

TITANSTAR™

TitanStar Properties Inc. enters Letter of Intent for Potential Target Asset

May 11, 2015. TitanStar Properties Inc. (TSX Venture: TSP) ("TitanStar" or the "Company") announces that it has entered into a non-binding letter of intent with respect to a target real estate asset located in Palm City, Florida, known as the "Martin Downs Town Center" retail shopping center.

Martin Downs Town Center is a 36,252 square foot neighbourhood retail shopping center on 12.33 acres of land and is 85.7% leased and has a variety of retail clients, anchored by Panera Bread and Sun Trust Bank . Additional tenants include Dunkin' Donuts and Vine and Barley.

Pursuant to the non-binding letter of intent, the Company may acquire up to a 90% interest in Martin Downs Town Center, in stages to match leasing activity over a maximum period of 3 years. The Company will first acquire 49% of the 90% interest by way of issuing common shares having a value of approximately US \$1.455 million (equivalent to approximately CDN \$1.775 million at present) to the vendor. To acquire the remaining 51% of the 90% interest, the Company will issue additional common shares to the vendor having a value of approximately US \$2.203 million (equivalent to approximately CDN \$2.687 million at present). Additionally, the Company will assume existing mortgage indebtedness of approximately US \$6.885 million, subject to prior approval of the existing mortgage lender.

The vendor of Martin Downs Town Center is an affiliate of Inovalis S.A. ("Inovalis"), a non-arm's length party to the Company by virtue of holding more than 10% of the Company's issued and outstanding common shares. Additionally, Stephane Amine, a director of the Company, and Eric Fazilleau, the Company's COO, are executives of Inovalis. It is also anticipated that a portion of the common shares issuable to the vendor under the acquisition will instead be issued to Hoche Partners International ("Hoche"), a non-arm's length party to the Company by virtue of holding more than 10% of the Company's issued and outstanding common shares. Inovalis and Hoche are at arm's length to each other.

As part of the acquisition, Inovalis and Hoche will each agree to enter into a voting trust agreement with the Company, pursuant to which each will vote the common shares held by them as directed by the Company, and the Company will agree not to proceed with specified material changes without the prior consent of Inovalis and Hoche, subject to applicable laws and TSXV policies. The Company will also agree to fix its board of directors at five members, and will allow each of Inovalis and Hoche to nominate one person for election to the board of directors.

The acquisition of Martin Downs Town Center will be subject to the Company and the vendor entering into formal agreements with respect to the acquisition, the Company, Inovalis and Hoche entering into the aforementioned voting trust agreement and related documents, and the satisfaction of closing conditions, to be negotiated. Such conditions will be in addition to the Company being approved by the existing mortgage lender, and the Company receiving all necessary prior approvals from its shareholders and the TSXV. There can be no guarantee or assurance that the parties will enter into a formal agreement with respect to the acquisition, that any closing conditions will be satisfied or waived, that it will be approved by the existing mortgage lender, that it will receive all necessary prior approvals of its shareholders or the TSXV, nor that the acquisition will be completed at all.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About TitanStar

TitanStar is a real estate issuer whose investment strategy focuses on building a portfolio of well-positioned, undervalued or underperforming stabilized assets, focusing on geographic areas. TitanStar currently holds the following assets:

- a 50% limited partnership interest in the Deer Springs Crossing Limited Partnership, a Nevada limited partnership which owns the Deer Springs Crossing Shopping Center, a 22.8 acre retail development project also located in Las Vegas;
- a 50% limited partnership interest in TSP LP I, L.P., a Nevada limited partnership which owns the Swanway Plaza, a 55,790 square foot retail shopping centre in Tucson, Arizona;
- a 50% limited partnership interest in TSP LP II, L.P., a Nevada limited partnership which owns the Kohl's San Tan Plaza, a 29,945 square foot retail shopping centre in Chandler, Arizona;
- a 38.4% beneficial interest in Adam's Dairy Landing, a 254,036 square foot retail shopping centre, located in Blue Springs, Missouri.

Forward-looking statements:

Certain statements in this release are forward-looking statements, which reflect the expectations of management regarding the identification, analysis and potential acquisition of future real estate assets. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including factors beyond the Company's control. These forward-looking statements are made as of the date of this news release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.