

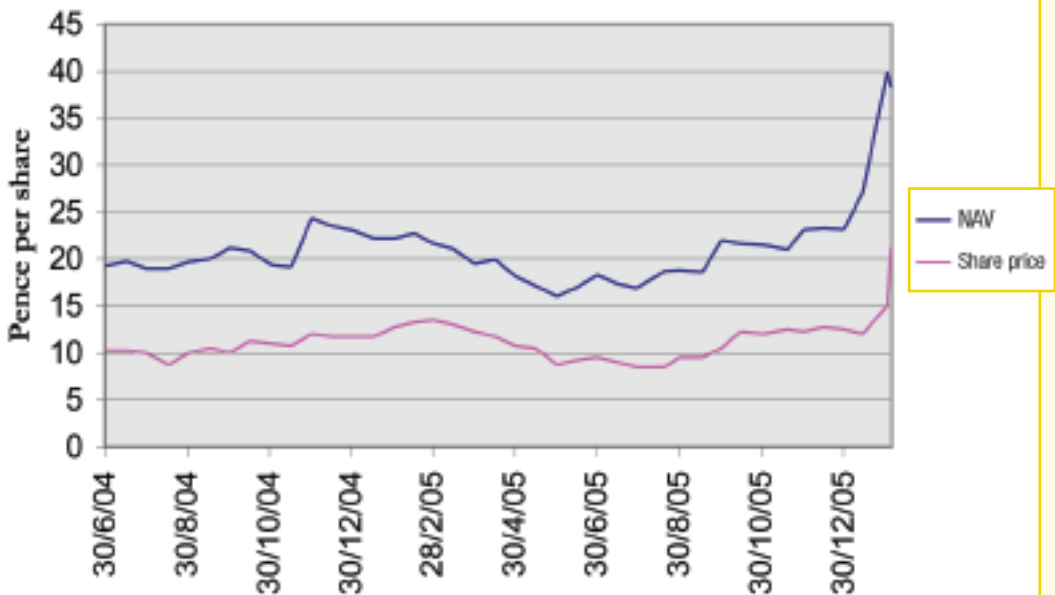


INTERIM REPORT

six months ended 31 JANUARY 2006

Listed on the Alternative Investment Market
of The London Stock Exchange - EPIC: SVE

NAV & Share Price



Chairman's statement

Investment report

I am pleased to report a successful six months trading during which Starvest has achieved:

- * An increase in the net asset value to £16.5m at 31 January 2006.

The previous declared values were: £8.69m at 31 January 2005; £6.5m at 31 July 2005; £8.4m at 31 October 2005.

- * An increase in the fully diluted net asset value per share to 39.9 pence at 31 January 2006.

The previous declared values per share were: 22 pence at 31 January 2005; 16.9 pence at 31 July 2005; 21.5 pence at 31 October 2005.

In percentage terms, these increases are 136% since 31 July 2005 and 86% since 31 October 2005.

The Company's share price discount to net asset value was 62% at 31 January 2006.

All these values are based on mid-market closing prices on a fully diluted pre tax basis.

- * A gross profit of £198,000 on turnover of £203,000 and a profit on ordinary activities after overheads but before taxation of £50,000.
- * Unrealised profits as at 31 January 2006 of £14.4m before tax, up from £7m at 31 January 2005, a 106% increase and up from £4.8m at 31 July 2005, a 200% increase.

Other matters of interest are:

- * Following the net asset value announcement made to the London Stock Exchange on 1 February, on Friday 3 February 2006 the Starvest share price closed at 21.25 pence per share representing a discount to net asset value of 44.5%.
- * No dividend is proposed for the period, although the matter will be kept under review for the future.
- * A new credit facility has enabled the Company to commit to three new investments since the last quarterly update in November, making a total of four during the half year as follows.
 - * Concorde Oil & Gas plc joined OFEX in September 2005 having raised £190,000 net of expenses to acquire operational oil and gas assets in the Russian Federation. The IPO price was 0.75 pence per share; the 31 January 2006 closing price was 11 pence per share.
 - * Fundy Minerals Limited, a Canadian company with an OFEX quote, exploring for gold and base metals in Canada and West Africa.
 - * Addworth plc, an AIM quoted 'active capital' investment company. It has interests in Myhome International plc, Franchise Investment Strategies plc and The Core Business plc, three companies in which Starvest has interests, as well as

other non-mineral exploration businesses and thus represents a further diversification from the natural resources sector in which Starvest has been primarily involved.

- ★ The Core Business plc is being sponsored by Addworth plc and plans to raise funds for its personal care and beauty product business. It intends to apply to join AIM in the near future.
- ★ In addition, Starvest has added to its investments in Regency Mines plc, India Star Energy plc and Franchise Investment Strategies plc.
- ★ Starvest now holds investments in twenty-two companies of which twelve are traded on AIM and nine on OFEX. The companies are listed on the back cover page of this report. The Board continues to be most satisfied with progress.

Starvest continues to receive new investment proposals from businesses, mainly in the natural resources sector. Before a commitment is made, these are closely evaluated to ensure that they accord with the Company's medium to long term investment strategy.

Extraordinary general meeting

As Shareholders will be aware from previous statements, the Board has declared an intention to pay a dividend as soon as adequate profits are available. Also, the Board has taken authority to make purchases of the Company's shares, either for cancellation or to be held in treasury. Neither of these intentions can be fulfilled so long as the Company's profit and loss account is in deficit as it was at 31 July 2005 in the amount of £699,664; this deficit arose in the Company's original business prior to becoming an investment company in January 2002.

By application to the High Court, it is possible to have the share premium account which stands at £2,026,396 reduced thus creating a situation where the deficit on the profit and loss account can be eliminated. This will enable the Board to consider the payment of a dividend rather sooner than would otherwise be the case. We expect that our Shareholders will welcome this development.

To this end, the Board has called an Extraordinary General Meeting of Members to be held on Tuesday 14 March 2006.

Quarterly update

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

Your Board continues to look to the future with optimism; we expect further progress in the next quarter and plan to issue the Chairman's next update during May 2006.

R Bruce Rowan

Chairman & Chief Executive

13 February 2006

Consolidated Profit & Loss Accounts

	6 months to 31 January 2006 Unaudited £,000	6 months to 31 January 2005 Unaudited £,000	Year ended 31 July 2005 Audited £,000
Operating income	203	615	628
Direct costs	(5)	(17)	(34)
Gross profit	198	598	594
Administrative expenses	(146)	(132)	(205)
Operating profit on ordinary activities	52	466	389
Interest payable	(2)	-	-
Profit on ordinary activities before taxation	50	466	389
Tax on profit on ordinary activities	(10)	(140)	(85)
Profit on ordinary activities after taxation	40	326	304
Retained profit for the period	40	326	304
Profit per share -	<i>see note 3</i>		
Basic	0.11 pence	0.88 pence	0.82 pence
Fully diluted	0.09 pence	0.82 pence	0.74 pence

Company Information

Directors R Bruce Rowan - Chairman
Tony Scutt - Non-Executive
John Watkins, FCA

Secretary John Watkins, FCA
Registered office and business address 123 Goldsworth Road
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Registered number
3981468

Expected financial timetable

Chairman's quarterly update at 30 April 2006:
by mid May 2006

Annual result announcement for year to 31 July
2006: by end August 2006

Annual General Meeting by end October 2006

LSE – EPIC code
SVE

Share price information

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

Company announcements

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

Consolidated Balance Sheet

	6 months to 31 January 2006 Unaudited £,000	6 months to 31 January 2005 Unaudited £,000	Year ended 31 July 2005 Audited £,000
Fixed assets	0	0	0
Current assets			
Debtors	227	36	51
Trading investments - <i>see note 2</i>	2,289	1,134	1,578
Cash at bank and in hand	–	744	194
	2,516	1,914	1,823
Creditors - amounts falling due within one year			
Bank overdraft	(604)	–	–
Other creditors	(173)	(193)	(124)
Net current assets	1,739	1,721	1,699
Total assets less current liabilities	1,739	1,721	1,699
Capital and reserves			
Called up share capital	372	372	372
Share premium account	2,027	2,027	2,027
Merger reserves	424	424	424
Profit and loss account	(1,084)	(1,102)	(1,124)
Equity shareholders' funds	1,739	1,721	1,699

Reconciliation of Movement in Shareholders' Funds

	6 months to 31 January 2006 Unaudited £,000	6 months to 31 January 2005 Unaudited £,000	Year ended 31 July 2005 Audited £,000
Total recognised profits relating to the period	40	326	304
Increase in shareholders' funds	40	326	304
Opening shareholders' funds	1,699	1,395	1,395
Closing shareholders' funds	1,739	1,721	1,699

Interim report notes

1. Interim report

The information relating to the six month periods to 31 January 2006 and 31 January 2005 is unaudited.

The information relating to the year ended 31 July 2005 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified audit report.

2. Basis of accounting

The report has been prepared using accounting policies that are consistent with those adopted in the statutory accounts for the year ended 31 July 2005 by the Group and its subsidiary undertakings, although the information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The consolidated financial statements have been prepared using merger accounting. Under merger accounting the results and cash flows are combined from the beginning of the financial period and all comparatives are stated on the combined basis. These interim financial statements consolidate the financial statements of the Company and its subsidiaries.

The Company and Group will report again for the full year to 31 July 2006.

The Group's investments at 31 January 2006 are valued at the lower of cost or mid market value.

3. Profit per share

These have been calculated on a profit of:

The weighted average number of shares used was:

The weighted average number of shares and outstanding options used was:

Basic profit per share:

Fully diluted profit per share:

	6 months to 31 January 2006 Unaudited £,000	6 months to 31 January 2005 Unaudited £,000	Year ended 31 July 2005 Audited £,000
	40	326	304
	37,217,259	37,217,259	37,217,259
	42,792,259	39,817,259	41,178,423
	0.11 pence	0.88 pence	0.82 pence
	0.09 pence	0.82 pence	0.74 pence

Investment portfolio

Starvest now holds trade investments in the following companies:

★ Addworth plc	Active capital investment company
★ African Platinum plc	Platinum group metals in Southern Africa www.afplats.com
★ Agricola Resources plc	Platinum and uranium exploration www.agricolaresources.com
★ Belmore Resources (Holdings) plc	Zinc exploration in Eire and Northern 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 and Australia www.blackrockoil.com
★ Brazilian Diamonds Limited	Diamond exploration in Brazil www.braziliandiamonds.com
★ Carpathian Resources Limited	Oil and gas exploration in Central Europe www.carpathian.com.au
★ Concorde Oil & Gas plc	Operational oil and gas projects in the Russian Federation
★ The Core Business plc	Personal care and beauty products
★ Franchise Investment Strategies plc	Franchise consultancy and investment www.fisplc.com
★ Franconia Minerals Corporation	North American minerals www.franconiaminerals.com

Investment portfolio continued

★ 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
★ Hidefield Gold plc	Gold exploration in North and South America www.hidefield.co.uk
★ India Star Energy plc	Oil and gas investments
★ Matisse Holdings plc	Cash shell
★ Myhome International plc	Domestic cleaning services www.myhomeplc.com
★ Red Rock Resources plc	Iron ore and manganese exploration in Australia www.rrrplc.com
★ Regency Mines plc	Copper & nickel exploration in Australia www.regency-mines.com
★ Sheba Exploration (UK) plc	Gold exploration in Ethiopia www.shebagold.com
★ St Helens Capital plc	Corporate finance advisor www.sthelenscapital.com

Copies of this interim report are available free of charge by application in writing to the Company Secretary at the Company's registered office, 123 Goldsworth Road, Woking, GU21 6LR, by email to email@starvest.co.uk or from the Company's website at www.starvest.co.uk.