

Half Yearly Report

30 December 2008
St Peter Port Capital Limited
30 December 2008

Interim Results for the Six Months Ended 30 September 2008

St Peter Port Capital Limited ("the Company" or "St Peter Port"), the AIM listed investment company whose aim is to generate value by investing in growth companies shortly before an initial public offering ("IPO") ("pre-IPO companies"), announces its interim results for the six months ended 30 September 2008.

Highlights

- Invested in 41 pre-IPO companies at period end
- 5 pre-IPO investments wholly realised, some others partly
- NAV of 105.6p per share, up 8.2% since flotation

- Profit of £2.34m (2007 H1 £0.02 million), EPS of 3.12 pence (2007 H1: 0.02p)
- Realised nearly £21 million in cash from pre-IPO investments in 2008/9, generating a gain on investment of 51%
- £22.5 million currently available to invest in pre-IPO opportunities

Bob Morton, Chairman of St Peter Port, said:

"The Board is pleased to see successful realisations which have generated significant gains. The Company has a substantial cash balance available for investment and is looking for keenly priced opportunities."

Tim Childs, Chief Executive of St Peter Port Investment Management Limited, said:

"Given market conditions, our focus has naturally shifted from expecting to see an IPO within twelve months to a different form of short term exit. We are also looking at deals across a much wider range of sectors. Finally, we are also looking at already quoted companies where the equity value has been heavily eroded by the current market malaise. Our intention is only to deploy our cash where we believe we are striking an exceptional deal."

For further information:

St Peter Port Capital Limited

Peter Griffin - 01481 751000

St Peter Port Investment Management Limited

Tim Childs - 020 7877 5064 / Graham Shore - 020 7408 4090

Citigate Dewe Rogerson

Angharad Couch/ Lindsay Noton - 020 7638 9571

Deloitte Corporate Finance - Nominated Adviser

Jonathan Hinton / James Lewis - 020 7936 3000

Shore Capital Stockbrokers Limited - Broker

Dru Danford - 020 7408 4090

Notes for Editors

St Peter Port Capital Limited floated on AIM on 16 April 2007, raising £75 million in new equity. The Company is a Guernsey registered closed-ended investment company. The Company's objective is to achieve returns from the uplift on or shortly after IPO, but the exit from the investment could also be a trade sale. The universe for investment is principally companies across a broad range of sectors and geography expecting to conduct an IPO in the months after the Company's investment. The initial focus is on companies targeting UK, US and Commonwealth stock markets although pre-IPO companies looking to float on other exchanges will also be considered. The Company appointed St Peter Port Investment Management Limited, a joint venture between Broughton Investments Group Limited ("Broughton"), a company in which Tim Childs is interested, and Shore Capital Limited ("Shore Capital"), the absolute return fund management specialist which currently manages approximately £1.5 billion, to act as its investment manager ("the Investment Manager").

Chairman's Statement

Introduction

I am pleased to report upon the six months ended 30 September 2008 which saw our first significant realisations. The comparative period in the previous year saw the launch of the Company (it was admitted to AIM on 16 April 2007 and made its first pre-IPO investments in May 2007) and comparisons need to be understood in that light.

Investment Strategy

Since inception, the Company has weighted its investments principally towards three sectors: oil and gas exploration and production companies, mining and the resource sector and renewable energy/clean technology. This focus reflects two factors: the thrust of pre-IPO opportunities identified by the Investment Manager from introducers in the investment industry; and the Investment Manager's perception of what kinds of company could be expected to make it to a successful IPO or exit through a trade sale when sentiment was adverse and becoming progressively more adverse. These investments reflect the Company's investment strategy of building a diversified portfolio of growing small to mid-sized companies which are seeking to achieve an IPO within a reasonably short time horizon.

The intention set out in the Company's admission document was to build a portfolio of investments of approximately forty companies over twelve to eighteen months. The Investment Manager is mandated to manage the Company's portfolio actively in order to enhance returns, with an emphasis on realising gains in the medium term. The intention is to re-invest the proceeds of realisations into new pre-IPO investments.

Progress to Date

The Company has invested £14.9 million in a further nine companies during the period. This was in addition to the portfolio of 32 pre-IPO investments held at the year end. In total, the Company has made gross pre-IPO investments of £68.6 million.

In the same period of six months, the Company realised close to £21 million through disposals. We wholly realised five investments and partially/substantially realised a number of others.

Financial Results

The Company values its holdings in accordance with IPEVC, an international guideline for valuing unquoted investments, which requires the Board to seek to determine the fair market value of each investment held (see note 1). Where companies are already quoted, their shares have been valued at the bid price. In the case of a number of unquoted companies, the value was adjusted to reflect known re-pricing (e.g. from a grey market), a later round of investment or an event which the Directors believe is likely to have had a material effect on valuation. In those elements of the portfolio where there had not, by the period end, been any event which would provide an external indication of value, the Board decided that cost was a fair guide to market value. However, in the case of those investments made in foreign currency, their value has been adjusted to reflect differences in exchange rates between the date of investment and the period end.

The income statement for the period shows that the Company made a profit of £2.3 million, (2007 H1: £0.02 million). This gain reflects a combination of profits on disposals, gains on revaluation and a smaller contribution from interest income (reflecting a higher deployment in pre-IPO investments), less operating expenses. The gains on revaluation are largely the result of our holdings of non-sterling investments on which we have achieved a substantial currency gain because of sterling's depreciation. As discussed above, investments have been marked to market where possible and otherwise adjusted to reflect known circumstances of the companies at the balance sheet date.

The balance sheet shows pre-IPO investments (including those which had a listing) of £55.0 million. At the period end, £5.6 million was held in hedge funds and £18.5 million was represented by cash or bank commercial paper and amounts due in settlement. Total assets were £79.4 million, giving a net asset value of 105.6p per share. Net assets have grown by 8.2 per cent since flotation and grew by 3.0 per cent from 31 March 2008 to 30 September 2008.

Beginning in March 2008 (i.e. before the start of the period under review), the Company has realised £21.0 million from disposals of pre-IPO investments. Some of these disposals (£7.0 million) have been the result of takeovers of investor companies, some have been disposals after flotation (£12.9 million) and the balance (£1.1 million) has been the result of the sale of unquoted stock and partial repayment of a loan. The turmoil in capital markets during the last quarter of 2008 has delayed or prevented any further disposals since.

These realisations (ignoring the partial loan repayment) have generated a gain of £6.8 million, being 51 per cent on cost.

During the period under review and since the balance sheet date the Company has redeemed nearly all hedge fund holdings. At the time of writing, it has only one reduced holding in a third party fund of funds product subject to staged redemption arrangements.

As at 22 December 2008, as a result of realisations, the Company held approximately £22.5 million in cash and other liquid assets which is available for investment into suitable pre-IPO opportunities.

Outlook

The Board is pleased to see successful realisations which have generated significant gains. The Company has a substantial cash balance available for investment and is looking for keenly priced opportunities.

Bob Morton

Chairman

Investment Manager's Report

As stated in the Company's investment strategy at admission, the investments we have sought to make have been opportunistic rather than sectorally or regionally focused. As we have discussed in previous reports, the flow of introductions from brokers over the eighteen months from the Company's flotation weighted the portfolio towards three sectors: oil and gas (including enhanced recovery techniques); minerals including copper, gold, nickel, uranium, iodine and rarer elements; and environmentally friendly technologies including cleaner/more efficient ways of burning conventional fuels, second generation bio fuels and hydrogen technologies. These sectors account for the great majority of investments.

Many of the investments in these sectors are outside of the UK, and a significant proportion are sourced from brokers whose main business is outside the UK. Some had plans to list in North America (particularly Canada) or other markets rather than the UK. In all likelihood, as discussed below, many are now as likely to seek acquisition by a larger company rather than listing. We have provided details of these investments in earlier announcements.

Table 1 shows the breakdown of the pre-IPO investments by sector as at 30 September 2008:

Table 1

Investments by Sector as at 30 September 2008

Sector	Number	Cost £m	Value £m	Percentage of Value
Oil and Gas	9	16.69	16.26	29.55

Mining	14	23.17	24.18	43.95
Technology	2	3.00	3.00	5.45
Clean Tech	6	6.05	5.67	10.31
Other	5	5.48	5.91	10.74
Total	34	54.39	55.02	100.00

Investments During the Six Months

During the six months under review, we made nine further "pre-IPO" investments, two of which were follow-ons. In total we invested £14.9 million. In light of the current market conditions it would be more accurate to classify these investments as ones where we believed that we could make a realised return within a relatively short period. This might arise from a trade sale, repayment of a loan, or other exit event.

Two of these investments, Celadon Mining and Jordan Energy, were described in our final results in July. The others were:

- a US\$4.2 million investment in loan notes in Red Flat Nickel Corporation ("Red Flat Nickel"), in a complex deal. The investment offers the potential of a very substantial upside if further drilling and evaluation is positive and leads to a "liquidity event" such as trade sale. Red Flat Nickel controls two nickel laterite deposits in Oregon. The St Peter Port loan will fund exploration of deposits on the two fully owned tenements;

- a €3.2 million subscription for convertible loan notes in Providence Resources Plc ("Providence Resources"). Providence Resources is an Irish oil and gas company with substantial offshore exploration interests in Ireland, further offshore interests in Nigeria and (largely producing) onshore and offshore assets in the UK and USA. Providence is listed in Ireland and on AIM; the convertibles are currently listed in the Cayman Islands;
- a US\$2 million subscription for common shares in CEP International Petroleum Limited ("CEP"). CEP is a Canadian-based oil and gas exploration company. It owns 42.5 per cent of two exploration licences in the western part of the Kamchatka peninsula in Eastern Russia, where its major partner is the Korean National Oil Corporation. A third exploration licence has been recently acquired in the same region;
- a further investment of C\$1.6 million for ordinary shares in Enhanced Oil Resources Inc ("EOR"). EOR is the owner/operator of St. Johns Helium/CO2 field in Arizona and New Mexico, which it believes to be the largest undeveloped field of helium and CO2 in North America. The company is focused on its own production of oil via enhanced oil recovery processes using CO2 injection in the USA and has acquired suitable depleted oil properties in west Texas. The company is also developing production of helium and carbon dioxide to sell to third parties;
- a £750,000 loan to China Molybdenum Limited ("China Moly"), in addition to our earlier investment in ordinary shares of 3 million. China Moly had acquired high grade molybdenum and nickel mining assets near Zhangjiaie City, Hunan Province, China. Molybdenum steel alloys provide heat and corrosion resistance and are commonly used when constructing oil rigs and pipe lines and for making precision cutting tools;
- a US\$2 million subscription for common shares in Latin Gold Limited ("Latin Gold"). The company has acquired mineral rights to a previously mined area where low-tech artisanal miners (with whom the company has made an agreement) have produced an estimated (by the company) 4.5m oz from soils over the last 11 years. These artisanal miners have generated 65 million tonnes of tailings (spoil),

which the company has found to contain an attractively high residual gold content; Latin Gold plans to extract this industrially. The licensed area also has significant exploration potential in the hard rock below the artisanal workings; and

- a £2.25 million subscription for ordinary shares and warrants in Nusantara Energy Plc ("Nusantara"). Nusantara is developing a large deposit (at least 300 million tonnes) of thermal coal in Sumatra, Indonesia and seeking to acquire further coal interests in Sumatra. Following an extensive drilling programme, Nusantara has identified the potential resource as high quality coal in thick seams very close to the surface. The location of this coal makes it ideal to supply the market for coal-fired power generation in South East Asia, where demand is strong. Nusantara is currently in discussions which may lead to a sale of the company itself or its interests.

In addition to these investments, the Company has exercised its put option in relation to a holding of Emerald Bio-Energy Limited. In consideration, it has received £0.9 million in cash with £3.1 million (being the balance of the put option consideration due) being converted into a loan to Fibregen plc (the recipient of the put option over the Company's holding in Emerald Bio-Energy Limited) bearing 10% interest and repayable in full at the end of July 2009. In addition, and as security for the balance payable, Fibregen plc transferred to the Company its holdings in two pre-IPO investments, HaloSource Inc. ("HaloSource") and Waipuna Limited ("Waipuna"). HaloSource is a US-based company with a leading technology for purification of water at point of use. Waipuna is a New Zealand-based company focused on sales in Europe, which has developed a non-pesticide weed controller, certified for use in organic agriculture.

Realisations During the Six Months

The realisations made during the six months came to £21.0 million. The following holdings were fully realised during the period:

Cadogan Petroleum Limited	Disposal following flotation
Iofina plc	Disposal following flotation

Petaquilla Copper Limited	Taken over
River Diamonds Limited	Disposal following reverse
Torbanite One Limited	Taken over - MBO

In addition to these, much the greater part of the holding in Panceltica Holdings Limited was sold in the months following its flotation. We also sold a much smaller percentage of two other holdings.

Commentary on Other Significant Developments

St Peter Port invested US\$7.5 million in equity in Rock Well Petroleum Inc ("Rock Well") in August 2007. This company uses novel techniques to recover oil from otherwise depleted oil wells and at the point of investment its prospects seemed promising. In June 2008, Rock Well sought to float on the London Stock Exchange but the flotation was aborted in July. Reflecting this, we have written our holding down to the level at which we understood that Rock Well was seeking new finance.

We were recently informed that Develica Asia Pacific, in which we invested US\$3.75 million in August 2007, is likely to have suffered a decline in Net Asset Value. This information related to the period after 30 September 2008 and is therefore not reflected in the interim accounts. In the last month, the price of Panceltica Limited has also been very weak, reflecting business problems, but fortunately we retain only a residual holding.

Against these problems, there are also companies in the portfolio which are doing better than expected and which should show significant uplifts. We look forward to reporting upon these in due course.

Pipeline and Focus

We continue to see a strong flow of deals. Given market conditions, our focus has naturally shifted from expecting to see an IPO within twelve months to a different form of short term exit. This might be a loan repayment with a "kicker" (such as we agreed for Red Flat Nickel) or a take-out by a purchaser. We are also looking at deals across a much wider range of sectors. Finally, we are also looking at already quoted companies where the equity value has been heavily eroded by the current market malaise. Our intention is only to deploy our cash where we believe we are striking an exceptional deal.

Tim Childs

St Peter Port Investment Management Limited

CONDENSED BALANCE SHEET

AS AT 30 SEPTEMBER 2008

		As at 30 September 2008	As at 31 March 2008	As at 30 September 2007
	Notes	(unaudited) £ 000's	(audited) £ 000's	(unaudited) £ 000's
Assets				
Current assets				
Financial assets designated at fair value through profit or loss	3	60,634	64,683	66,500
Trade and other receivables		218	4,866	225
Cash and cash equivalents		18,517	7,499	6,691
Total assets		79,369	77,048	73,416
Equity				
Capital and reserves attributable to equity holders of the company				
Share capital	4	-	-	-
Share premium		-	-	-
Special reserve		73,148	73,148	73,148
Retained earnings		6,032	3,689	16
Total Equity		79,180	76,837	73,164
Liabilities				
Current liabilities				
Trade and other payables		189	211	252
Total current liabilities		189	211	252
Total liabilities		189	211	252
Total equity and liabilities		79,369	77,048	73,416

Net asset value per share (pence per share)	5	105.57p	102.45p	97.55p
---	---	---------	---------	--------

These financial statements are unaudited and are not the Company's statutory financial statements.

The notes below form an integral part of this condensed interim financial information.

CONDENSED INCOME STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Period ended 6 March 2007	Period ended 30 September to 31 March 2008	Period ended 30 September 2007
	Notes (unaudited)	(audited)	(unaudited)
	£ 000's	£ 000's	£ 000's
Net investment income	3,117	4,566	11
Operating expenses	(1,127)	(1,583)	(586)
Operating gain/(loss)	1,990	2,983	(575)

Finance income		357	708	594
Finance costs		(4)	(2)	(3)
Profit for the period		2,343	3,689	16
Attributable to:				
- equity holders of the company		2,343	3,689	16
Earnings per share for profit attributable to the equity holders of the company (pence per share)	2	3.12p	4.92p	0.02p

These financial statements are unaudited and are not the Company's statutory financial statements.

The notes below form an integral part of this condensed interim financial information.

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Period ended 30 September 2008			
	Share Premium £ 000	Special Reserve £ 000	Revenue Reserve £ 000	Total Equity £ 000
Profit for the period	-	-	2,343	2,343
Total recognised profit for the period-		-	2,343	2,343
Balance at 31 March 2008	-	73,148	3,689	76,837
Balance at 30 September 2008	-	73,148	6,032	79,180

	Period from 6 March 2007 to 31 March 2008			
	Share Premium £ 000	Special Reserve £ 000	Revenue Reserve £ 000	Total Equity £ 000
Profit for the period	-	-	3,689	3,689
Total recognised profit for the period-		-	3,689	3,689
Proceeds from shares issued	75,000	-	-	75,000
Expenses of share issues	(1,852)	-	-	(1,852)
Transfer to special reserve	(73,148)	73,148	-	-
Balance at 31 March 2008	-	73,148	3,689	76,837

	Period ended 30 September 2007			
	Share Premium £ 000	Special Reserve £ 000	Revenue Reserve £ 000	Total Equity £ 000
Profit for the period	-	-	16	16
Total recognised profit for the period-		-	16	16
Proceeds from shares issued	75,000	-	-	75,000

Expenses of share issues	(1,852)	-	-	(1,852)
Transfer to special reserve	(73,148)	73,148	-	-
Balance at 30 September 2007	-	73,148	16	73,164

These financial statements are unaudited and are not the Company's statutory financial statements.

The notes below form an integral part of this condensed interim financial information.

CONDENSED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2008

	Period ended 6 March 2007	Period ended 30 September 2008	Period ended 31 March 2008	Period ended 30 September 2007
	(unaudited)	(unaudited)	(audited)	(unaudited)
	£ 000's	£ 000's	£ 000's	£ 000's
Cash flows from operating activities continuing operations	(717)	(792)	(792)	(26)
Net Cash (used in)/generated from operating activities	(717)	(792)	(792)	(26)
Cash flows from investing activities				

Sales of investments	26,382	34,755	-
Purchases of investments	(14,647)	(99,612)	(66,431)
Cash flows from investing activities	11,735	(64,857)	(66,431)
Cash flows from financing activities			
- issue of shares	-	75,000	75,000
- initial costs taken directly to reserves	-	(1,852)	(1,852)
Cash flows from financing activities	-	73,148	73,148
Cash and cash equivalents at beginning of period	7,499	-	-
Cash and cash equivalents at end of period	18,517	7,499	6,691

These financial statements are unaudited and are not the Company's statutory financial statements.

The notes below form an integral part of this condensed interim financial information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2008

1. GENERAL INFORMATION

These unaudited interim financial statements, which have not been reviewed by an independent auditor, have been prepared in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). These interim financial statements have adopted the same accounting policies, presentation and methods of computation as the last financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ("IFRIC") and applicable legal and regulatory requirements of Guernsey Law.

2. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit from continuing operations for the period and on 75,000,000 shares being the weighted average number of shares in issue during the period. There is no difference between basic earnings per share and diluted earnings per share.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Designated at fair value through profit or loss

Historic Cost Market value Historic Market value Historic CostMarket value

	at	Cost	at	30	at
	30 September	30 September	31 March	31 March	30 September
	2008	2008	2008	2008	2007
	£'000	£'000	£'000	£'000	£'000
Listed equity securities	6,929	3,788	12,536	13,240	5,802
Unlisted equity securities	40,023	44,583	36,542	40,238	28,399
Unlisted debt securities	6,538	6,626	2,500	2,500	-
Hedge Funds	6,084	5,637	8,728	8,705	32,231
Total financial assets designated at fair value through profit or loss	59,574	60,634	60,306	64,683	66,432
					66,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2008 (continued)

4. SHARE CAPITAL

Founder Shares	30 September	31 March	30 September
	2008	2008	2007
	£ 000's	£ 000's	£ 000's
10,000 Founder Shares of £0.01 each authorised issued and fully paid	-	-	-

Founder Shares have been created to facilitate the payment of carried interest. This performance based interest is calculated by reference to Absolute Shareholder Returns of the Company from Admission to the Alternative Investment Market of the London Stock Exchange. The carried interest will be paid by way of dividend on the Founder Shares subject to two conditions: first that the average middle market closing price of an Ordinary Share on the 30 dealing days before the last day of the previous accounting period (the "Benchmark Price") exceeds the Benchmark Price for all prior periods; and second that Absolute Returns exceed 8 per cent per annum (non-compounded) of the subscribed ordinary share capital of the Company

Ordinary Shares

There are an unlimited number of ordinary shares of nil par value authorised. At the balance sheet date 75,000,000 have been issued and fully paid.

The Ordinary shares do not carry any right to fixed income.

5. NET ASSET VALUE PER SHARE

	30 September 2008	31 March 2008	30 September 2007
	£ 000's	£ 000's	£ 000's
Net Asset Value	79,180	76,837	73,164
Average number of Ordinary Shares in issue	75,000	75,000	75,000
Net Asset Value per Ordinary Share (pence per share)	105.57p	102.45p	97.55p

The Net Asset Value per Ordinary Share is based on the Net Asset Value at the Balance Sheet date and on 75,000,000 Ordinary Shares being the average number of shares in issue during the year to date.

6. RELATED PARTY TRANSACTIONS

Related party transactions are described in the 2008 Annual Report and Accounts on page 23. There were no other related party transactions during the period ended 30 September 2008.

7. FURTHER INFORMATION

Copies of these interim results are available from the offices of Fortis, PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.