

Regulatory announcement for release Friday 30 October 2009



Results for the year ended 30 September 2009

Chairman's statement

I am pleased to present my eighth annual statement to Shareholders for the year ended 30 September 2009.

Results for the year

I am pleased to report that your Company's results for the past year show that conditions in our chosen investment field have stabilised after the shocks of the latter half of 2008. The values have recovered sufficiently hence this year we have reinstated £295,884 net to the book value of our investments as required by the Companies Act. After deducting administration costs, this results in a profit before tax of £44,692.

A further positive result was the receipt earlier in 2009 of a refund of taxation amounting to £1.1m thus enabling your company to repay a £1m loan in full.

Trading portfolio valuation

In view of the economic challenges expected, last year we took the opportunity to critically examine the valuations we place on all our trading investments which were stated at the lower of cost or bid price or lower where we believed those facts of which we are aware cast doubt on the market prices or where the Company's interest was of such a size as to inhibit selling into a depressed market. This approach resulted in a trading portfolio valuation of £3.94m and a loss of £3.73m before taxation for the year ended 30 September 2008.

Given the events of the past twelve months it is abundantly clear that our cautious approach was warranted. Although some valuations have improved, conditions for small mineral exploration companies continue to be very tough; some require additional funds to continue exploration or to advance their projects and although some have been successful in this regard, it is by no means universal as many excellent and potentially profitable projects languish for lack of cash. Accordingly, we have continued with the same cautious policy adopted last year, namely to value investments at bid value or, where we are aware of specific factors, at a lower Directors' valuation. As a result, the closing portfolio value was £4.72m, a 21% increase in the year.

Review of the current market

A year ago, we took a long hard look at the values attributed to our investment portfolio as a result of which we wrote down the book values of many, but not all, of our investments by a total of £3.5m. We believed this to be appropriate; subsequent events have demonstrated this to be so.

As is shown in the table on the following page, the portfolio valuation has recovered during the year by 21%, a welcome increase. Within the portfolio we have some investments which we expect to be real winners so anticipate further improvement during the coming year. The state of the world economy and markets for natural resources will continue to overshadow us, but we believe the prospects in the medium to long term to be encouraging. Over the next year or so, we will continue to contain our overheads to the minimum, seek to use our limited cash resources to best advantage and otherwise be patient as we await a full recovery.

It is encouraging to note that since the 30 September 2009 year end, the Company has raised over £300,000 through the sale of investments yielding a gross profit in excess of £150,000.

Trading activity

In furtherance of the stated trading objectives, during the year Starvest has made modest additions to its investments in Alba Mineral Resources plc, Greatland Gold plc, Red Rock Resources plc and Regency Mines plc by subscriptions to new issue placings.

Company statistics

	30 September 2009 at BID values as adjusted	30 September 2008 at BID values as adjusted	Change %
• Trading portfolio value	£4.72m	£3.94m	+20%
• Company asset value net of debt	£4.02m	£3.43m	+17%
• Net asset value – fully diluted per share	10.72p	9.06p	+18%
• Closing share price	11.75p	12.25p	-4%
• Share price premium to net asset value	9%	35%	
• Market capitalisation	£4.10m	£4.28m	- 4%

The net asset values at 30 September 2008 and 2009 are based on bid prices 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 it is not our intention to pay a dividend this year. For the future, your Board will keep the matter under review.

Investment policy

As required by AIM, your Company has established an investment policy reproduced on page 3 of the report and financial statements and made available on its website, www.starvest.co.uk.

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 Monday 14 December 2009 when we look forward to meeting those Shareholders able to attend.

R Bruce Rowan

Chairman & Chief Executive
29 October 2009

Investing policy statement

About us

The Chairman, Bruce Rowan, has managed the Company since January 2002.

Bruce has a wealth of experience over many years of investing primarily in small company new issues and pre-IPO opportunities in the natural resources and mineral exploration sectors.

Company objective

The Company is established as a source of early stage finance to fledgling businesses, to maximise the capital value of the Company and to generate benefits for Shareholders in the form of capital growth and modest dividends.

Investing strategy

Whilst the Company has no exclusive commitment to the natural resources sector, the Board sees this as having considerable growth potential for the foreseeable future. Investments are generally made immediately prior to an IPO on the AIM or PLUS markets, at IPO and in the aftermarket. Investments are for varying amounts but usually in the range £100,000 - £300,000, although sometimes larger with the addition of later market purchases or fundings.

The business is inherently high risk and of a cyclical nature dependent upon fluctuations in world economic activity which impacts on the demand for minerals.

The investee companies, being small, almost invariably lack share market liquidity, even if they are quoted on AIM or PLUS. Therefore, it is rarely possible to sell an investment at anything approaching the quoted market price with the result that extreme patience is required whilst the investee company develops. If and when an explorer finds a large exploitable resource, it may become the object of a third party bid, or otherwise become a much larger entity; either way an opportunity to realise cash is expected to follow.

Of the thirty or so investments held at any one time, it is expected that no more than five will prove to be 'winners'; the remainder will either become total losses or may generate modest returns. Overall, the expectation is that Shareholder returns will be acceptable if not substantial.

Accordingly, the Board is unable to give any estimate of the quantum of returns. That stated when profits have been realised and adequate cash is available, it is the intention of the Board to recommend the payment of a modest dividend.

A limited number of investments have been made outside the natural resources sector. In each case, this arose by virtue of the personal contacts of Bruce Rowan and the opportunity to support early stage businesses being established by people competent in their field of expertise.

The Company currently has investments in the following companies which themselves are investment companies: Addworth plc, India Star Energy plc, Equity Resources plc and Guild Acquisitions plc.

The Company takes no part in the active management of investee companies, although directors of the Company are also non-executive directors on the boards of seven such companies, with one director being the executive chairman of an eighth.

Review of trading portfolio

As at 30 September 2009, the portfolio comprised interests in the following companies:

Mineral exploration ventures

Agricola Resources plc – PLUS ticker: AGRI

Website: www.agricolaresources.com

Agricola Resources was previously focused on mineral exploration and development in the Baltic Region with required levels of funding which rapidly became unobtainable for essentially longer-term projects in the prevailing capital markets. Agricola therefore decided to sell off its Swedish licences, repay its outstanding loan, and redirect its activities towards purely gold exploration by applying for prospective licences being offered in Morocco. These are currently being negotiated and Agricola sees its new concentration on becoming a gold producer as more likely to generate earlier returns to shareholders. Australian Energy Ventures Limited continues to hold a 29.9% strategic equity stake.

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 July 2009 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 100%-owned flagship project is the Western Turkey Sindirgi encompassing three main prospects: Kiziltepe with a current JORC resource of 186,000 oz gold equivalent; Kepez, and Karakavak, over all of which Ariana holds two ten year renewable operating licences. Also in Western Turkey, Ariana owns 100% at Ivrindi and Demirci which have undergone initial drilling and of the Tavsan gold project with an initial JORC resource of 215,000 oz of gold equivalent and the longer term Muratdag project.

Ariana is a 49% joint venture partner with European Goldfields on designated properties in North East Turkey with the latter fully funding an exploration programme with significant projects to be advanced to bankable feasibility, while also taking a near 20% equity interest in Ariana. The joint venture company is targeting deposits containing in excess of 1 million oz. of gold. Turkey is a politically stable country with an established mining industry and 2.5% of the world's industrial mineral resources.

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 current 100% interest in eleven prospecting licences covering 393 sq km.

Exploration activities have been accelerated following a joint venture agreement with Lundin Mining in February 2009 whereby Lundin has a right to earn a 70% interest in the County Clare licences if some £14.7 million is expended over the coming years, of which £700,000 had been spent as at end June: a very active drilling programme is currently being carried out, while further tests will also be run on targets identified on Belmore's other licences.

Beowulf Mining plc - AIM ticker: BEM

Website: www.beowulfmining.com

Beowulf'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 AIM and Stockholm's AktieTorget market, Beowulf's most advanced project is its 100%-owned Ruoutevare iron titanium deposit, with a JORC compliant inferred resource of 140 million tonnes, grading 39.1% iron, 5.7% titanium dioxide, and 0.2% vanadium oxide. Production is targeted at 10 million tonnes of ore, for which Beowulf has obtained a letter of intent from the Chinese resource importer Hua Dong Corporation for shipment of eventual production.

Beowulf also owns the nearby Kallak magnetite project which has total target iron mineralisation of more than 120 million tonnes across two deposits at grades varying between 35-42% iron, as well as copper-gold-uranium interests at Ballek and Jokkmokk, and gold at Grundtrask. It has newly acquired the various Swedish licences previously held by Agricola Resources which included the Geddaur uranium-gold-silver licences adjacent to Ballek as well as regaining full control of the Ballek joint venture rights. Beowulf is now negotiating more favourable terms with its new partner, Australian Energy Ventures Limited.

Brazilian Diamonds plc – Toronto TSX ticker: BZD

Website: www.braziliandiamonds.com

Brazilian Diamonds is a leading Brazil-based exploration company focusing on the discovery of kimberlites in its 190,000 hectare properties in the States of Minas Gerais and Bahia, with the goal of becoming a significant producer of diamonds. The Company has been suffering from a net working capital deficiency that has forced it to consider the sale or disposal of certain assets, relinquishment of exploration licences, and the suspension and termination of its exploration activities, while actively pursuing joint venture partnering opportunities. This has led to the disposal of its laboratory facilities so as to raise cash to advance its Canasta 1 kimberlite project, planned to become one of the first kimberlites in Brazil to be mined economically. However the issue of a mining licence for this project is delayed by a long-standing National Park boundary issue with the Brazilian Congress. Meanwhile all the Company's projects have been placed on a care and maintenance basis so as to conserve its cash reserves; a one for ten share consolidation was recently undertaken along with the cancellation of its AIM listing as a further cash conservation measure.

CAP Energy Limited - PLUS ticker: CAPP - suspended

Website: www.capenergy.co.uk

CAP Energy seeks to invest in smaller oil and gas exploration and production companies operating in North America. Initial investments were in producing properties in Oklahoma and Texas requiring remedial work to restore profitability, but this strategy was later abandoned for cash conservation reasons. In late 2008 the Company acquired from CSV Holdings interests in the Starks Dome Oilfield and the Iberia Dome Prospect in Southern Louisiana, which offered potential for many years' drilling and re-completion activity, albeit necessitating further funding in the short term, and when this was recently undertaken with a convertible loan note issue, the minimum sought was not attained. The shares had already been suspended in May pending clarification of the Company's financial position.

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 and Slovakia, but which has recently undergone considerable management change and announced a broadening of its investment policies to take in start-up and second stage financing opportunities.

This diversification has been applied to projects covering retail fuel outlets, convenience stores, satellite and cable television, and outdoor mobile advertising, and involved investments approaching \$2 million, which on an annualised basis is already generating sales revenues approaching the level being earned from its main producing asset, the Janovice gas field in Northern Moravia. The OMV discovery of an estimated 140 billion cubic feet gas field in the Vienna Basin, only some 75 km from the Company's Morava permit (90% interest), has clear exploration implications for Carpathian Resources for developing a comprehensive exploration plan and budget and thereby revitalising the Company's oil and gas sector activities.

Concorde Oil & Gas plc - PLUS quotation suspended

Concorde's focus is concentrated on exploring and developing oil and gas properties and projects in the Komi Republic of Russia. Its acquisition of Pechora Energy, ongoing exploration and production for the Luzhkoye oilfield and the new Chikshinskoe exploration licence was largely funded through substantial equity and loan injections by both Altima Partners and Kuwait Energy giving them equity interests of 47% and 37% respectively. Eight wells are now producing 750 barrels a day with over 1000 barrels a day targeted for the end of this year, while plans envisage these rates being significantly increased next year; capital expenditure this year and next of some \$20 million is expected to be met out of current cashflows.

Concorde's share listing was suspended in May 2006 and remains so to this day; the original shareholders have suffered substantial dilution over the years, but should eventually have an investment in a much larger company if and when a market quote is restored

Franconia Minerals Corporation – Toronto TSX-V: FRA

Website: www.franconiaminerals.com

Franconia Minerals, an Alberta-formed corporation, is focused on the development of the Birch Lake copper-nickel-platinum-palladium project in the highly prospective Duluth complex in north-east Minnesota, positioned to be one of the world's largest copper, nickel, PGM resources. The project consists of three deposits (Birch Lake, Maturi, and Spruce Road), with latest estimates giving an indicated resource of 131 million tonnes plus an inferred 37 million tonnes for Birch Lake, Maturi 120 million tonnes inferred and Spruce Road 376 million tonnes indicated open pit resource or 124 million tonnes inferred underground resources.

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 West Africa, along with the development of a number of diversified mineral properties and a high-grade limestone deposit in New Brunswick. In West Africa, Fundy holds a minerals exploration licence over 1000 sq. km. of land in Liberia, having received a licence permit for its Sehnkweh Cestos claim. 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 its alluvial diamond discovery in the southern area of its permit, and considering the significant quantities of gem quality alluvial diamonds that have been previously extracted by artisan miners, Fundy's main efforts have been concentrated on locating the related kimberlitic source of its discovery. Diamond discoveries have been made other than in alluvial watercourses and wetland depressions, so an extensive geophysical survey has been undertaken, successfully yielding 12 new targets of interest for Kimberlitic intrusions and new gold targets.

Gippsland Limited - Sydney ASX ticker: GIP

Website: www.gippslandltd.com.au

Gippsland is an Australian-based international resource company that focuses on projects that have been overlooked by major producers, having undergone detailed exploration and offer the potential of early production. Its Egyptian ventures are held 50:50 with the Egyptian government but with its Board having a casting vote.

Its prime assets are tantalum-tin projects in the Central Eastern desert of Egypt adjacent to the Red Sea, and notably include the 40 million tonne Abu Dabbab and the 98 million tonne Nuweibi projects. 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, a likely 20 year mine-life, and a resource base in excess of 140 million tonnes, will rank Gippsland as the world's largest producer of tantalum. Negotiations on the forecast project financing need of US\$173 million based on 80% debt and 20% equity have taken longer than planned to complete. A 10 year off-take has been agreed with the German HC Starck group for the future annual supply of 600,000 lbs. Gippsland has undertaken exploration drilling within the Wadi Allaqi region where it has obtained highly encouraging gold results, and a copper-nickel deposit. Gippsland also has a 40% free-carried interest in the Tasmanian Queen Hill tin deposit, with an indicated and inferred resource of 7.3 million tonnes, and its wholly-owned subsidiary Nubian Resources has been granted three prospecting licences covering 300 sq. km in North Eritrea, in an area that has had minimal previous exploration but has the potential to host high-grade gold and base metal deposits.

In March 2009 Gippsland withdrew from AIM following the resignation of its Nomad and its joint brokers, and to be solely listed on the Sydney ASX, thereby enabling clear cost savings.

Goliath Resources Inc – Pink Sheets OTC ticker – GHRI

Website: www.goliathresources.com

Goliath Resources is a Vancouver-based mineral exploration company with interests in copper, gold and molybdenum in Western Canada and Zambia. Its main focus is centred on the Phelps Dodge-owned Mazenod Lake, a 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. Its 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. A third project is the Java property in British Columbia, a copper-molybdenum porphyry prospect formerly owned by Kennecott. In Zambia Goliath leads a consortium which has been issued a 25 year mining licence covering tailing dumps of 150 million tons in the Zambian Copper Belt; their treatment is seen to have substantial near-term cash-flow potential.

Greatland Gold plc - AIM ticker: GGP

Website: www.greatlandgold.com

Greatland Gold has three gold projects in Tasmania, consisting of the Firetower project in the north with an initial inferred JORC-compliant resource of 90,000 oz. of gold, where surface sampling has yielded encouraging results and test drilling is currently in progress: the Warrentinna, Forester and Waterhouse field complex, first mined early last century and which has yielded a substantial amount of high grade gold at surface but where a current drilling programme has been delayed due to heavy rainfall: and lastly the East Lisle project where the Company will seek to determine the bedrock source of the 250,000 oz of gold reputedly produced in the past from alluvial workings in the area. In addition the Company has two gold projects in Western Australia, the 200 sq km Lackman Rock site, and its latest acquisition, the Ernest Giles project comprising two unexplored contiguous tenements covering a 686 sq km area in a remote desert region. 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. Greatland's aim to become a stand-alone producer remains on course but will require the raising of significant extra capital to bring Firetower into production.

Hidefield Gold plc - AIM ticker: HIF

Website: www.hidefieldgold.com

Hidefield has been focusing on the acquisition and development of highly prospective gold projects in Argentina, Brazil, and Alaska (held directly), and on projects in Canada, Nevada and Arizona held in independent self-funded associate companies.

Because Hidefield has been unable to secure further finance for its widely spread exploration work, it has reviewed its strategy to the extent of seeking to sell off certain properties or projects and to consolidate its exploration activities in Argentina, where it is actively exploring the advanced stage Don Nicolas gold project in Santa Cruz Province and working in joint venture with Minera Sud S.A. in three Patagonia provinces. The Don Nicolas project has a JORC compliant indicated resource of 200,700 ozs of gold with inferred 158,400 ozs using a high grade cut of 90 gpt gold. In Brazil, a sale of the advanced stage Cata Preta gold project in Minas Gerais State is being negotiated, while in Alaska Hidefield's 60/40% Golden Zone project venture with Mines Trust Inc. has received notice from Fire River Gold Corp. of its intention to acquire a full 100% of the project for completion by end May 2013. 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.

On 20 October 2009, a recommended all share offer was announced for Hidefield by Minera IRL Limited.

Kefi Minerals plc - AIM ticker: KEFI

Website: www.kefi-minerals.com

Kefi Minerals, a spin-off from 29% holder EMED plc, is an early stage gold and copper exploration company operating a joint venture in Turkey with TSX-listed Centerra Gold and in Saudi Arabia where it is operator of the 60:40 joint venture (GEMCO) with local conglomerate ANSTAR and enjoys a first-mover advantage into the field of Saudi exploration, seeking to identify and develop local million ounce plus gold deposits.

Kefi's two most advanced exploration projects are Artvin in the north east and Derinin Tepe in the west of Turkey, but it has already identified several other attractive prospects to evaluate in other regions of the country. The Artvin Project comprises fifteen contiguous exploration licences covering 253 sq. km. A gold discovery at its Yanikli Prospect has already been announced. 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 quality tenure.

Lisungwe plc –PLUS ticker: LIS
Website: www.lisungwe.com

Lisungwe explores for minerals over various tenements in Malawi where it has established a JORC compliant nickel resource, nickel extraction techniques through leaching and an initial scoping study for a mine. As a consequence and given the necessity of acquiring a local source of sulphuric acid, during 2008 Lisungwe identified and eventually acquired a source of pyrite used to manufacture acid. However, before a JORC compliant resource could be established the Company's cash resources became exhausted; it has struggled for most of the past year to raise new funds, so far without success. In the meantime, a draft study has demonstrated that the proposed project would be profitable given the shortage of acid in south eastern Africa.

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 assets in or close to production in Mongolia, with particular focus on building an integrated fluorspar business from the exploration stage through to mining, processing and ultimate trading. Lotus sees Mongolia as offering exciting possibilities for building profitable business in a sector ready for consolidation with many small operators who are lacking access to finance. The country is found to have a democratic, business-friendly environment with foreign investment in its mining sector suitably encouraged by the Government: the country's geology is exciting with over 6,000 known showings/deposits covering 80 different minerals, and as a result of good quality exploration work by the Russians in the past, extensive data is available and accessible from the Geofund central library. Fluorspar is used as flux in steel-making with Russia and Ukraine seen as likely main markets, and as acid in the chemicals industry with eventual world-wide clientele potential. The Company has commenced joint venture open mining operations on a 170,000 tonnes resource, has a second exploration licence covering a 290,000 tonnes resource awaiting mining licence approval, and has a further exploration licence area covering 1066 hectares; it has a 51% interest in each related joint venture. Meanwhile Lotus is continuing to evaluate other opportunities in Mongolia and in China.

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 JORC compliant measured resource of 1.4 billion tonnes (371 million tonnes proven reserves) located in Block V1 of the Thar Desert project in the Sindh province, 380 km east of Karachi and further distant from the insecurity of the north western frontier region. It benefits from past and ongoing major infrastructure investment by the Pakistan Government, eager to open up the Thar Desert region with its estimated lignite coal resource of 175 billion tonnes. Work on a bankable feasibility study is already underway for completion early next year and the mine development project will be linked to the construction of a mine-mouth 300MWe power plant. Initial mine production is planned for late 2010, and while the mine design will allow for an annual production of 2.5 million tonnes, this will only be achieved by 2014, by when the completed power plant will be in operation. Oracle is in preliminary discussions

with potential power plant developers and operators. The power plant's annual intake from the mine will be 1.75 million tonnes, any supply balance being readily sold to local industry unless and until further capacity is added to the power plant. Pakistan suffers from critical shortages of electricity supply resulting in a proliferation of disruptive power cuts and stunting the growth of the vibrant economy. With such a major indigenous yet unexploited coal resource to hand, the Pakistan Government sees Oracle as a key contributor to the future development of the country's economy. Oracle is currently assessing the benefits of a near-term admission to the AIM market.

Red Rock Resources plc - AIM ticker: RRR

Website: www.rrrplc.com

Red Rock, in which Regency Mines holds a 30% interest, operates as a mineral exploration and development company, focusing on manganese, iron ore and gold properties in Australia, Kenya and Zambia. In addition, it has a 27% interest in Resource Star Ltd, expected to be re-admitted to ASX soon, to which it sold its uranium portfolio in exchange for shares and effective management control

The hugely significant event of the last year has been the joint venture with Pallinghurst which has taken control of ASX quoted Jupiter Mines Limited to which Red Rock has disposed of its iron ore property interests consisting of the highly prospective Mt Alfred in Western Australia. In turn, POSCO of South Korea has taken a stake in Jupiter where Red Rock is the largest shareholder with 25% having a current market value of A\$18m.

More recently Red Rock has again shown its deal making expertise with the acquisition of interests in the greenstone belt of south west Kenya where it is expecting to develop a gold extraction project.

Regency Mines plc - AIM ticker: RGM

Website: www.regency-mines.com

For Regency Mines, apart from its 30% interest in Red Rock Resources, the significant development during the past year has been the results of its exploration at the Mambare Plateau in Papua New Guinea where all the indications are that a world class nickel resource has been identified. More recently, the company has announced a possible joint venture deal with Direct Nickel Limited for the use of their patented extraction technology. Otherwise Regency is focused on exploring areas of copper and nickel potential at Bundarra in Queensland, Yilgarn in Western Australia and, for gold at Mount Stone in Queensland. As with its sister company, Red Rock, Regency has demonstrated skill in the development of these assets by joint venture, acquisition or disposal as well as a sound investment portfolio in 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 and fully owns in Northern Ethiopia five exclusive mineral licences covering 203 sq km: at Mereto Sheba is exploring a 3km long gold soil anomaly in detail; at Shehagne the Company has discovered and traced a 2.3km long gold soil anomaly and has started detailed exploration; at Una Deriam search is underway for an extension to the Mereto gold anomaly; Finarwa and Winibo are both being explored for gold and base metals. 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 its operations. Sheba has newly signed a joint venture letter of intent with Stratex International, granting the latter an option to earn a 60% share in Shehagne for £350,000 of exploration expenditures, and an option for the former to earn a 50% share in a further joint exploration project with Stratex in Northern Ethiopia. Stratex will take a 5.6% equity interest in Sheba for a £40,000 cash injection.

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 Finland. Its exploration activities are focused on two geographically distinct areas in the Karelian Craton, which extends over the border into Russia where it notably yields a number of world-class diamondiferous kimberlites: the first Sunrise area is at Kuusamo in north central Finland where it controls 100% of its claims in a recently discovered kimberlite cluster, the second is at Kaavi-Kuopio which Sunrise has newly acquired by earn-in under a joint venture agreement with Canadian Nordic Diamonds Ltd. Sunrise has no debt, but is not as yet in profit; its exploration field activities have been put on hold. It continues to enjoy exclusive access to the valuable BHP Billiton data base from its former Finnish diamond exploration activities.

Woburn Energy plc (formerly Black Rock Oil & Gas plc) - AIM ticker: WBN
Website: www.woburnenergy.com

The new Woburn Energy remains focused on being active in oil and gas exploration and seeking new acquisition opportunities. It inherited a chequered past from Black Rock with cash-hungry projects in Colombia and the UK, while facing a critical funding shortage. The take-over of the original venture partner/operator Kappa Energy Colombia by Canadian Pacific Rubiates led to improved relations for its Colombian interests, and to the arrival of a Canadian private company, Prospero Hydrocarbures, and a US\$5 million purchase of 49% of its Colombian interests. Its funding difficulties led to an abortive attempt to sell its interest in North Sea block 49/8c. However by early 2009 a rescue funding was made by Cetus Investment which injected £2 million for an effective 86% stake in the Company with a commitment to further funding in the range of £5-10 million. This recapitalisation signified a 97% dilution for the original Black Rock shareholders, and resulted in the decisions to cease further exploration work and to relinquish remaining licences in Colombia, while assuming that the development of the UK Monterey gas field would be unlikely, all of which leaves Woburn in need of new acquisition prospects.

Investment companies with mineral exploration interests

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

Following the total loss on its two investments in DTT and Myhome International, Equity Resources has abandoned its investment activities in franchise businesses in favour of the natural resource sector. It was fortunate to have available cash to invest at the bottom of the market in Red Rock Resources plc and Regency Mines plc, see above. The company's recently announced 2009 results show that this change of strategy was well timed.

India Star Energy plc - AIM ticker: INDY
Website: www.indiastarenergy.co.uk

India Star Energy is focused on investing in companies involved in mining or alternative sources of fuel, with three current investments. Firstly, New Fuels International Ltd (100% option) is a Seychelles-based specialised development company involved in the creation of renewable bio-fuels and bio-energy products, seeking to replicate the Brazilian bio-fuel model in carefully selected African countries. Secondly, Trillium North Minerals (11.5%) is a Toronto TVX quoted company (formerly known as Canadian Dragon Company) holding interests in resource properties as yet only in Ontario. Lastly, East West Resource Corporation (1.9%) is a Toronto TVX quoted company, exploring for copper, zinc, nickel, and precious metals in northwest Ontario, with three flagship assets plus an active portfolio of early stage projects.

Companies with other interests

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 however restricted opportunities for seed capital investments over recent months. Its investments include a 7.33% interest in Equity Resources plc, see above.

The Core Business plc, in administration - 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, distributing selected products through the likes of Superdrug and Tesco. Funding concerns arose in the summer as a result of retailer de-stocking, declining consumer demand and the weakness of sterling impacting on gross margins: the shares are currently suspended pending clarification of past accounting discrepancies. An administrator was appointed on 12 October 2009.

St Helen's Capital plc - AIM ticker: SHCP

Website: www.sthelenscapital.com

St Helen's Capital has received shareholder approval to sell its operating business to Whim Gully plc, comprising all its institutional stockbroking, corporate finance, and PLUS advisory work activities. In the past year the general global economic downturn led to St Helen's Capital being unable to complete any fundraisings for its clients which reflects on the lack of confidence pervading in the junior markets. St Helen's Capital has therefore now become an Investing Company for the purposes of the AIM rules and its name will be shortly changed accordingly.

In addition to the above, Starvest has interests in the following unquoted companies, neither of which are deemed to have significant value at this present time:

- **Addworth plc** – general investment holding company
- **Treslow Limited** – a copper-nickel prospect near Armstrong in North West Ontario, Canada.

**Profit and loss account
for the year ended 30 September 2009**

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Operating income	-	16,700
Direct costs	-	(15,430)
Gross profit	-	1,270
Administrative expenses	(189,398)	(271,640)
Amounts written back to/(written off) trade investments	295,884	(3,461,919)
Operating profit/(loss)	106,486	(3,732,289)
Interest receivable	29,933	105,054
Interest payable	(91,727)	(98,430)
Profit/(loss) on ordinary activities before taxation	44,692	(3,725,665)
Tax on profit/(loss) on ordinary activities	(8,600)	1,118,201

Profit/(loss) on ordinary activities after taxation	<u>36,092</u>	<u>(2,607,464)</u>
Earnings/(loss) per share – basic	0.1 pence	(7.5) pence
Earnings/(loss) per share – fully diluted	0.1 pence	(7.5) 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 2009

	30 September 2009 £	30 September 2008 £
Current assets		
Debtors	34,720	1,126,908
Trade investments	3,215,671	2,855,237
Cash at bank	-	-
	<u>3,250,391</u>	<u>3,982,145</u>
Creditors – amounts falling due within one year	(851,769)	(1,619,615)
Net current assets	<u>2,398,622</u>	<u>2,362,530</u>
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	53	(36,039)
Equity shareholders' funds	<u>2,398,622</u>	<u>2,362,530</u>

Cash flow statement for the year ended 30 September 2009

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Net cash outflow from operating activities	(244,420)	(1,815,809)
Returns on investment and servicing of finance:		
Interest receivable	29,933	105,054
Interest payable	(91,727)	(98,430)
	<u>(61,794)</u>	<u>6,624</u>

Taxation recovered/(paid)	<u>1,118,401</u>	<u>(1,509,413)</u>
Equity dividends paid	-	(174,587)
Financing:		
Company shares repurchased	-	(73,480)
Loan advanced	100,000	-
Short term loan repaid	(1,000,000)	-
	<u>(900,000)</u>	<u>(73,480)</u>
Decrease in cash in the year	<u>(87,813)</u>	<u>(3,566,665)</u>

The financial information set out above does not constitute statutory accounts as defined in the Companies Act 2006.

The balance sheet at 30 September 2009, 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 498 of the Companies Act 2006.

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.

123 Goldsworth Road, Woking, Surrey, GU21 6LR
email: email@starvest.co.uk

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

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END