

Date of issue: 2012-05-23

Short name of the issuer OVOSTAR UNION N.V.

Subject OVOSTAR UNION N.V.: THE OFFERING OF SHARES TO THE PRINCIPAL SHAREHOLDER AND THE SALE OF ITS SHARES TO INSTITUTIONAL INVESTORS

Legal basis: Article 56 section 6 the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies dated 29 July 2005.

Content of the report:

Ovostar Union N.V. a company with registered office in Netherlands ("Ovostar" or the "Company") informs that on 23rd May 2012 the Company entered into a placement agreement regarding the issue up to 520,000 of new ordinary shares of the Company through an offering with exclusion of the pre-emptive rights. The new shares will account for ca. 8% of all shares after capital increase. All new shares will be offered to the Principal Shareholder, i.e. Prime One Capital Limited (the "Offering to the Principal Shareholder"), a company established under the laws of the Cyprus and wholly controlled by Mr. Vitalii Veresenko, the Company's Chairman of the Board of Directors, and Mr. Borys Bielikov, the Company's Chief Executive Officer.

The Principal Shareholder intends to sell a part of its shareholding in the Company through a private placement to institutional investors (the "Offering") and to use the proceeds from the sale of shares under the Offering to subscribe for the shares offered under the Offering to the Principal Shareholder. The number of the shares to be issued by the Company under the Offering to the Principal Shareholder and the number of the shares that will be sold by the Principal Shareholder under the Offering will be the same. However, in the case of demand exceeding the number of shares offered under the Offering to the Principal Shareholder, the Principal Shareholder may sell more of its shares for its own purposes but in any case not more than ca. 2%, The price at which the shares will be issued and offered to the Principal Shareholder will be equal in PLN terms to the price, at which shares will be sold to institutional investors in the Offering.

The Company intends to use the proceeds of the Offering to the Principal Shareholder to finance its new investment program disclosed on 17 April 2012 in the Annual Report 2011. Apart from the issue of the new share the New Investment Program will be financed with the Company's own cash flows from operations and bank loans.

All shares which will be owned by the Principal Shareholder after execution of the Offering to the Principal Shareholder will be subject to a 6 months lock-up arrangement between the Principal Shareholder and Dom Maklerski BZ WBK SA. Dom Maklerski BZ WBK S.A. will act as the Sole Bookrunner in the Offering.