire the entire issued share capital of Mvelaphanda Group Limited by way of a scheme of arrangement, the Company would like to reiterate that, while it is naturally disappointing not to be proceeding with the proposed acquisition, Blackstar's management is committed to seeking new opportunities that will continue to enhance value for Blackstar shareholders.

Blackstar would like to announce the launch of a share buy-back programme (the "**Programme**") with the objective of reducing the discount to NAV at which the Company's shares currently trade. The Programme will commence with effect from today and will be conducted in accordance with the authorisation granted to the Company by shareholders at the AGM held on 22 June 2011.

Blackstar has appointed Liberum Capital Limited ("**Liberum**") to manage the Programme and has authorised Liberum to effect on-market purchases of ordinary shares of 0.76 Euro (the "**Shares**") on behalf of the Company on the AIM Market of the London Stock Exchange plc (the "**Exchange**").

Pursuant to and during the term of the Programme, Liberum may independently of, and without influence by Blackstar, purchase Shares from time to time at its absolute discretion provided that:

- 1) the maximum price payable for a Share on the Exchange is 105 per cent. of the average market value of the Company's Shares for the five business days immediately preceding the day on which such share is contracted to be purchased; and
- 2) the aggregate number of Shares which may be acquired on behalf of the Company in connection with the Programme shall not exceed 11,215,696, which at the time of the AGM held on 22 June 2011 represented 14.99% of the Company's issued Shares and which currently represents 13.15% of the Company's issued Shares.

Due to the limited liquidity in the Shares, a buy-back of Shares pursuant to the Programme on any trading day is likely to represent a significant proportion of the daily trading volume in the Shares on the Exchange.

Blackstar will announce any market repurchase of Shares no later than 7.30 a.m. on the business day following the calendar day on which the repurchase occurred. Shares bought back under the Programme are expected to be held in treasury for a short time until they are cancelled in accordance with applicable law.

-ENDS-

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