

Regulatory announcement for release Thursday 30 October 2008



Results for the year ended 30 September 2008

Chairman's statement

I am pleased to present my seventh annual statement to Shareholders for the year ended 30 September 2008.

Review of the current market

After six years of steady progress, this year my annual report shows that your Company is not immune from the turmoil we have all seen in world markets during the past year. By any measure, the declared trading loss is high and the net asset value has fallen by 78% since September 2007. This is not pleasant for you, our Shareholders, nor for your Board.

Whilst we must face the past, we must also look to the future. In spite of the recent gloom in world markets, it continues to be the belief of the Board that your Company is well placed to take advantage of the improvement in world commodity markets which must follow a necessary period of turmoil as true asset values are re-established in the financial markets. Also, we continue to believe that millions of people in the fast developing countries of China, India, Pakistan and elsewhere will demand many of the everyday products which we in the West take for granted: refrigerators, washing machines, motor cars, mobile telephones are but a few. The manufacture of such products demands iron ore, nickel, manganese, tantalum and many other natural resources which these countries do not have in sufficient quantities if at all; Starvest is in business to support those exploring for such essential minerals; some have found them in commercial quantities and are actively engaged in the long process of realising value. Whilst there are often temporary setbacks, it remains our belief that many of the trading companies we support will repay our faith in the days ahead. We have a fundamental belief in a future for these companies, some of which we believe to have great projects and promise.

Where we have diversified away from mineral exploration, we have not covered ourselves in glory. In particular, we are most disappointed by the demise of Myhome International plc, a company we were pleased to support five years ago and which became a significant contributor to the value of our portfolio during 2007. Since the balance sheet date, DIT plc has announced the appointment of a receiver. The total loss on these companies was £236,787. Others are struggling; we have provided a detailed commentary in the following pages.

Over the next year or so, we will contain our overheads to the minimum, seek to use the limited cash resources to best advantage and otherwise be patient as we await a recovery.

Trading activity

In furtherance of the stated trading objectives, during the year Starvest has supported three new mineral exploration companies, Alba Mineral Resources plc, CAP Energy Limited and Lisungwe plc. In addition, follow-on support has been given to fifteen companies, either through market purchases or by subscriptions to new issue placings.

Trading portfolio valuation

In view of the current economic challenges, this year we have taken the opportunity to critically examine the valuations we place on all our trading investments. Accordingly, we have taken a cautious view and valued them all at bid price or lower where we believe those facts of which we are aware cast doubt on the market prices or where the Company's interest is of such a size as to inhibit selling into a depressed market. This explains the trading portfolio valuation of £3.9m and the greater part of the loss of £3.7m before taxation, see note 8 to the financial statements.

To some extent we expect that the latter will be ameliorated by a partial recovery of the tax paid on the exceptional profits of 2007.

Since making the quarterly net asset value announcement of £6.44m on 1 October 2008, the Board has reassessed the values attributed to some holdings as a result of which a further provision of £2.5m has been made. The adjusted values are included in the following table.

Company statistics

	30 September 2008 at BID values as adjusted	30 September 2007 at MID values	Change %
• Trading portfolio value	£3.9m	£17.6m	-78
• Company asset value net of debt	£3.4m	£15.1m	-78
• Net asset value – fully diluted per share	9.06p	38.45p	-77
• Closing share price	12.25p	29.75p	- 59
• Premium/(discount) to net asset value	35%	(22.63%)	
• Market capitalisation	£4.28m	£10.46m	- 59

The net asset values at 30 September 2008 are based on bid prices or the Directors' valuation, if lower. The values at 30 September 2007 are based on mid market values or the Directors' valuation, if lower. These values include unrealised gains on elements of the trading portfolio that are not reflected in the financial statements.

Dividends

Owing to the depletion of cash resources and the overall result, it is not our intention to pay a dividend this year. For the future, your Board will keep the matter under review.

Shareholder information

The Company's shares are traded on AIM and PLUS. Announcements made to the London Stock Exchange are sent to those who register at the Company website, www.starvest.co.uk where historic reports and announcements are also available.

Annual general meeting

We plan to hold our annual general meeting at 3.00 pm on Wednesday 10 December 2008 when we look forward to meeting those Shareholders able to attend.

R Bruce Rowan

Chairman & Chief Executive

29 October 2008

Review of trading portfolio

As at 30 September 2008, the portfolio comprised interests in the following companies:

Addworth plc – AIM ticker: ADW – quotation suspended

Website: www.addworth.co.uk

Addworth is an active capital investment company specialising in the financing, promotion and launching of early-stage entrepreneurially-managed companies, seeking eventual admission to the AIM or Plus markets. Addworth provides strategic consultancy services for their further development while retaining key equity interests for its own investment portfolio. Difficult market conditions this year have seriously impacted on the flow of suitable opportunities for new quoted introductions, and in turn have reduced current income generation from these activities. In addition, Addworth's core investment portfolio has inevitably declined in value along with the general depression in junior market share values, and thus restricted its fund-raising possibilities. Therefore, management has reduced its activity in identifying new flotation projects as part of a provisional cost-cutting exercise and requested the suspension of its share listing while it re-defines its future strategy.

Agricola Resources plc – PLUS ticker: AGRI

Website: www.agricolaresources.com

Agricola Resources is focused on mineral exploration and development in the Baltic Region. Its principal interests are in Sweden, where it has six areas under exploration licences covering 171 square kilometers, considered prospective for uranium or for nickel, copper, and platinum group elements; also, it is in joint venture with Beowulf Mining plc over four licences covering 110 square kilometers in the Ballek area which are considered prospective for iron oxide, copper, gold and uranium deposits. The Australian concern, Energy Ventures Limited, holds a 29.9% strategic equity stake in Agricola Resources which has enabled the considerable broadening of Agricola's exploration endeavours and its technical resources.

Alba Mineral Resources plc - AIM ticker: ALBA

Website: www.albamineralresources.com

Alba Mineral Resources is a mineral explorer focusing on nickel, uranium and gold prospects in Scotland, Mauritania, Sweden, and Ireland. Additional fund-raising in late 2007 and in July 2008 has been primarily expended on ground exploration work in Mauritania where Alba has established a jointly-owned company and acquired seven uranium exploration licences covering 13,500 sq. km of prospective ground, while still negotiating for five further permits in Southern Mauritania for iron oxide-copper-gold style mineralisation. Several companies have approached Alba towards establishing joint venture operations in Mauritania and discussions are in progress.

Ariana Resources plc - AIM ticker: AAU

Website: www.arianaresources.co.uk

Ariana Resources is exploring for, acquiring and developing economic gold deposits in Turkey, concentrating on the Tethyan metallogenic belt, which is believed to host a multi-million ounce world-class deposit. Its flagship project is the 235 sq. km. Sindirgi project acquired from

Newmont in 2005, with a current JORC resource of 160,000 oz gold equivalent. Ariana has since acquired from TSX-listed Odyssey Resources the contiguous Tavsan gold project and has recently announced an initial JORC resource of 215,000 oz of gold equivalent which it expects to be able to expand significantly through a scheduled programme of additional drilling, with preparations now underway for a scoping study on a 30,000 oz per annum heap-leach operation. Ariana also has a joint venture agreement covering its north-eastern Turkey projects with European Goldfields Limited, now a 20% Ariana shareholder. Meanwhile the impact of the global credit crisis, the weakening US Dollar, and rising levels of inflation are expected to continue to sustain and enhance the record gold price levels seen over the past year and thus Ariana's own potential.

Belmore Resources (Holdings) plc – PLUS ticker: BEL

Website: www.belmoreresources.com

Belmore Resources is a minerals exploration company focusing solely on projects in the Republic of Ireland, priority being given to its zinc exploration properties in County Clare, where it has a 50% interest (with an extra 20% option for Euro 600,000 expenditure) in six prospecting licences and a 100% interest in three further prospecting licences. Previous exploration had identified a high grade resource of zinc and lead-rich massive sulphides of approximately 400,000 tonnes @12% zinc plus lead and 75 g/t silver. April brought an announcement of a new high grade zinc/lead mineralization discovery from diamond drilling of 10 metres of 13.84% zinc plus 5.52% lead and 63 g/t silver which management rated as highly significant. Further diamond drilling will be necessary to determine the extent of the mineralisation while management evaluates these results and determines future strategy.

Beowulf Mining plc - AIM ticker: BEM

Website: www.beowulfmining.com

Beowulf Mining's focus is on the exploration and development of mineral deposits in Northern Sweden, where it has five separate projects covering iron, gold, copper and uranium. With its shares now quoted on both the AIM and Stockholm's AktieTorget markets, Beowulf's most advanced project is the iron titanium Ruoutevare deposit, with a JORC compliant resource of 140 million tonnes, grading 39.1% iron, 5.7% titanium dioxide, and 0.2% vanadium oxide. The capital cost of bringing a mine to production is estimated at US\$300 million, and an annual mined production is targeted at 23 million tonnes, or 10 million tones of ore.

Beowulf has other interests in copper-gold at Balleck and Jokmökk, gold at Grundtrask where drilling continues towards an estimated deposit of 500,000 oz, and magnetite at Kallak, all of which have seen progress in the past year. In addition, its Lulepotten copper-gold deposit has a JORC inferred resource of 43,000 tonnes of copper and 52,000 oz of gold.

Black Rock Oil & Gas plc - AIM ticker: BLR

Website: www.blackrockoilandgasplc.co.uk

Black Rock Oil & Gas is an exploration and production company. In addition to licences in the Southern Gas Basin of the UK North Sea, its principal interest is a 50/50 joint venture with Kappa Resources Colombia, a subsidiary of Kappa Energy Holdings Limited and the operator of the Las Quinchas Association Contract and the Alhucema E & P Contract, both situated in the prolific hydrocarbon basin of the Middle Magdalena Valley. In July 2008 the entire Kappa Group was acquired by the Canadian Pacific Rubiales Group, which led to the issue of an independent Petrotech Report assessing the underlying value of the Colombian interests as significantly in excess of Black Rock's full market capitalisation of £0.6 million at a 2p share price. The Colombian interests have a net book asset value of £3 million. Close attention to financing needs has seen management changes, wide-ranging operational cost reductions, lower working capital requirements and led to an active search for potential merger opportunities or new partners, as yet without success. Meanwhile the funding of the Colombian interests has

been met through a private Canadian company, Prospero Hydrocarbons. Black Rock has sold its remaining Australian interests and is seeking a buyer or farm-in partner for all its UK Southern North Sea gas interests which include a 15% interest in the Monterey field.

Brazilian Diamonds plc – AIM ticker: BDY

Website: www.braziliandiamonds.com

Brazilian Diamonds is a leading Brazil-based exploration company focusing on the discovery of kimberlites in its 100% owned properties in the States of Minas Gerais and Bahia. Its diamond exploration databases were largely acquired from De Beers. The Company has been awaiting the approval of the Brazilian Congress to the boundaries set for the Sierra da Canastra National Park, and the exclusion therefrom of the Company's development area of the Canastra 1 kimberlite, for which mine feasibility work has been completed, Mines Department approval granted, and commencement of trial mining only withheld pending this approval. Recoveries from the Salvador 1 Project have established that the kimberlite is diamondiferous and would feed the important alluvial deposits of Central Bahia, which has clear beneficial implications for further exploration work in the neighbouring downstream areas acquired by the Company.

CAP Energy Limited - PLUS ticker: CAPP

Website: www.capenergy.co.uk

CAP Energy started its investment operations by acquiring smaller oil and gas exploration and production assets focusing on North America, where opportunities for acquiring projects abandoned or uneconomical for major producers to which they apply remediation processes combined with low overhead levels offer the prospect of attractive returns in the face of rising oil and gas prices. Intensified competition for such opportunities and increasing remediation costs led to CAP Energy selling some of its first acquisitions and confining subsequent purchases to more economic projects requiring less working capital. Its latest and most significant acquisition is a 25% interest in ten recently drilled oil wells, seven already being producers, in the Louisiana Starks Dome oilfield, bought for US\$1 million consideration from CSV Holdings Inc. CSV's interest will remain under 30%.

Carpathian Resources Ltd – AIM ticker: CPNR, and Sydney ASX

Website: www.carpathian.com.au

Carpathian Resources is an Australian oil and gas explorer and producer focusing on projects in Central Europe, especially the Czech Republic. Its main producing asset is the Janovice gas field in Northern Moravia (60% interest) but declining production rates coupled with the shutting-in of the adjacent Krasna oil field caused an overall 40% decrease in production over the year, impacting on Company revenues and resulting in increased losses. Janovice produced at an average daily rate of 34,000 cubic metres of gas in the year to end June, but this was reduced to 20,000 cubic metres in order to stabilise a small amount of water overflow. Exploration activities covered the Mosnov, Roznov, and Morava permits (90% interests, contributing 100%) and the Raskovice –Moravka permit (60% interest); the Morava project is located in the northern part of the Vienna Basin, an area of prolific oil and gas production, and while oil is the principal target, gas is seen as a possibility. Following last year's Board restructuring, a new corporate growth strategy is expected of evaluating and acquiring interests in Russian, European, Middle Eastern, and Kazakhstan oil and gas fields and infrastructure, with further fund-raising highly likely.

Concorde Oil & Gas plc - PLUS quotation suspended

Concorde was incorporated in August 2005 to locate, evaluate, acquire, explore, develop and operate oil and gas properties and projects primarily in the Russian Federation. After initial difficulties in raising finance for its first major acquisition target, Pechora Energy, Concorde's shares were suspended in May 2006 and remain so to this day. We await news as to when and where re-listing will be undertaken for what is now a much enlarged entity. Pechora holds an

exclusive production licence valid until 2014 for the Luzkoye oil field in the Komi Republic of Russia. The US\$33 million acquisition of Pechora, was funded by investment fund managers Altima Partners and Kuwait Energy Limited with a US\$41 million injection through the issue of 113 million new Concorde shares at 0.9p a share and convertible loan notes. Ongoing Pechora development plans costing US\$125 million will require further funding, and a loan of up to US\$50 million is currently being sought from the European Bank for Reconstruction and Development. Original shareholders have faced a substantial dilution, but should have an investment in a much larger company when a market quote is restored. Kuwait Energy now has a 37% interest and Altima funds 44%. A report due soon is expected to show increased production levels as a result of wells in production increasing from two to seven.

The Core Business plc - AIM ticker: CORE

Website: www.thecorebusiness.co.uk

The Core Business focuses primarily on the distribution of branded cosmetics to major retailers. As a personal care and beauty management group, it also provides consultancy services to companies and individuals in the development of existing brands and the creating of new ones. It has attracted considerable retailer interest through dynamic presentation of its brands which range from colour cosmetics, beauty and hair accessories, sun and skincare products, to fragrances, the latter having been launched this year in Superdrug stores throughout the UK. Significant growth has been achieved since last year's reverse take-over of Amirose International with first break-even results anticipated for the current year.

DTT plc, in receivership – PLUS quotation suspended

Despite having become the UK's largest specialist group for the training and supply of vocational drivers to the freight and passenger transport sectors, it is regrettable that in early October 2008 the DTT management were forced to call in a receiver. This is especially sad given the enormous progress made by the new management team which took over in the third quarter 2007; significant new business was being won, costs were cut, and cash flow was improving. However, against the background of a deteriorating economic climate, the directors failed in their repeated attempts to raise necessary fresh capital to see the business through to profitability.

Equity Resources plc (formerly Franchise Investment Strategies) – PLUS ticker: EQRP

With Equity Resources suffering severely from presumed total losses to be incurred on its two investments in DTT and Myhome International as a result of their recently entering receivership, Equity Resources has had to consider how it should refocus operations away from its past objective of locating and investing in promising franchise businesses. Shareholders and the market will be advised of developments in the coming weeks.

Franconia Minerals Corporation – Toronto TSX-V: FRA

Website: www.franconiaminerals.com

Franconia Minerals, an Alberta-formed corporation, is focused on the exploration and development of platinum group metals (PGM) and base metals in the continental United States, with its corporate head office located in Spokane, Washington. Its most advanced project is at Birch Lake located in the Duluth Complex in north-eastern Minnesota, positioned to be one of the world's largest copper-nickel-PGM resources. Reflecting a recent independent scoping study, the project now includes three indicated Cu-Ni-PGM open pit resources, the 108 million tonnes (plus 87 million tonnes inferred) Birch Lake resource, the 120 million tonnes Maturi resource, and the 124 million tonnes Spruce Road open pit resource. The company is also actively exploring for base metals at its Red Knoll copper property in Arizona. Franconia has exploration agreements with Teck Cominco American Inc. to advance zinc and copper projects in the western United States.

Fundy Minerals Limited - PLUS ticker: FUND

Website: www.fundyminerals.com

Fundy Minerals is actively involved in the exploration of gold, diamonds and base metals in Canada and Africa, and the exploration and development of mineral properties including a number in New Brunswick, all prospects having shown encouraging confirmation of mineralized zones based on work conducted, while also has a high-grade limestone deposit which it aims to bring into production in due course. In West Africa, Fundy holds a minerals exploration licence over 1000 sq. km. of land in Liberia, having recently received a licence permit for its Sehnkweh Cestos claim, one of the first such licence permits to be issued by the Liberian Government since its imposed moratorium. The Company's initial interest in Liberia was in gold discoveries along the Cestos shear and Todi shear belts where exploration work is continuing. However following Fundy's alluvial diamond discovery in the southern area of its permit, and significant quantities of gem quality alluvial diamonds having been previously extracted by artisan miners, Fundy's main efforts remain concentrated on locating the Kimberlitic source of its discovery. Diamond discoveries have been made other than in alluvial watercourses and wetland depressions, so an extensive geophysical survey over the new discovery area is now also being planned.

Gippsland Limited - AIM ticker: GIP and Sydney ASX

Website: www.gippslandltd.com.au

Gippsland is an Australian-based international resource company with its prime assets being tantalum-tin projects in the Central Eastern desert of Egypt adjacent to the Red Sea, and notably include the 44 million tonne (73% measured and indicated) Abu Dabbab and the 98 million tonne Nuweibi projects, where its 50% interest is matched by an Egyptian State partner. The Abu Dabbab project, with an annual mill-feed rate of 2 million tonnes for a production level in excess of 650,000 lbs of tantalum pentoxide, will rank Gippsland as the world's second largest producer. Capital cost is estimated at US\$125 million, with funding planned on an 80% debt and 20% equity basis. A 10 year off-take has been agreed with the German HC Starck group for a major part of the production; negotiations on both project financing with the German State-owned KfW Group, and on the engineering, procurement and construction management contract are both nearing conclusion. Also, Gippsland has undertaken exploration drilling within the Wadi Allaqi region where it has obtained highly encouraging gold results in three of its eight separate tenements, together with a copper-nickel deposit. Gippsland controls its Egyptian 50:50 joint ventures through its Board's casting vote. Gippsland also has a 50% interest in the Tasmanian Zeehan tin deposit, with an indicated and inferred resource of 7.3 million tones.

Goliath Resources Inc - Toronto TSX

Website: www.goliathresources.com

Goliath Resources is a Vancouver-based minerals exploration company with interests in copper, gold and molybdenum in Canada and Zambia acquired from the BellMin Group in late 2006, the main focus being on the Phelps Dodge-owned Mazonod Lake largely unexplored property in the North-West Territories, where under a joint venture agreement Goliath will ultimately earn a 75% interest. Previous drilling and geophysics identified project areas of mineralisation prospective for large-scale copper, gold and possibly uranium. The second project is the Flume Licence in the Yukon, again owned by Phelps Dodge, in which Goliath has the right to earn a 100% interest under earn-in expenditure commitments and where drilling commenced in August; large areas of this project are as yet unexplored, but earlier geochemical studies indicated a high potential for gold mineralisation. The third project is the Java property in British Columbia, a copper-molybdenum porphyry prospect formerly owned by Kennecott. The Zambia project involves 40% interest in a Goliath-led consortium which has been issued a 25 year mining licence covering main tailing dumps of 150 million tons in the Zambian Copper Belt; their treatment is seen to have substantial near-term cash-flow potential; discussions continue on metallurgical test-work and possible process routes.

Greatland Gold plc - AIM ticker: GGP

Website: www.greatlandgold.com

Greatland Gold has gold projects covering a total area of some 300 sq.km. in Tasmania, consisting of the Firetower project in the North with an initial inferred JORC-compliant resource of 90,000 oz. of gold and three historic gold fields, Warrentinna, Forrester and Waterhouse, which were mined some 100 years ago and had produced a substantial amount of high grade gold at surface. In addition to these Tasmanian interests, all 100% owned, the company has the 40 km long Lackman Rock site in Western Australia where gold and nickel sulphide have been earmarked as targets for future exploration drilling. The main focus of the company until now has been on Firetower, and deciding whether to mine an existing resource of 50,000 oz or whether to establish first a larger resource and then to build its own mine; only 400 metres of its suggested 6 kilometre mineralisation have so far been investigated. Meanwhile while rock chip sampling at Warrentinna had yielded encouraging results, subsequent drilling results rather disappointed the market. Greatland's aim to become a stand-alone producer nonetheless remains on course but will require the raising of significant extra capital to bring Firetower into production.

Guild Acquisitions plc - PLUS ticker: GACQ

Guild Acquisitions is a fledgling investment trading company established to grow early-stage small to medium-sized companies by injecting seed capital, management support, and access to further funds from capital markets for their development. A shortage of available funds and the ongoing financial uncertainties of the current market have restricted the opportunities in recent months for seed capital investments.

Hidefield Gold plc - AIM ticker: HIF

Website: www.hidefieldgold.com

Hidefield focuses on the acquisition and development of highly prospective gold projects in South America and Alaska held directly, while others in Canada, Nevada and Arizona are held in independent self-funded associate companies. Its direct interests are principally in Argentina where it is actively exploring the advanced stage Don Nicolas gold project in Santa Cruz Province and in joint venture with Minera Sud S.A. in three Patagonia provinces. Further impressive gold mineralisation results have been announced for the ongoing drilling programme in Santa Cruz where a JORC compliant resource of 1.2 million tonnes has been established, with 301,000 ounces of gold using a high grade cut of 90 gpt gold. Joint venture negotiations are nearing completion on the advanced stage Cata Preta gold project in Brazil's Minas Gerais state. In Alaska, Hidefield has a 60% interest in the Golden Zone and South Estelle projects with an option to earn up to 100% subject to its expenditures. The Golden Zone property has a measured and indicated resource of 253,000 oz of gold, 1.2 million oz of silver, and 6.1 million pounds of copper. Hidefield has warned that if it is unable to secure further finance to continue exploration, it may have to sell certain properties or projects which it would very much prefer to explore itself.

India Star Energy plc - AIM ticker: INDY

Website: www.indiastarenergy.co.uk

India Star Energy is an investment company focused on gold, platinum group metals and uranium interests in Canada. Investments include a 15% stake in Canadian Golden Dragon with interests in two high grade platinum and palladium properties in Ontario; an interest in Canadian explorer East West Resources Corporation with a portfolio of early stage properties for platinum, palladium, gold and base metals, a copper-molybdenum deposit in Thunder Bay, and a 50% share in the Magotte joint venture with East West Resources in Ontario, targeting uranium.

Kefi Minerals plc - AIM ticker: KEFI

Website: www.kefi-minerals.com

Kefi Minerals, a spin-off from EMED plc, is an early stage gold and copper exploration company with six 100%-owned projects in Turkey. It owns an extensive exploration database which contains information regarding one hundred further prospective sites in Turkey, where recent changes to the mining law and the progressive development attitude of the Turkish Government have generated a positive environment for exploration and mining companies: the absence of any national public exploration archiving system in Turkey adds to the value of Kefi's high quality prospecting reconnaissance database. Kefi's two most advanced exploration projects are Artvin in the North East and Derinin Tepe in the West. The Artvin Project comprises fifteen exploration licences covering 253 sq. km. A gold discovery at its Yanikli Prospect has already been announced. The Derinin Tepe gold prospect was mined in Roman times and Kefi carried out a nine hole diamond drilling programme there last year. Kefi should be producing by 2013 and its strategy already includes building a shareholder base in Turkey and actively participating in the Government tender process so as to acquire further high quality tenure. Kefi has relinquished its Lehovo interest but continues to evaluate other opportunities in Bulgaria.

Lisungwe plc –PLUS ticker: LIS

Website: www.lisungwe.com

Lisungwe, one of our new investments during the year, explores for minerals over various tenements in Malawi, a small southern African country, where using local labour and having dug over 800 pits at Chimimbe Hill it has identified nickel in quantities and of sufficient grade as to justify extensive drilling, the development of nickel extraction techniques through leaching and the preparation of an initial scoping study for a mine, all of which are currently in process. Procedures and quality controls are in place towards establishing a JORC compliant resource. Lisungwe also has other nickel prospects as well as in gold and uranium

Lotus Resources plc - PLUS ticker: LOTP

Website: www.lotus-resources.com

Lotus Resources is a UK holding company seeking to identify and acquire mining and exploration companies in China whose operations are not currently realising their full potential. Its objective is to build a medium scale mining and exploration company within three years with a balanced portfolio of properties and product commodities. Several potential opportunities have been investigated.

Matisse Holdings plc - AIM quotation suspended

Matisse Holdings was originally established for investment in publishing businesses. It has been strategically seeking either reverse take-overs or key acquisitions, but presently has its shares suspended through the application of AIM regulations governing inactive cash shells.

Myhome International plc, in administration - AIM quotation suspended

Website: www.myhomeplc.com

Myhome International was a leading residential homecare services franchise business seeking rapid expansion throughout the UK, Ireland and Australia. After a series of attractive and successful minor acquisitions made essentially out of equity and existing cash resources, management elected to finance half of a major £16 million acquisition by bank debt, with attendant tough covenants which later could not be respected. This led the lending bank to appoint an administrator to the Group followed by an almost immediate sale of the assets by the administrator. Changes in the management team and acquisition integration complications seem to have caused serious concurrent distractions in the overall management of the Group. Myhome was always rather more a long-term investment proposition, but suffered from the instability of being the object of significant short-term market speculation, resulting in a somewhat volatile share performance. Regrettably shareholders should not expect any pay-out from the receiver, as asset realisations will be insufficient to meet creditor claims.

Oracle Coalfields plc - PLUS ticker: ORCP

Website: www.oraclecoalfields.com

Oracle Coalfields is an emerging coal developer in Pakistan with an 80% interest in a 1.4 billion tonnes resource project located in Block V1 of the Thar Desert in the Sindh province, 380 km east of Karachi and further away from the insecurity of the north western frontier region. It benefits from past major infrastructure investment by the Pakistan Government. The mine development project will be integrated with the construction of a mine-mouth 300MWe power plant. Initial production is planned for early 2010, and while the mine design will allow for an annual production of 2.5 million tonnes, this will only be achieved by 2014, when the completed power plant will be in operation. The power plant's annual intake from the mine will be 1.75 million tonnes, any balance being sold to local industry unless further capacity is added to the power plant. Pakistan suffers from critical shortages of electricity supply expected to continue for the next 20 years, but with a major indigenous but unexploited coal resource. Oracle is seen as a vital participant in the development of Pakistan's economy especially as no rival coal mining projects have materialised or are in prospect. Current plans are for further drilling to achieve a JORC resource and to complete a bankable feasibility study by end 2009.

Red Rock Resources plc - AIM ticker: RRR

Website: www.rrrplc.com

Red Rock, in which Regency Mines holds a 37.7% interest, operates as a mineral exploration and development company, focusing on manganese, iron ore and gold properties in Australia and Zambia. During 2007, its uranium portfolio was sold to Retail Star Ltd, since renamed Resource Star Limited (RSL), in exchange for shares, a deal that gave it an initial 15% interest in RSL and effective management control of the RSL board, as well as access to RSL's cash resources to enable continuing exploration work on its former properties. Red Rock's principal manganese interests are centred on its 695 sq. km. tenements in the East Pilbara province in Western Australia and on Chiwefwe in Zambia, where the first phase of an exploration programme has established an indicated resource of 2.3 million tones of high grade manganese and where further drilling and exploration are under way. The iron ore property interests consist of the highly prospective Mt Alfred in Western Australia and others in the Northern Territory and Tasmania. Uranium licences are held in Australia's Northern Territories, while gold prospects are held in Oakover and Tasmania. Red Rock's portfolio and its readiness to exchange assets for equity interests at the right price seems likely to see more deals in the offing.

Regency Mines plc - AIM ticker: RGM

Website: www.regency-mines.com

Regency Mines, apart from its controlling interest in Red Rock Resources, is primarily focused on exploring areas of copper and nickel potential at Bundarra in Queensland, Yilgarn in Western Australia and Mambare Plateau in Papua New Guinea, for gold at Mount Stone in Queensland and, where appropriate, on the development of these assets by joint venture, acquisition or disposal. Regency has built up a sound investment portfolio in a host of small mining companies, evidencing its well executed strategy of converting licence interests into equity stakes.

Sheba Exploration (UK) plc – PLUS ticker: SHE

Website: www.shebagold.com

Sheba is a mineral exploration company operating in the Tigray State of Ethiopia within the Northern Ethiopia gold fields area, which it specifically chose for its numerous gold occurrences, most of which have not been explored. Sheba's 100% interest in the two exclusive exploration licences for Mereto and Shehagne, has been awarded new concession licences for Una Deriam, Finarwa, and Winibo, all situated south or west of Moreto, and having specific exploration targets including gold, and for the first time base metals copper and zinc. As most of these new areas

have not been explored previously, initial results will be of special interest. Joint venturing of mature properties, to raise capital for resource estimation and new property acquisitions, and the initiation of feasibility studies of small-scale opportunities for mining gold, remain the strategic objectives for this operation.

St Helen's Capital plc - AIM ticker: SHCP

Website: www.sthelenscapital.com

St Helen's Capital is an institutional stockbroker and corporate finance adviser to smaller companies, primarily in the early-stage, and fast-growing category. It is currently corporate broker to twelve AIM-quoted companies and thirty-four more listed on PLUS. Its services on offer include corporate finance, fund-raising and flotations, institutional sales, research, corporate broking, and dealing/trading services.

Sunrise Diamonds plc - AIM ticker: SDS

Website: www.sunrisediamonds.com

Sunrise Diamonds is focused on the identification, acquisition, exploration, and development of diamond projects in its present Finland operations in the Karelian Craton, a prospective block which, over the border in Russia, hosts a number of world-class diamondiferous kimberlites, and where it is also exploring in Crib, Linomonosova in the Arkhangelsk region. Sunrise enjoys exclusive access to the valuable BHP Billiton data base from its former Finnish diamond exploration activities.

Treslow Limited

Treslow has a copper-nickel prospect near Armstrong in North West Ontario, Canada. Following its conversion to a plc and an expected introduction to PLUS, it will be seeking further funding to advance the project. Commercial quantities of uranium and rare earths are also a possibility, but its initial focus is on nickel.

Profit and loss account for the year ended 30 September 2008

	Year ended 30 September 2008	Year ended 30 September 2007
Operating income	16,700	5,494,067
Direct costs	(15,430)	(104,658)
Gross profit	1,270	5,389,409
Administrative expenses	(271,640)	(272,076)
Amounts written off trade investments	(3,461,919)	(73,266)
Operating (loss)/profit	(3,732,289)	5,044,067
Interest receivable	105,054	71,114
Interest payable	(98,430)	(84,413)
(Loss)/profit on ordinary activities before taxation	(3,725,665)	5,030,768
Tax on profit on ordinary activities	1,118,201	(1,505,236)

(Loss)/profit on ordinary activities after taxation	(2,607,464)	3,525,532
Loss/earnings per share – basic	(7.5) pence	9.6 pence
Loss/earnings per share – fully diluted	(7.5) pence	8.8 pence

There are no recognised gains and losses in either year other than the result for the year.

All operations are continuing.

Balance sheet

As at 30 September 2008

	30 September 2008	30 September 2007
	£	£
Current assets		
Debtors	1,126,908	10,257
Trade investments	2,855,237	4,750,185
Cash at bank	-	3,006,588
	3,982,145	7,767,030
Creditors – amounts falling due within one year	(1,619,615)	(2,548,969)
Net current assets	2,362,530	5,218,061
Share capital and reserves		
Called-up share capital	372,173	372,173
Share premium account	2,026,396	2,026,396
Profit and loss account	(36,039)	2,819,492
Equity shareholders' funds	2,362,530	5,218,061

Cash flow statement

for the year ended 30 September 2008

	Year ended 30 September 2008	Year ended 30 September 2007
	£	£
Net cash (outflow)/inflow from operating activities	(1,815,809)	3,484,305
Returns on investment and servicing of finance:		
Interest receivable	105,054	71,114

Interest payable	(98,430)	(84,413)
	6,624	(13,299)
Taxation paid	(1,509,413)	(395,880)
Equity dividends paid	(174,587)	(367,172)
Financing:		
Company shares repurchased	(73,480)	(577,732)
New short term loan	-	1,000,000
	(73,480)	422,268
(Decrease)/increase in cash in the year	(3,566,665)	3,130,222

The financial information set out above does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The balance sheet at 30 September 2008, the profit and loss account, and the cash flow statement for the year then ended have been extracted from the Company's statutory financial statements upon which the auditor's opinion is unqualified and does not include any statement under Section 237 of the Companies Act 1985.

Copies of the report and financial statements will be posted to Shareholders no later than 14 November and will be available for a period of one month thereafter from the Company Secretary at the registered office.

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Alternatively, the report may be downloaded from the Company's website, www.starvest.co.uk.

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END