



FOR IMMEDIATE RELEASE

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Costar Technologies, Inc. Announces New Credit Facility

Coppell, Texas – April 03, 2013 – Costar Technologies, Inc. (the “Company”) (OTC Markets Group: CSTI) announced today that it has entered into a new credit facility with the BOKF, NA dba Bank of Texas. The new facility has a significantly lower interest rate and fees than the Company’s previous facility with Briar Capital, L.P.

The Company’s wholly owned subsidiary, Costar Video Systems, LLC (“Costar”), entered into the new facility with the Bank of Texas. The facility provides up to \$1,000,000 in a revolving line of credit, with a one year maturity. The facility is secured by a lien on substantially all of Costar’s accounts receivable, inventory, and equipment, and the Company is a guarantor of Costar’s obligations under the facility. Borrowings under the facility accrue interest at a rate equal to the Bank of Texas prime rate, currently at 4.0% per annum.

The facility contains customary representations and warranties, events of default and covenants, including, among other things, covenants that restrict the ability of Costar to incur certain additional indebtedness or issue additional equity interests. The facility also contains financial covenants calculated on a consolidated basis requiring the Company to maintain a certain debt service coverage ratio, minimum profitability and a minimum tangible net worth.

James Pritchett, President and Chief Executive Officer of the Company, stated, “Due to the Company’s improving profits, our new line of credit is more than sufficient to meet the Company’s cash flow needs. With the lower interest rate and fees associated with the new loan, the Company is able to retain flexibility, minimize borrowing costs, and maximize profitability.”

COSTAR TECHNOLOGIES, INC.

About Costar Technologies, Inc.

Costar Technologies, Inc. develops, designs and distributes a range of security solution products including surveillance cameras, lenses, digital video recorders and high-speed domes. The Company also develops, designs and distributes industrial vision products to observe repetitive production and assembly lines, thereby increasing efficiency by detecting faults in the production process. Headquartered in Coppell, Texas, the Company's shares currently trade on the OTC Markets Group under the ticker symbol "CSTI".

Cautionary Statement Regarding Forward Looking Statements

This document contains forward-looking statements that involve risks and uncertainties, as well as assumptions, that if they never materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements generally are identified by the words "expects," "anticipates," "believes," "intends," "estimates," "should," "would," "strategy," "plan" and similar expressions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The risks, uncertainties and assumptions include developments in the marketplace for our products, competition, related products and services and general economic conditions, as well as other risks and uncertainties. Accordingly, we cannot give assurance that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company.

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