



FOR IMMEDIATE RELEASE
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Costar Technologies Announces Adoption of Corporate Governance Measures

Coppell, Texas – May 8, 2013 - Costar Technologies, Inc. (the “Company”) (OTC Markets Group: CSTI), announced today that its Board of Directors has adopted two measures designed to strengthen the Company’s corporate governance.

The first measure amended the Company's by-laws to adopt a majority vote standard for the election of directors. The new standard became effective on May 7, 2013 and will apply to all future elections of directors by stockholders. Previously, directors were elected under a plurality vote standard, meaning that candidates receiving the most votes would win without regard to whether those votes constituted a majority of the shares voting at a meeting. Plurality voting still will apply in contested elections, where the number of nominees for any election of directors exceeds the number of directors to be elected. In the event a candidate for director in an uncontested election does not receive a majority vote, the Company's by-laws require that person to submit his or her resignation to the Board of Directors. In such event, the Nominating and Corporate Governance Committee of the Board of Directors will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors is required to act on the Committee’s recommendations and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results.

The second measure adopted a stock ownership guideline policy for the Company’s directors and members of senior management. The policy provides that each person subject to the policy must own shares of common stock of the Company meeting certain minimum value thresholds established by the Nominating and Corporate Governance Committee. Each person subject to the policy has five years to meet the stock ownership thresholds.

"Adopting a majority vote standard and establishing minimum stock ownership guidelines demonstrate the Board’s continued commitment to sound corporate governance, which we believe is fundamental to creating long-term value for our stockholders," stated Jared L. Landaw, Chair of the Nominating and Corporate Governance Committee. Rory J. Cowan, the

Chairman of the Board, added “These measures build upon prior actions taken by the Board to enhance Costar’s corporate governance – such as the removal of the classification of the board of directors – and reaffirm our commitment to ensuring that our Board and management team align their interests with, and remain accountable to, our stockholders.”

The full text of the Company’s amended bylaws and stock ownership guidelines policy is available within the Corporate Governance section of the Company's Investor Relations webpage at <http://www.costartechnologies.com>.

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 press release 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.