

Chairman's Update

for shareholders

January 2008

Extensive portfolio now holding 33 global investments



www.starvest.co.uk

AIM EPIC: SVE

CHAIRMAN'S UPDATE

INVESTMENT PERFORMANCE

The past three months have been challenging. Since publishing our 2007 annual report in which we declared a net asset value of £15.1m, the markets have drifted lower taking with them many of the small cap mineral exploration and other stocks in which your Company is invested. However, this is not true of all our investments so that the net asset value at 31 December 2007 was marginally ahead at £15.2m.

The closing valuations of Oracle Coalfields, Lisungwe and Lotus Resources, three new PLUS market investments, moved ahead during the quarter and closed well above cost.

COMPANY STATISTICS

	31 December 2007	Change since 31 December 2006	30 September 2007	31 December 2006
Portfolio net asset value	£15.2m	+15%	£15.1m	£13.2m
Net asset value – basic per share	43.63p	+22%	42.89p	35.54p
Net asset value – fully diluted per share	39.06p	+21%	38.45p	32.26p
Share price	24.25p	+42%	29.75p	17p
Share price discount to fully diluted net asset value	37.92%	-9.39 points	22.63%	47.31%
Market capitalisation	£8.46m	+33%	£10.46m	£6.32m

OTHER POINTS OF NOTE DURING THE QUARTER:

- ◆ With one exception, the net asset values are based on mid-market closing prices on Monday 31 December 2007 and after making a full provision for tax on realised investment profits and the dividend payable on 11 January 2008. The exception relates to the valuation of the investment in Concorde Oil & Gas plc which, as a matter of prudence, has been set at 0.9 pence as explained in the last annual report.
- ◆ The Company has made further investments in AIM quoted Ariana Resources plc, in PLUS quoted Agricola Resources plc and DTT plc and in Goliath Resources Inc.
- ◆ The Company has completed its investment in Lotus Resources plc, a company with mineral interests in China. Lotus was admitted to PLUS in December 2007.
- ◆ Also, the Company has made new investments in:
 - ◆ AIM quoted Alba Mineral Resources plc, a company with a variety of mineral interests including nickel, uranium and gold in Scotland, Mauritania, Sweden and Ireland; and
 - ◆ PLUS quoted Lisungwe plc which has nickel and other mineral exploration interests in Malawi, eastern Africa.
- ◆ The Company purchased a total of 250,000 of its own shares in November at an average price of 29.1 pence per share; the Company now holds 2,300,000 shares in treasury.
- ◆ At the AGM on 12 December 2007, the Members approved the payment of a final dividend of 0.5 pence per share for the year to 30 September 2007, making 1.5 pence per share for the year. This dividend is payable on 11 January 2008.

CONCLUSION:

The Board continues to be pleased with the 33 investments now held, is encouraged by the overall investment performance during the quarter and expects exciting growth in the medium term. The positive trading news from these companies, coupled with the continuing strength in the world's natural resource markets where high demand levels from China, India and other developing nations continue, encourages your Board to view 2008 with optimism.

The Company now holds trade investments in the following companies:

* Addworth plc	Active capital investment company www.addworth.co.uk
* Agricola Resources plc	Platinum and uranium exploration www.agricolareresources.com
* Alba Mineral Resources plc	Portfolio of mineral exploration interests www.albamineralresources.com
* Ariana Resources plc	Gold exploration in Turkey www.arianaresources.com
* Belmore Resources (Holdings) plc	Zinc exploration in Ireland www.belmoreresources.com
* Beowulf Mining plc	Gold and copper exploration in Sweden www.beowulfmining.com
* Black Rock Oil & Gas plc	Oil and gas in Southern England & Colombia www.blackrockoil.com
* Brazilian Diamonds Limited	Diamond exploration in Brazil www.braziliandiamonds.com
* Carpathian Resources Limited	Oil and gas exploration in the Czech & Slovak Republics www.carpathian.com.au
* Concorde Oil & Gas plc	Operational oil & gas projects in the Russian Federation www.concordeoilandgas.com
* The Core Business plc	Personal care and beauty products www.thecorebusiness.co.uk
* DTT plc	Driver training and recruitment services to the road haulage industry www.drivertransporttraining.co.uk
* Equity Resources plc	formerly Franchise Investment Strategies plc - Investment company
* Franconia Minerals Corporation	North American minerals www.franconiaminerals.com
* Fundy Minerals Limited	Gold and base metal exploration in Canada and West Africa www.fundyminerals.com
* Gippsland Limited	Tantalum exploration in Egypt www.gippslandltd.com.au
* Goliath Resources Inc	Copper, gold & molybdenum in Canada & Zambia www.goliathresources.com
* Greatland Gold Limited	Gold exploration in Western Australia and Tasmania www.greatlandgold.com
* Guild Acquisitions plc	Fledgling investment company
* Hidefield Gold plc	Gold exploration in North and South America www.hidefield.co.uk

* India Star Energy plc	Gold, platinum group metals and uranium www.indiastarenergy.co.uk
* Kefi Minerals plc	Mineral exploration in Turkey www.kefi-minerals.com
* Lisungwe plc	Nickel and other minerals in Malawi www.lisungwe.com
* Lotus Resources plc	Mineral exploration in China www.lotus-resources.com
* Matisse Holdings plc	Cash shell
* Myhome International plc	Home services franchiser www.myhomeplc.com
* Oracle Coalfields plc	Coal mining in Pakistan www.oraclecoalfields.com
* Red Rock Resources plc	Iron ore and manganese exploration in Australia & Zambia www.rrrplc.com
* Regency Mines plc	Copper & nickel exploration in Australia & Papua New Guinea www.regency-mines.com
* Sheba Exploration (UK) plc	Gold exploration in Ethiopia www.shebagold.com
* St Helen's Capital plc	Corporate finance advisor www.sthelenscapital.com
* Sunrise Diamonds plc	Diamond exploration in Finland www.sunrisediamonds.com
* Treslow Limited	Copper-nickel in Canada

Shareholders who wish to receive electronic copies of announcements are invited to register their email address on the home page of the Company website:
www.starvest.co.uk.

R Bruce Rowan

Chairman & Chief Executive

2 January 2008

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COMPANY INFORMATION

Directors R Bruce Rowan - Chairman
Tony Scutt - Non-executive director
John Watkins, Finance director

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Expected financial timetable

Interim result announcement for six months to 31 March 2008 by end April 2008
Quarterly Chairman's update at 30 June 2008 by mid July 2008
Annual result announcement for year to 30 September 2008: by end October 2008

LSE – EPIC code SVE
Also, traded on PLUS

Share price information

Financial Times
Evening Standard
The Times
www.prices.londonstockexchange.com

Company announcements

www.londonstockexchange.com
www.starvest.co.uk