

RNS announcement for release Thursday 2 April 2009



Chairman's update for shareholders – 2 April 2009

Investment performance

I am pleased to report that the modest recovery in the Starvest net asset value enjoyed during the quarter to 31 December 2008 has been maintained and enhanced during the quarter to 31 March 2009 when the closing portfolio net asset value was £4.25m, a 7.9% increase in the half year since 30 September 2008.

The prudent valuation basis adopted when preparing the Starvest annual financial statements at 30 September 2008 has proved to be fully justified; Starvest now uses closing bid prices or the Directors' lower valuation, if deemed appropriate.

Company statistics

	31 March 2009 at BID values	31 December 2008 at BID values	30 September 2008 at BID values	30 June 2008 at MID market values
Trading portfolio value	£4.25m	£3.92m	£3.9m	£10.5m
Company asset value net of debt	£3.62m	£3.23m	£3.4m	£11.9m
Net asset value – fully diluted per share	10.01 pence	8.98 pence	9.06 pence	27.46 pence
Share price - mid	6.25 pence	6 pence	12.25p	17.75p
Share price discount to fully diluted net asset value	37%	33%	35% premium	35%
Market capitalisation	£2.18m	£2.09m	£4.28m	£6.2m

Comment

During the quarter, Starvest added to its investment in Regency Mines plc, a commitment entered into during October 2008.

Market conditions remain fragile, so I can do no better than repeat the comments I made when issuing the last update as at 31 December 2008:

“The speculation of which I wrote in July that the crises impacting the financial markets would lead to world-wide recession with a consequential reduction in demand for natural resources and services has proven to be well founded and as a result many of the companies in which Starvest is invested have seen their share prices fall during the past year.

“It remains the view of the Starvest board that demand for raw materials will return as current stocks are exhausted and that commodity prices must return to levels at which it again becomes economic to mine newly discovered deposits.”

“Conclusion:

“Whilst disappointed that our fears have been realised, the Board continues to believe that it has within its portfolio investments with considerable potential and is looking forward to an upturn during 2010, possibly earlier for some.”

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 April 2009

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