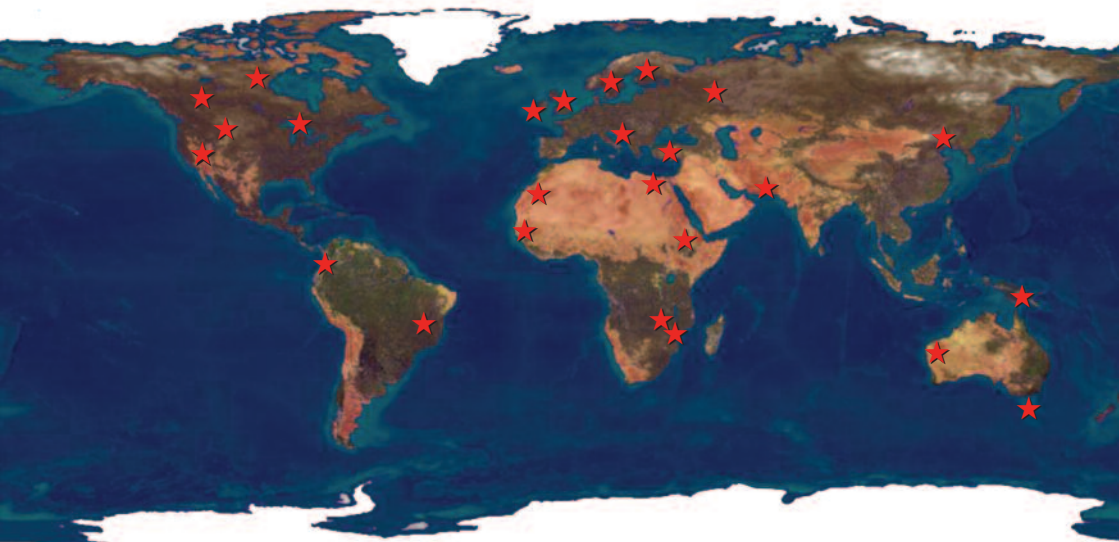


Half-Year Report

six months ended 31 March

2008



Extensive portfolio now holding 34 global investments



www.starvest.co.uk

AIM EPIC: SVE

CHAIRMAN'S STATEMENT

INVESTMENT REPORT

As announced on 1 April, the past months have been challenging, particularly during March when market sentiment and small volume selling have adversely impacted the share prices of most of the companies in which Starvest is invested. The overall asset valuation has fallen to £11.5m, the level declared at 30 September 2006. This is disappointing but not unexpected in the current climate. Furthermore, it is entirely possible that the value will fall further prior to an improvement in sentiment.

More importantly, in spite of the decline in the net asset values, the Board has confidence in the business plans and management of its investee companies; as market conditions improve, the Board expects that market prices will recover. This is particularly true of the majority of investee companies with mineral exploration activities; these continue to make advances in their discoveries of minerals and in developing their resources to take advantage of buoyant market conditions. Minerals continue to be in high demand by emerging economies, a fact which is unlikely to change in the medium term.

Against this background, the Board is satisfied with the investments currently held.

OTHER POINTS OF NOTE DURING THE HALF YEAR:

- ◆ The net asset values are pre tax and based on mid-market closing prices on Monday 31 March 2008 or, in two cases, the Directors' lower valuation.
- ◆ The share price discount to net asset value widened to 45% as at 31 March, a level of discount not seen since the first quarter of 2007.

- ◆ Starvest has added to its investments in three AIM quoted mineral exploration ventures, Alba Mineral Resources plc, Lisungwe plc and Ariana Resources plc; in addition, the Company has made a small investment in PLUS quoted CAP Energy plc and a further investment in Lotus Resources plc.
- ◆ The loss on ordinary activities before taxation for the period amounted to £672,206 (2007: profit of £748,670). The loss includes administrative expenses amounting to £153,380 and an impairment charge of £547,088 to reflect the unrealised losses on some investments.
- ◆ Unrealised profits as at 31 March 2008: £6.6m (2007: £12.2m) before tax.
- ◆ Basic loss of 1.9 pence per share (2007: earnings of 1.41 pence per share); fully diluted loss of 1.7 pence per share (2007: earnings of 1.23 pence per share).
- ◆ Starvest now holds investments in thirty-four companies of which eighteen are traded on AIM, eleven on PLUS Markets, one on the Toronto exchange and one on the North American Pink Sheets; a further investee company is expecting to become PLUS quoted during the current quarter and two others have suspended their quotations. The companies are listed on pages 9 to 11 of this report. Given market conditions, the Board continues to be 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

COMPANY STATISTICS

	31 March 2008	Change since 31 March 2007	31 December 2007	31 March 2007
Portfolio net asset value	£11.5m	-25%	£15.2m	£15.4m
Net asset value – basic per share	33.01p	-21%	43.63p	41.8p
Net asset value – fully diluted per share	29.9p	-21%	39.06p	37.7p
Share price	16.25p	-38%	24.25p	26.5p
Share price discount to fully diluted net asset value	45.6%	+15.9 points	37.92%	29.7%
Market capitalisation	£5.67m	-£4.03	£8.46m	£9.7m

with the Company's medium to long term investment strategy.

DIVIDENDS AND SHARE BUY-BACK

The Board will consider the payment of a dividend for the current year when the results for the full year are known after 30 September 2008; there is no intention of repeating the payment of a special dividend as in June 2007 following the exceptional profits arising from the successful disposal of African Platinum plc.

At the beginning of the period, the Board had authority to purchase up to 3,550,000 of its own shares. On 22 November 2007 the Company purchased 250,000 of its own shares in the market at an average price of 29.1 pence per share.

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 2008.

R Bruce Rowan
Chairman & Chief Executive

21 April 2008

PROFIT & LOSS ACCOUNT

	6 months to 31 March 2008 Unaudited £	6 months to 31 March 2007 Unaudited £	Year ended 30 September 2007 Audited £
Operating income	16,716	956,567	5,494,067
Direct costs	(15,430)	(54,974)	(177,924)
Gross profit	1,286	901,593	5,316,143
Administrative expenses	(153,380)	(128,726)	(272,076)
Impairment of trade investments	(547,088)	-	-
Operating (loss)/profit on ordinary activities	(699,182)	772,867	5,044,067
Interest receivable	72,728	9,268	71,114
Interest payable	(45,752)	(33,465)	(84,413)
(Loss)/profit on ordinary activities before taxation	(672,206)	748,670	5,030,768
Tax on profit on ordinary activities	-	(225,000)	(1,505,236)
(Loss)/profit on ordinary activities after taxation	(672,206)	523,670	3,525,532
(Loss)/earnings per share - see note 4			
Basic	(1.9) pence	1.4 pence	9.6 pence
Fully diluted	(1.7) pence	1.2 pence	8.8 pence

BALANCE SHEET

	6 months to 31 March 2008 Unaudited £	6 months to 31 March 2007 Unaudited £	Year ended 30 September 2007 Audited £
Fixed assets	-	-	-
Current assets			
Debtors	31,980	10,370	10,257
Trading investments - <i>see note 2</i>	5,499,136	3,590,082	4,750,185
Cash at bank and in hand	1,341,142	1,127,660	3,006,588
	6,872,258	4,728,112	7,767,030
Creditors - amounts falling due within one year			
Other creditors	(2,574,467)	(1,652,860)	(2,548,969)
Net current assets	4,297,791	3,075,252	5,218,061
Total assets less current liabilities	4,297,791	3,075,252	5,218,061
Capital and reserves			
Called up share capital	372,173	372,173	372,173
Share premium account	2,026,396	2,026,396	2,026,396
Profit and loss account	1,899,222	676,683	2,819,492
Equity shareholders' funds	4,297,791	3,075,252	5,218,061

CASH FLOW STATEMENT

	6 months to 31 March 2008 Unaudited £	6 months to 31 March 2007 Unaudited £	Year ended 30 September 2007 Audited £
Net cash (outflow)/inflow from operating activities	(1,443,358)	361,491	3,484,305
Returns on investment and servicing of finance:			
Interest receivable	72,728	9,268	71,114
Interest payable	(45,752)	(33,465)	(84,413)
	26,976	(24,197)	(13,299)
Taxation paid	-	-	(395,880)
Equity dividends paid	(175,586)	-	(367,172)
	(175,586)	-	(763,052)
Financing			
Company shares repurchased	(73,478)	(86,000)	(577,732)
New short term loan	-	1,000,000	1,000,000
	(73,478)	914,000	422,268
(Decrease)/increase in cash in the period	(1,665,446)	1,251,294	3,130,222
Opening cash balance brought forward	3,006,588	(123,634)	(123,634)
Closing cash balance	1,341,142	1,127,660	3,006,588

MOVEMENT ON EQUITY SHAREHOLDERS' FUNDS

	6 months to 31 March 2008 Unaudited £	6 months to 31 March 2007 Unaudited £	Year ended 30 September 2007 Audited £
Total recognised (loss)/profits relating to the period	(672,206)	523,670	3,525,532
Dividend paid	(175,586)	-	(367,172)
Purchase of own shares for Treasury - see note 3	(73,478)	(85,851)	(577,732)
(Decrease)/increase in shareholders' funds	(921,270)	437,819	2,580,628
Opening shareholders' funds	5,218,061	2,637,433	2,637,433
Closing shareholders' funds	4,296,791	3,075,252	5,218,061

INTERIM REPORT NOTES

1. INTERIM REPORT

The information relating to the six month periods to 31 March 2008 and 31 March 2007 is unaudited.

The information relating to the year ended 30 September 2007 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 accordance with UK GAAP for the statutory accounts for the year ended 30 September 2007, 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 2008.

The Company's investments at 31 March 2008 are valued at the lower of cost or mid market value or, in two instances, at a lower Directors' valuation.

3. SHARE BUY BACK

On 22 November 2007, the Company bought 250,000 of its own shares at an average price of 29.1 pence to be held in Treasury. Shareholders' funds were reduced by £73,478.

4. EARNINGS PER SHARE

These have been calculated on a (loss)/profit of:

The weighted average number of shares used was:

Basic (loss)/profit per share:

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

Fully diluted (loss)/profit per share:

	6 months to 31 March 2008 Unaudited £	6 months to 31 March 2007 Unaudited £	Year ended 30 September 2007 Audited £
(672,206)	523,670	3,525,532	
34,997,860	37,022,204	36,608,492	
(1.9) pence	1.4 pence	9.6 pence	
40,572,860	42,597,204	40,229,710	
(1.7) pence	1.2 pence	8.8 pence	

INVESTMENT PORTFOLIO

Starvest now holds trade investments in the following companies:

* Addworth plc	Active capital investment company www.addworth.co.uk
* Alba Mineral Resources plc	Nickel, uranium & gold in Scotland, Mauritania, Sweden and Ireland www.albamineralresources.com
* Agricola Resources plc	Platinum and uranium exploration www.agricolaresources.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 Colombia www.blackrockoil.com
* Brazilian Diamonds Limited	Diamond exploration in Brazil www.braziliandiamonds.com
* CAP Energy plc	Oil and gas production in North America www.capenergy.co.uk
* Carpathian Resources Limited	Oil and gas exploration in 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

INVESTMENT PORTFOLIO continued

* DTT plc	Driver training and recruitment services to the road haulage industry www.dtt-driving.co.uk
* Equity Resources plc	Investment holding 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 and molybdenum in Canada and Zambia www.goliathresources.com
* Greatland Gold Limited	Gold exploration in Western Australia and Tasmania www.greatlandgold.com
* Guild Acquisitions plc	Investment holding company
* Hidefield Gold plc	Gold exploration in North and South America www.hidefield.co.uk
* India Star Energy plc	Oil and gas investments
* Kefi Minerals plc	Mineral exploration in Turkey www.kefi-minerals.com
* Lisungwe plc	Nickel, uranium and gold in Malawi www.lisungwe.com

INVESTMENT PORTFOLIO continued

* Lotus Resources plc	Mineral exploration in China www.lotus-resources.com
* 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 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.com
* Sunrise Diamonds plc	Diamond exploration in Finland www.sunrisediamonds.com
* Treslow Limited	Copper and nickel in Ontario, Canada



COMPANY INFORMATION

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

Secretary John Watkins, FCA

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GU9 7EN
Tel: 01252 821390

Nominated advisor

Grant Thornton Corporate Finance
Telephone: 020 7383 5100

Expected financial timetable

Chairman's quarterly update at 30 June 2008:
by mid July 2008

Annual result announcement for year to
30 September 2008: by end October 2008

Annual general meeting by mid December 2008

LSE – EPIC code SVE

Share price information

Financial Times
Evening Standard
The Times
www.prices.londonstockexchange.com
www.starvest.co.uk

Company announcements

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

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.