

TitanStar Properties Inc. Negotiates Acquisition Terms for Target Asset in Arizona

December 31, 2012. TitanStar Properties Inc. (TSX Venture: TSP-V) ("**TitanStar**" or the "**Company**") is pleased to announce that it has negotiated the acquisition of a target real estate asset located in Arizona, and has provided a non-refundable deposit of USD \$100,000 to the vendor.

The target asset, the Kohl's San Tan Plaza Shops, is a 29,945 square foot retail shopping centre located in Chandler, Arizona, covering a total site area of 6.76 acres. The shopping centre currently has a variety of retail tenants, and is shadow anchored by Kohl's Department Store. The property was built in 2006 and is 100% leased.

Kohl's San Tan Plaza is located directly adjacent to Loop 202 which is located in a high traffic area with over 94,000 vehicles per day approaching the Arizona Avenue Exit. The property is adjacent to two additional shopping centres. Retailers that make up these other centres include Walmart, Sam's Club, Starbucks, Subway, Hi-Health, Chase, 24 Hour Fitness, Del Taco, Wendy's and many more.

TitanStar intends to pursue the acquisition of the Kohl's San Tan Plaza, together with Romspen Investment Corporation ("**Romspen**") as its partner. As announced in the Company's previous news release dated November 27, 2012, Romspen has also agreed to provide TitanStar with a \$25 million revolving equity bridge loan facility, which will provide TitanStar with additional resources to complete its portion of these acquisitions. Further description of the bridge loan facility, which remains subject to TSXV approval, can be found in TitanStar's previous news release.

In consideration of the Kohl's San Tan Plaza, the vendor will receive USD\$3,650,000. TitanStar will borrow its half of the total equity required (\$650,000) from the bridge loan facility provided by Romspen as described above. The balance will be funded by a lender in the US. The acquisition must be completed on or before January 25, 2013.

The San Tan Plaza is currently owned by Continental Chandler LLC, a private Wisconsin limited liability company at arm's length to both TitanStar and Romspen. TitanStar and Romspen are at arm's length to each other.

Romspen is a leading Canadian non-bank mortgage lender specializing in commercial and industrial real estate mortgages. The firm began operations in 1962 and the Romspen Mortgage Investment Fund was formed in 2006. The current overall real estate mortgage portfolio exceeds \$1 billion. Over the past 10 years Romspen has invested in excess of \$2 billion in over 600 real estate mortgages. The investments are comprised mostly of commercial and industrial first mortgages on properties primarily across Canada and in select US markets.

FOR FURTHER INFORMATION PLEASE CONTACT:

T. Richard Turner
President, CEO and Director
TitanStar Properties Inc.
Telephone: (604) 408-3808
Facsimile: (604) 408-3801
email: rick@titanstar.ca

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 a 50% limited partnership interest in the Sahara Crossing, LP, a Nevada limited partnership which owns an approximately 61,125 square foot retail building located just east of Decatur Boulevard on Sahara Avenue in Las Vegas, as well as 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. This acquisition would be the first under TitanStar's revised investment strategy which was announced on September 28, 2012 which said:

The Board of Directors has approved an amendment to this Investment Strategy by adding the following to objectives:

- Begin to build, with or without a partner acceptable to management, a portfolio of stabilized assets that produce a reasonably reliable cash flow that would be available for distribution to shareholders when a distribution policy is determined by the Board of Directors;
- Engage local companies to manage such properties;
- Finance the purchase of such assets using conservative financing assumptions, determined by management from time to time.

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 (1) the risk that the Company does not complete the acquisition of the San Tan Plaza; and (2) other 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.