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TITANSTAR PROPERTIES INC. ANNOUNCES OFFERING PRICE

April 14, 2014. TitanStar Properties Inc. (TSX Venture: TSP; TSP.DB) ("**TitanStar**" or the "**Company**") provides the following update with respect to its public offering (the "**Offering**") of subscription receipts (the "**Subscription Receipts**") in the capital of the Company on a best-efforts basis.

The Offering will be priced at $0.08 per Subscription Receipt for minimum gross proceeds of $20,000,000 and maximum gross proceeds of $45,000,000 representing 250,000,000 and 562,500,000 Subscription Receipts respectively. Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action, and subject to adjustment, upon the satisfaction of certain release and issuance conditions as set out in the Company's amended and restated preliminary short form prospectus dated March 4, 2014 (the "**Amended and Restated Preliminary Prospectus**"), one Class A preferred share (a "**Preferred Share**") in the capital of the Company, which in turn will be exchanged for trust units (the "**TitanStar REIT Units**") in the capital of TitanStar Focus Retail Real Estate Investment Trust ("**TitanStar REIT**") upon the completion of the Arrangement (as defined below).

Pursuant to the amended and restated arrangement agreement dated February 10, 2014 between the Company and TitanStar REIT, previously disclosed in the Company's news release of February 10, 2014, the Company and TitanStar REIT will, subject to the terms and conditions of the Arrangement Agreement, undertake a plan of arrangement (the "**Arrangement**") under the *Canada Business Corporations Act*, pursuant to which, among other things, the assets of the Company (excepting the Company's interests in the "Deer Springs" property located in Las Vegas, Nevada) will be acquired, and the liabilities of the Company will be assumed, by TitanStar REIT. Holders of Preferred Shares will not receive preferential treatment under the Arrangement; holders of common share in the Company (the "**Common Shares**") will receive TitanStar REIT Units and common shares in the capital of Deer Springs Holdings Inc. in exchange for their Common Shares, while holders of Preferred Shares will receive TitanStar REIT Units in exchange for their Preferred Shares. The completion of the Arrangement is not subject to the completion of the Offering.

The following table provides a forecast of TitanStar REIT's effective net operating income ("**NOI**") and adjusted funds from operations ("**AFFO**") for 2014 and 2015 assuming the maximum Offering is achieved.

All Current and Proposed Properties - 2 Year Projection (U.S. dollars)		
	2014E	2015E
Net Operating Income (Net to TitanStar REIT)	$7,804,371	$8,039,639
Property-level debt service (Net to TitanStar REIT)	($3,003,454)	($3,444,454)
After-Debt Service Cash Flow to TitanStar REIT(1)	$4,800,917	$4,595,185
TitanStar REIT interest property-level debt service coverage ratio	2.60x	2.33x
Less: corporate general and administrative expenses and debenture interest	($705,600)	($705,600)
Effective AFFO	$4,095,317	$3,889,585

Notes:
(1) Includes management's estimates with respect to capital expenditures.

The following table provides a forecast of TitanStar REIT's effective AFFO for 2014 and 2015 assuming the Minimum Offering is achieved.

All Current Properties and Completion of the Blue Springs Acquisition - 2 Year Projection (U.S. dollars)		
	2014E	2015E
Net Operating Income (Net to TitanStar REIT)	$4,658,761	$4,884,198
Property-level debt service (Net to TitanStar REIT)	($1,942,518)	($2,383,518)
After-Debt Service Cash Flow to TitanStar REIT[(1)]	$2,716,243	$2,500,680
TitanStar REIT interest property-level debt service coverage ratio	2.40x	2.05x
Less: corporate general and administrative expenses and debenture interest	($705,600)	($705,600)
Effective AFFO	$2,010,643	$1,795,080

Notes:
(1) Includes management's estimates with respect to capital expenditures.

The NOI and effective AFFO noted in the two tables above are non-IFRS measures, and do not have standardized meanings prescribed by IFRS. A reconciliation of these non-IFRS measures to against the nearest directly comparable IFRS measure is as follows:

(U.S. dollars)	If Minimum Offering Achieved		If Maximum Offering Achieved	
	2014E	2015E	2014E	2015E
Net Operating Income (Net to TitanStar REIT)	$4,658,761	$4,884,198	$7,804,371	$8,039,639
Less: Property-level debt service (Net to TitanStar REIT)	($1,942,518)	($2,383,518)	($3,003,454)	($3,444,454)
Less: Depreciation	($3,702,446)	($3,702,446)	($6,266,089)	($6,266,089)
Less: corporate general and administrative expenses and debenture interest	($705,600)	($705,600)	($705,600)	($705,600)
Net Income per IFRS	($1,691,803)	($1,907,366)	($2,170,772)	($2,376,504)
Add back: Depreciation	$3,702,446	$3,702,446	$6,266,089	$6,266,089
Effective AFFO	$2,010,643	$1,795,080	$4,095,317	$3,889,585

Management has chosen to outline and highlight the NOI and AFFO because the net income per IFRS includes significant amortization and depreciation expenses, which are non-cash charges that are more applicable when dealing with fixed-plant or equipment investments compared to real estate. Relying only on IFRS net income, a measure reduced by depreciation and amortization, would provide an unclear measure of the potential payout per TitanStar REIT Unit. Management feels the AFFO is a more relevant measure to present to investors of a Canadian real estate investment trust because it is a more precise measure of residual cash flow available to holders of TitanStar REIT Units and, as such, is a better predictor of TitanStar REIT's future capacity to pay distributions. AFFO and NOI should not be construed as alternatives to net income and comprehensive income determined in accordance with IFRS as indicators of TitanStar REIT's actual performance. The Company and TitanStar REIT's method of calculating AFFO and NOI may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

It is currently anticipated that TitanStar REIT's initial distributions per TitanStar REIT Unit following completion of the Arrangement will be based on an AFFO payout ratio of 85-95%.

The projection was prepared given management's judgment as to the most probable set of economic conditions as at February 24, 2014. Please refer to the Amended and Restated Preliminary Prospectus, available online under the Company's profile on SEDAR (www.sedar.com) for further discussion, including a discussion of the assumptions and principles on which the projection is based.

The Company intends to use the net proceeds of the Offering to repay certain indebtedness of the Company, for the proposed acquisition of real estate interests known as the Adams Dairy Landing (Blue Springs, Missouri)(the "**Blue Springs Acquisition**") and for general corporate purposes and working capital. If sufficient proceeds are raised under the Offering, the Company also intends to use the net proceeds to complete the proposed acquisitions of the Almeda Crossing (Houston, Texas), and/or Gordon Biersch property (Glendale, Arizona). The maximum Offering must be completed in order for the Company to complete all three proposed acquisitions.

Mackie Research Capital Corporation is acting as the lead agent in connection with the Offering, with a syndicate of agents including National Bank Financial Inc., Desjardins Securities Inc., GMP Securities L.P., Burgeonvest Bick Securities Ltd., Haywood Securities Inc., All Group Financial Services Inc. and MGI Securities Inc.

Details of the Offering are set out in the Company's amended and restated preliminary prospectus dated March 4, 2014. A copy of the amended and restated preliminary short form prospectus is available under the Company's profile at www.sedar.com. The Offering is subject to customary conditions and regulatory approval, including the approval of the TSX Venture Exchange and the securities regulator authorities.

References in this press release to "$" are to Canadian dollars, unless otherwise noted.

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<u>About TitanStar</u>

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. In December 2012, the Company acquired 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 (see the Company's news release of January 2, 2013). In January 2013, the Company acquired 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 (see the Company's news release of January 28, 2013). In September 2013, the Company acquired a 38.4% beneficial interest in Adam's Dairy Landing, a 254,036 square foot retail shopping centre, located in Blue Springs, Missouri (see the Company's news release of September 30, 2013). These recent investments reflect TitanStar's revised investment strategy, announced on September 28, 2012, which added the following 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; and

- finance the purchase of such assets using conservative financing assumptions, determined by management from time to time.

Additional information regarding TitanStar, its real estate portfolio, investment strategy, and the proposed acquisition as announced herein, can be found in the Amended and Restated Preliminary Prospectus, available under TitanStar's profile online at www.sedar.com.

Forward-looking statements:

Certain statements in this release are forward-looking statements, including with respect to the completion of the Offering, the Arrangement, the Company's proposed acquisitions, future operating results and various components thereof, anticipated AFFO payout ratios and projected financial information of TitanStar REIT for the period set out in the tables above. 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. In particular, the Company cautions that the timing or completion of the Offering, the satisfaction of the release and issuance conditions, the Arrangement, and the completion of the proposed acquisitions cannot be predicted with certainty, and there can be no assurance at this time that all required or desirable approvals and consents to effect the Offering, the Arrangement or the proposed acquisitions will be completed in the manner noted above or at all. 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 the risks identified under the heading "Risk Factors", and elsewhere, in the Amended and Restated Preliminary Prospectus, as well as other factors beyond the Company's control.

In addition, the projected operating income information for TitanStar REIT is based on the following principles and assumptions: TitanStar REIT will maintain the Company's current level of indebtedness and not incur additional indebtedness, other than that relating to the Blue Springs Acquisition and acquisitions of Almeda Crossing and/or Gordon Biersch as disclosed herein; the general and administrative expenses of TitanStar REIT will be consistent with the amounts budgeted by the Company; the limited partnership entities which directly own the Company's real estate assets and the limited partnership entities which will acquire the proposed real estate assets will maintain cash reserves at levels similar to present levels; the consumer price index, property taxes, operating expense growth and market rent growth will be 3% annually; revenue will equal the scheduled lease income less a 4% to 7% vacancy allowance; existing tenants will fulfill their current contractual lease obligations and remain in occupancy and pay rent for the term of their leases; upon expiry of their leases, approximately 70% of existing tenants will be retained based on historical retention experience; for the 30% existing tenants that do not renew, vacancy downtime (period to replace the non-renewing tenant) will be six months for anchor tenant spaces and five to six months for non-anchor tenant spaces, and rental abatement will be offered for the first five months during the first lease year of new leases; renewal costs will included tenant improvement costs of $6-$10 per square foot for anchor tenants for new leases and $0 per square foot for anchor tenants for new renewal leases, tenant improvement costs of $10 per square foot for non-anchor tenants for new leases and $3-$6 per square foot for non-anchor tenants for new renewal leases, and commissions to leasing brokers of 6% for new leases and 3% for renewal leases; TitanStar REIT's general and administrative expenses will stay consistent with the Company's budgeted amount of $250,000 for the 12 month period following completion of the Offering, the Arrangement, the proposed acquisitions, and the repayment of certain indebtedness from the net proceeds of the Offering; following completion of the Arrangement, the Offering, and the proposed acquisitions, the limited partnership entities that own the real estate assets directly will maintain cash reserves similar to those currently maintained by the subsidiaries of the Company; consumer recovery will continue to propel the demand recovery at neighbourhood, community and strip centres across the U.S. and that such recovery has been and will continue to be a significant factor in boosting retail sales; and increasing rent rates will *provide continued growth in net operating income across all of the select markets in which the Company holds real estate interests.*

The assumptions used in the preparation of the projected operating income information for TitanStar REIT, although considered reasonable by management at the time of preparation, may not materialize as projected and unanticipated events and circumstances may occur subsequent to the date of such projection. Accordingly, there is a significant risk that actual results achieved for the projected period may vary from the projected results and that such variations may be material. There is no representation by the Company nor TitanStar REIT that the actual results achieved during the projected period will be the same in whole or in part as those projected. Important factors that could cause actual results to vary materially from such projection include those disclosed under "Risk Factors" in the Amended and Restated Preliminary Prospectus.

These forward-looking statements are made as of the date of this news release, excepting the projected operating income information for TitanStar REIT, which was prepared given management's judgment as to the most probable set of economic conditions as at February 24, 2014.

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.