FORM 27
***Securities Act* (Ontario)**

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

Item 1. **Reporting Issuer**

Star Data Systems Inc., Commerce Court South, 30 Wellington Street West, Suite 300, Toronto, Ontario, M5L 1G1.

Item 2. **Date of Material Change**

November 18, 1998.

Item 3. **Press Release**

On November 18, 1998, a news release in respect of the material change was released by telecopier through the facilities of Canada Newswire.

Item 4. **Summary of Material Change**

The material change is fully described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

Item 5. **Full Description of Material Change**

A full description of the material change is contained under Item 4.

Item 6. **Reliance on Section 75(3) of the Act**

The report is not being filed on a confidential basis.

Item 7. **Omitted Information**

No information has been omitted.

Item 8. **Senior Officer**

Mr. Mark J. Longo, Corporate Secretary at (416) 304-7392.

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, this 18th day of November, 1998.

STAR DATA SYSTEMS INC.

Per: **MARK LONGO**
Mark J. Longo
Corporate Secretary

SCHEDULE "A"

PRESS RELEASE

FOR IMMEDIATE RELEASE

Star Data Systems Inc. retains financial advisers to explore shareholder value maximization alternatives

TORONTO, Nov. 18, 1998: Star Data Systems Inc. (TSE: STY) announced today that, with the unanimous support of its Board of Directors, it has engaged the investment banking firm of First Marathon Securities Limited to review, generate and consider strategic alternatives to maximize value on behalf of all shareholders. The financial advisers have been authorized to initiate discussions with interested third parties concerning potential transactions, including business combinations and/or sales of all or part of the Company. The efforts of the Company's financial advisers will be supervised and reported upon to the Company's Board by the Special Committee of the Board comprised of Peter de Auer (Chairman), George Cope, Phillip Doherty and Helen Sinclair. The Special Committee was established to address the recent announcement by Kensington Capital Partners Limited concerning the mandate given to Kensington by certain of the Company's shareholders to seek ways of maximizing the value of their shares.

Peter de Auer, Chairman of the Special Committee, stated, "It is premature to speculate as to the results of this process, and no decision has been made on any specific course of action at this time. There can be no assurance, in fact, that any transaction will result from this process."

Alan Hutton, President and Chief Executive Officer of the Company, stated: "I welcome this clarity of direction from the Board. We will continue to maintain our high standards of customer service and business development."

For further information contact:

Peter de Auer
Chairman of the Special Committee of the Board of Directors
Telephone: (416) 738-5539