

Resource Star Limited

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9 February 2015

The Manager
Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

TERMINATION OF AGREEMENT TO ACQUIRE AUSTRALIAN CLOUD SERVICES PROVIDER

Resource Star Limited (ASX: RSL) (**Resource Star** or **the Company**) has terminated its agreement to acquire Cloud Lands Digital Fortress Pty Ltd (**Cloud Lands**) effective immediately.

Subsequent to this decision, Cloud Lands now intend to pursue a new corporate strategy that may include an Initial Public Offering on the ASX. The Company is currently a creditor of Cloud Lands for an amount of \$100,000 for the provision a working capital facility, and is supportive of Cloud Lands and its new strategy. In addition, the Board of Resource Star is currently reviewing a number of alternative investment opportunities with the intention to acquire an asset that will maximise shareholder value in the current market conditions.

This decision was made pursuant to the conditions precedent in the executed binding terms sheet as set out in the Company's ASX announcement of 1 August 2014. The agreement to acquire Cloud Lands required the satisfaction of a number of conditions including the completion of a capital raising of not less than \$3,500,000, a consolidation on a ratio of 5:1 (or such other ratio as required for Resource Star to be reinstated to official quotation on the ASX following completion of the Acquisition) and all other necessary shareholder and regulatory approvals at the Company's General Meeting. The management of Resource Star and Cloud Lands mutually agreed that as all conditions precedent had not been satisfied as at 6 February 2015, it was best to terminate the original agreement. This decision was made in mutual agreement by both parties as it was considered in the best interests for each company and its shareholders.

For and on behalf of the Board of Resource Star Limited.

Mathew Walker

Director

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