UPDATE ON MLIMANI CITY ACQUISITION AND RENEWAL OF CAUTIONARY

1. Remaining conditions precedent

Further to the announcement dated 16 November 2011, Turnstar provides Unitholders with an update on the progress made to date in fulfilling the remaining conditions precedent.

The following conditions precedent remain outstanding for the Rights Offer to commence:

In Tanzania:

i. Tanzanian Competition Commission approval - a notice of complete filing was received on 3 December 2011 from the Tanzanian Competition Commission and feedback from the Competition Commission is expected to be received within two weeks of the date of this notice.

ii. Publication in Tanzania of government notices to confirm tax exemptions for Milimani for VAT, withholding taxes on foreign interest, consulting fees and customs duty;

iii. Receipt of an updated ruling from the Tanzanian Revenue Authority to confirm the duration for which the exemption relating to income tax applies; and

iv. Amendment of the Performance Agreement (as necessary) and registration thereof in the Tanzanian Minister of Finance Register of Agreements.

In Botswana:

v. Approval of the Minister of Finance and Development Planning of Botswana to the acquisition by Turnstar of all the shares in Island View (Proprietary) Limited

There are unexpected delays in the fulfilment of the conditions precedent set out in (i), (ii), (iii) and (iv). The Company and Vendors are in discussions, seeking a way forward for implementation of the acquisition while waiting for fulfilment of these conditions precedent.

2. Commencement of the Rights Offer and posting of the form of instruction

A further announcement stating the record date for participation in the Rights Offer as well as other salient dates and times of the Rights Offer will be published in due course. Following this, a form of instruction in respect of a letter of allocation, including details regarding the Rights Offer will be mailed to Unitholders.

3. Renewal of cautionary

Further to the cautionary announcement of 16 November 2011, Unitholders are advised to continue exercising caution when dealing in their Turnstar linked units until the publication of a further announcement.

The Board of Directors
Turnstar Holdings Limited
10 December 2011

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