

Tuesday 5 July 2011



Net asset value update

Since the Company last issued a net asset value statement as at 31 March 2011, the market has weakened, particularly in the natural resource sector where Starvest is focused so that the net asset value has fallen by £2m to £8.1m or 21.2 pence per share against the closing mid price of 12.5 pence. The resulting discount is 41%.

However, values remain significantly ahead of those at the last Company year end, 30 September 2010, since when the net asset value shows a 93% increase.

A key event of the period has been the announcement by Belmore Resources (Holdings) plc that the offer it has received from Lundin Mining Exploration Limited, having been accepted by over 90% of shareholders, is now unconditional. This adds significantly to the expected profit for the current year to 30 September 2011 on which a full corporation tax provision is included in the portfolio valuation.

During the quarter, the Company made modest additions to its investments in Regency Mines, Red Rock Resources, Oracle Coalfields and Guild Acquisitions and paid an interim dividend of 0.25 pence per share on 15 June 2011.

Investments in the following companies account for the greater part of the portfolio value: Ariana Resources, Beowulf Mining, Greatland Gold, Kefi Minerals, Oracle Coalfields, Red Rock Resources, Regency Mines, Sheba Exploration and Sunrise Diamonds.

	30 June 2011	31 March 2011	30 September 2010	Change since September 2010 %
Trading portfolio value	£8.70m	£10.03m	£4.57m	90%
Company asset value net of debt	£8.10m	£10.10m	£4.19m	93%
Net asset value – fully diluted per share	21.21 pence	26.16 pence	11.28 pence	88%
Share price - mid	12.50 pence	13.75 pence	7.75 pence	61%

Share price discount to fully diluted net asset value	41.1%	47.0%	31.3%	
Market capitalisation	£4.59m	£5.05m	£2.84m	61%

With one exception, all valuations are based on the closing market bid prices or lower directors' valuation as described in the 2010 annual report. The exception relates to Belmore where, because the offer became unconditional on 30 June, a full offer price valuation is included.

Whilst the overall valuation at the period end is disappointing, the profit for the year to date of £2.8m before taxation encourages your board which remains confident that its patience is being rewarded. We look forward with anticipation of a full recovery as the investee companies progress their projects and mature!

R Bruce Rowan

Chairman & Chief Executive

5 July 2011

Enquiries to:

Bruce Rowan, Chairman 020 7486 3997 or John Watkins, Finance Director 07768 512404; john@starvest.co.uk

Gerry Beaney or Colin Aaronson Grant Thornton Corporate Finance 020 7383 5100

END