



HALF-YEAR REPORT

six months ended 31 March 2007



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

CHAIRMAN'S STATEMENT

INVESTMENT REPORT

I am pleased to report a successful six months trading during which Starvest has achieved excellent results from which it intends to declare a special dividend of one penny per share to be paid on 20 June 2007.

- ◆ Pre-tax profit of £749,000 on turnover of £956,000; this includes a gross profit of £936,000 following the sale of part of the holding in African Platinum plc.
- ◆ Basic earnings of 1.41 pence per share; fully diluted earnings of 1.23 pence per share.
- ◆ 27% increase in the value of trade investments of £3.3m since 30 September 2006 to **£15.4m** at 31 March 2007.
- ◆ Fully diluted underlying net asset value per share was **37.7 pence** at 31 March 2007 when the Company's share price discount to net asset value was 29.7%.

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

- ◆ Share price increase of 56% since 30 September 2006 from 17 pence to 26.5 pence.
- ◆ 31 March 2007 cash balance of £1.128m
- ◆ Closing market capitalisation £9.7m.
- ◆ Unrealised profits as at 31 March 2007 of £12.2m before tax, up from £8.9m at 30 September 2006, a 37% increase.

Other matters of interest are:

- ◆ To provide further cash for investment and in view of the significant share price

discount to net asset value, in November 2006 the Company arranged a secured loan of £1m on commercial terms for a period of one year renewable.

- ◆ The above facility has given the Company the resources to make further investments as follows:
 - ◆ Kefi Minerals plc - mineral exploration interests in Bulgaria and Turkey;
 - ◆ DTT plc - driver training and recruitment services to the road haulage industry;
 - ◆ Oracle Coalfields plc - coal mining in Pakistan;
 - ◆ Red Rock Resources plc - mineral exploration in Australia and Zambia - additional.
- ◆ A significant development during the period concerns African Platinum plc ("Afplats") a company exploring for platinum group metals in Southern Africa in which the Company invested £100,000 for 10m shares prior to the company being admitted to AIM in May 2002. In addition, the Company acquired warrants exercisable at 1p per share over a further 10m shares. On 16 February 2007, Impala Platinum Holdings Limited ("Implats") announced a recommended cash offer for the entire issued share capital of Afplats. Having exercised all warrants and sold 10,750,000 Afplats shares at various times in the past, on 16 February 2007 the Company held 9,250,000 Afplats shares. Of these, the Company has sold a further 1,000,000 shares. Assuming the offer will be successful, that the Company expects to receive further cash of £4,537,500 in

June 2007; after tax, this will provide substantial cash resources for future investment including share buy-backs, and dividends.

- ◆ 500,000 shares bought for treasury at 17 pence per share.
- ◆ Starvest now holds investments in twenty-seven companies of which seventeen are traded on AIM, nine on PLUS Markets and one on the Toronto exchange. The companies are listed on the back coverpage of this report. The Board continues to be most satisfied with progress in its portfolio of investments.

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.

DIVIDENDS AND SHARE BUY-BACK

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.

On 16 January 2007 the Company purchased 500,000 of its own shares in the market at a price of 17 pence per share. It remains the Company's intention to make further purchases as profits and cash resources permit.

In addition, the Board has declared a special dividend at the rate of one penny per share to be paid to Shareholders on the register at the

close of business on 25 May 2007 with payment being made on 20 June 2007. This dividend represents a yield of 3.77% based on the closing share price on 2 April 2007.

The Board will consider future dividends in the context of the resources and investment opportunities available at the time.

FURTHER INFORMATION

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. Previous reports, quarterly updates and announcements are available from the site.

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 July 2007.

R Bruce Rowan
Chairman & Chief Executive

12 April 2007

PROFIT & LOSS ACCOUNT

	6 months to 31 March 2007 Unaudited £,000	6 months to 31 January 2006 Unaudited £,000	Period 1 August 2005 to 30 September 2006 Audited £,000
Operating income	956	203	1,699
Direct costs	(55)	(5)	(97)
Gross profit	901	198	1,602
Administrative expenses	(128)	(146)	(267)
Operating profit on ordinary activities	773	52	1,335
Interest receivable	9	-	7
Interest payable	(33)	(2)	(4)
Profit on ordinary activities before taxation	749	50	1,338
Tax on profit on ordinary activities	(225)	(10)	(400)
Profit on ordinary activities after taxation	524	40	938
Retained profit for the period	524	40	938
Earnings per share - see note 4			
Basic	1.41 pence	0.11 pence	2.5 pence
Fully diluted	1.23 pence	0.09 pence	2.2 pence

BALANCE SHEET

	6 months to 31 March 2007 Unaudited £,000	6 months to 31 January 2006 Unaudited £,000	Period 1 August 2005 to 30 September 2006 Audited £,000
Fixed assets	0	0	0
Current assets			
Debtors	10	227	108
Trading investments - <i>see note 2</i>	3,590	2,289	3,083
Cash at bank and in hand	1,128	-	-
	4,728	2,516	3,191
Creditors - amounts falling due within one year			
Other creditors	(1,653)	(777)	(554)
Net current assets	3,075	1,739	2,637
Total assets less current liabilities	3,075	1,739	2,637
Capital and reserves			
Called up share capital	372	372	372
Share premium account	2,026	2,026	2,026
Profit and loss account	677	(659)	239
Equity shareholders' funds	3,075	1,739	2,637

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	6 months to 31 March 2007 Unaudited £,000	6 months to 31 January 2006 Unaudited £,000	Period 1 August 2005 to 30 September 2006 Audited £,000
Total recognised profits relating to the period	524	40	938
Purchase of own shares for Treasury - <i>see note 3</i>	(86)	-	-
Increase in shareholders' funds	438	40	938
Opening shareholders' funds	2,637	1,699	1,699
Closing shareholders' funds	3,075	1,739	2,637

HALF-YEAR REPORT NOTES

1. HALF-YEAR REPORT

The information relating to the six month periods to 31 March 2007 and 31 January 2006 is unaudited.

The information relating to the period ended 30 September 2006 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 by the Company in the statutory accounts for the fourteen month period ended 30 September 2006, although the information does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The Company will report again for the full year to 30 September 2007.

With one exception, the Company's investments at 31 March 2007 are valued at the lower of cost or mid market value. The exception relates to Concorde Oil & Gas plc which, as a matter of prudence, has been valued at 50% against the closing price on 24 November 2006 the date on which trading in the shares was suspended at the request of the company.

3. SHARE BUY BACK

On 16 January 2007, the Company bought 500,000 of its own shares at a price of 17 pence to be held in Treasury. Shareholders' funds were reduced by £85,851.

4. EARNINGS PER SHARE

	6 months to 31 March 2007 Unaudited £,000	6 months to 31 January 2006 Unaudited £,000	Period 1 August 2005 to 30 September 2006 Audited £,000
These have been calculated on a profit of:	524	40	938
The weighted average number of shares used was:	37,022,204	37,217,259	37,217,259
The weighted average number of shares and outstanding options used was:	42,597,204	42,792,259	42,792,259
Basic profit per share:	1.41 pence	0.11 pence	2.5 pence
Fully diluted profit per share:	1.23 pence	0.09 pence	2.2 pence

INVESTMENT PORTFOLIO

Starvest now holds trade investments in the following companies:

* Addworth plc	Active capital investment company www.addworth.co.uk
* 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 & 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 & Australia www.blackrockoil.com
* Brazilian Diamonds Limited	Diamond exploration in Brazil www.braziliandiamonds.com
* Carpathian Resources Limited	Oil and gas in the Central Europe www.carpathian.com.au
* Concorde Oil & Gas plc	Operational oil & gas projects in the Russian Federation
* 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
* Franchise Investment Strategies plc	Franchise consultancy and investment
* 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
* Greatland Gold Limited	Gold exploration in Western Australia and Tasmania www.greatlandgold.com
* Hidefield Gold plc	Gold exploration in North and South America www.hidefield.co.uk
* India Star Energy plc	Oil & gas investments
* Kefi Minerals plc	Mineral exploration in Bulgaria and Turkey
* Matisse Holdings plc	Cash shell

* Myhome International plc	Domestic 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 and Zambia; uranium exploration in Malawi www.rrrplc.com
* Regency Mines plc	Copper & nickel exploration in Australia and 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.co.uk
* Sunrise Diamonds plc	Diamond exploration in Finland www.sunrisediamonds.com

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
Telephone: 01483 771992
Facsimile: 01483 772087

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

Registered number 3981468

Expected financial timetable

Chairman's quarterly update at 30 June 2007 by mid July 2007
Annual result announcement for year to 30 September 2007: by end October 2007
Annual general meeting by mid December 2007

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

Nominated advisor

Grant Thornton Corporate Finance
Telephone: 020 7383 5100

Broker

Simple Investments
Telephone: 01483 413500

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.