

ASX Release
4 May 2017

The Manager
Company Announcements Office
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam

Issue of Placement Shares

Stargroup Limited ABN 87 061 041 281 (**the Company**) (**ASX:STL**) confirms that further to the ASX release on 1 May 2017, the Company has issued 129,137,508 fully-paid ordinary shares in the capital of the Company (**the Placement Shares**) at a price of \$0.028 per share to existing and new shareholders, raising a total of \$3,490,000. (**the Placement**).

Disclosure under ASX Listing Rules 7.1A4(b) and 3.10.5

In accordance with ASX Listing Rules 7.1A4(b) and 3.10.5A, the Company gives the ASX the following information:

- (a) details of the dilution to the existing holders of ordinary securities caused by the issue:
- | | |
|---------------------------------------------------------------------|-------------|
| Number of shares on issue prior to the placement: | 594,393,066 |
| Placement Shares issued under Listing Rule 7.1A: | 59,439,307 |
| Placement Shares issued under Listing Rule 7.1: | 69,698,201 |
| Dilution as a result of issue under Listing Rule 7.1A: | 10 % |
| Dilution as a result of issue under Listing Rule 7.1: | 11.73% |
| Total number of shares following the issue of the Placement Shares: | 723,530,574 |
- (b) the Company issued the equity securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue because it was the most expedient method available and with funding certainty at the time;
- (c) there was no underwriting agreement in relation to the Placement; and
- (d) fees of 4.47% of the funding raised were payable in relation to the Placement.

An Appendix 3B and a cleansing notice in respect of the issue of the Placement Shares accompany this announcement.

Yours faithfully



SUNGKI LEE
Company Secretary

