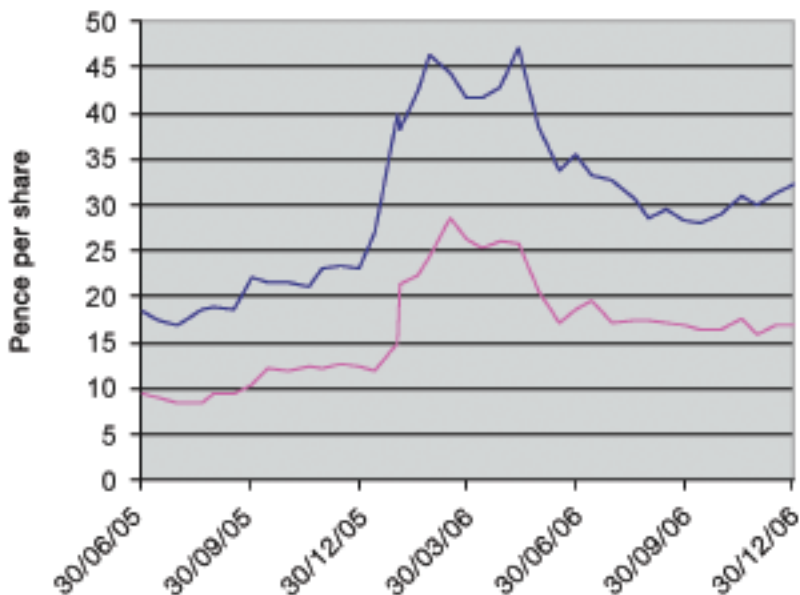




NAV & Share Price



CHAIRMAN'S UPDATE  
for shareholders January 2007



AIM EPIC: SVE

# CHAIRMAN'S UPDATE FOR SHAREHOLDERS – JANUARY 2007

**We wish our Shareholders a happy new year and the very best for 2007!**

## INVESTMENT PERFORMANCE

I am pleased to report that the growth in the investment portfolio announced at the time of the AGM in December has continued so that at the close of business on 29 December 2006 the Company's net asset value was £13.225m, an increase during the previous three months of 15%, or £1,725m. Other achievements of the past three months have been:

- \* Net asset value per share pre tax: 32.26 per share, fully diluted
- \* Starvest closing share price: 17 pence
- \* Share price discount to NAV: 47%
- \* Closing market capitalisation: £6.326m
- \* With one exception, the net asset values are based on mid-market closing prices on Friday 29 December 2006 and after making a full tax provision on the realised investment profits.
- \* The exception relates to the valuation of the investment in Concorde Oil & Gas plc which, as a matter of prudence, has been determined after making a provision of 50% against the closing price on 24 November 2006; on this date the shares were suspended at the company's request pending the outcome of an EGM to be held on Monday 18 December 2006. Concorde has since announced the successful passing of all EGM resolutions, the completion of the \$33m acquisition of Russian oil producer Pechora LLP through a \$41m financing package agreed with Altima Partners including the issue of 113m new shares at 0.9 pence and an intention to apply for the shares to be re-admitted to trading in the near future.
- \* Made a further investment in Kefi Minerals plc which has successfully raised funds and been admitted to AIM. Kefi has mineral exploration interests in Bulgaria and Turkey.
- \* Myhome International plc has moved from PLUS Markets to AIM.
- \* Investment made in DTT plc, a company providing driver training and recruitment services to the road haulage industry; the company is quoted on PLUS Markets.

The increase in the portfolio value is due to an improvement in the share prices of several of the portfolio investments which in turn reflect positive trading news from these companies and continuing strength in the world's natural resource markets where high demand levels from China, India and other developing nations continue.

**The Board continues to be pleased with the 26 investments held; we expect exciting growth in the medium term during which we will take a cautious view in changing markets.**

**The Company now holds trade investments in the following companies:**

* <b>Addworth plc</b>	Active capital investment company <a href="http://www.addworth.co.uk">www.addworth.co.uk</a>
* <b>African Platinum plc</b>	Platinum group metals in Southern Africa <a href="http://www.afplats.com">www.afplats.com</a>
* <b>Agricola Resources plc</b>	Platinum and uranium exploration <a href="http://www.agricolaresources.com">www.agricolaresources.com</a>
* <b>Belmore Resources (Holdings) plc</b>	Zinc exploration in Ireland <a href="http://www.belmoreresources.com">www.belmoreresources.com</a>
* <b>Beowulf Mining plc</b>	Gold and copper exploration in Sweden <a href="http://www.beowulfmining.com">www.beowulfmining.com</a>
* <b>Black Rock Oil &amp; Gas plc</b>	Oil and gas in Southern England, Colombia <a href="http://www.blackrockoil.com">www.blackrockoil.com</a>
* <b>Brazilian Diamonds Limited</b>	Diamond exploration in Brazil <a href="http://www.braziandiiamonds.com">www.braziandiiamonds.com</a>
* <b>Carpathian Resources Limited</b>	Oil and gas in the Czech and Slovak Republics <a href="http://www.carpathian.com.au">www.carpathian.com.au</a>
* <b>Concorde Oil &amp; Gas plc</b>	Operational oil & gas projects in the Russian Federation
* <b>The Core Business plc</b>	Personal care and beauty products <a href="http://www.thecorebusiness.co.uk">www.thecorebusiness.co.uk</a>
* <b>DTT plc</b>	Driver training and recruitment services to the road haulage industry <a href="http://www.drivertransporttraining.co.uk">www.drivertransporttraining.co.uk</a>
* <b>Franchise Investment Strategies plc</b>	Franchise consultancy and investment
* <b>Franconia Minerals Corporation</b>	North American minerals <a href="http://www.franconiaminerals.com">www.franconiaminerals.com</a>
* <b>Fundy Minerals Limited</b>	Gold and base metal exploration in Canada and West Africa <a href="http://www.fundyminerals.com">www.fundyminerals.com</a>
* <b>Gippsland Limited</b>	Tantalum exploration in Egypt <a href="http://www.gippslandltd.com.au">www.gippslandltd.com.au</a>
* <b>Greatland Gold Limited</b>	Gold exploration in Western Australia and Tasmania <a href="http://www.greatlandgold.com">www.greatlandgold.com</a>
* <b>Hidefield Gold plc</b>	Gold exploration in North and South America <a href="http://www.hidefield.co.uk">www.hidefield.co.uk</a>
* <b>India Star Energy plc</b>	Gold, platinum group metals and uranium
* <b>Kefi Minerals plc</b>	Mineral exploration in Bulgaria and Turkey
* <b>Matisse Holdings plc</b>	Cash shell
* <b>Myhome International plc</b>	Home services franchiser <a href="http://www.myhomeplc.com">www.myhomeplc.com</a>
* <b>Red Rock Resources plc</b>	Iron ore and manganese exploration in Australia and Zambia; uranium exploration in Malawi. <a href="http://www.rrrplc.com">www.rrrplc.com</a>

* <b>Regency Mines plc</b>	Copper & nickel exploration in Australia and Papua New Guinea <a href="http://www.regency-mines.com">www.regency-mines.com</a>
* <b>Sheba Exploration (UK) plc</b>	Gold exploration in Ethiopia <a href="http://www.shebagold.com">www.shebagold.com</a>
* <b>St Helen's Capital plc</b>	Corporate finance advisor <a href="http://www.sthelenscapital.co.uk">www.sthelenscapital.co.uk</a>
* <b>Sunrise Diamonds plc</b>	Diamond exploration in Finland <a href="http://www.sunrisediamonds.com">www.sunrisediamonds.com</a>

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](http://www.starvest.co.uk).

R Bruce Rowan  
*Chairman & Chief Executive*  
 020 7486 3997

2 January 2007

## COMPANY INFORMATION

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

**Secretary** John Watkins, FCA  
**Registered office and business address** 123 Goldsworth Road  
 Woking  
 Surrey  
 GU21 6LR  
 email@starvest.co.uk

**Registrars** Share Registrars Limited  
 Craven House  
 West Street  
 Farnham  
 Surrey  
 GU9 7EN  
 Tel: 01252 821390

**Registered number** 3981468

### Expected financial timetable

Interim result announcement for six months to 31 March 2007 by end April 2007

Quarterly Chairman's update at 30 June 2007 by mid July 2007

Annual result announcement for year to 30 September 2007: by end October 2007

### LSE – EPIC code

SVE

### Share price information

Financial Times  
 Evening Standard  
 The Times  
[www.prices.londonstockexchange.com](http://www.prices.londonstockexchange.com)

### Company announcements

[www.londonstockexchange.com](http://www.londonstockexchange.com)  
[www.starvest.co.uk](http://www.starvest.co.uk)