St Peter Port Capital Limited

INTERIM REPORT

for the period ended 30 September 2010

Contents

Highlights

- Investments in 40 pre-IPO companies at period end
- NAV of 92.9p per share, up 2.3% since 30 June 2010
- Period end NAV does not take into account IPO uplift of HRT in October 2010
- £16.0m realised since 22 July 2010 (£12.7m net of tax), generating a gain of 253% on these investments
- £39.1m realised since inception (£35.8m net of tax), generating a gain of 74% on these investments
- £16.3 million currently available to invest in pre-IPO opportunities

Bob Morton, Chairman of St Peter Port, said:

"In the current improved stock market conditions for commodity-related stocks a number of our pre-IPO investments have come to market or expect to come to market in the next six months. These developments offer the potential for further significant realisations, generally at a significant premium to our carrying cost. We hope to be able to report further progress in realisations when we next issue results."

Tim Childs, Investment Advisor to
St Peter Port Investment Management Limited, said:

"The improved climate for certain types of IPO and trade exits should enable us to have greater clarity on the potential for achieving significant uplifts and realisations from new investments. We are therefore considering further new investments, albeit with caution and due regard to the remaining life of the Company. However, our primary focus remains to harvest the results of our existing investments as companies in the portfolio achieve liquidity events. We see good prospects for this activity next year."

Chairman's Statement

Introduction

I am pleased to report upon the six months ended 30 September 2010.

Market Conditions and Investment Approach

When we last reported in July, conditions remained difficult and I described the climate for crystallising value in smaller caps as continuing to be harsh. Since then the investment climate has become more favourable for the resources sector in particular (although not for other sectors) and commodity prices have been stronger. Oil, coal, industrial metals such as iron, copper and nickel and soft commodities have been firm, whilst gold has remained near its high.

During the six month period, the focus of the Company moved further towards realisations from the existing portfolio and it did not make any new investments. Since the period end, the Company has achieved significant realisations and has also made some modest new investments.

Financial Results

The income statement for the period shows that the Company made a loss for the period of £3.5 million, (2009 H1: loss of £6.9 million). This loss largely reflects a decline in the value of some of our quoted holdings over the 3 months to 30 June 2010 (partly since reversed), together with the further write down of one unquoted holding. It was also affected by currency movements. The write-down and other significant revaluations are discussed in the Investment Manager's report.

The balance sheet shows pre-IPO investments (including those which had a listing) of £59.8 million. At the period end, £7.8 million was held in cash. Total assets were £67.7 million, giving a net asset value of 92.9p per share. Net assets increased by 2.3 per cent since last reported as at 30 June 2010.

As at the close on 23 December 2010, the Company held approximately £16.3 million in cash deposits and which is available for investment into suitable pre-IPO opportunities.

New Investments

During the period, the Company did not make any further investments in pre-IPO companies. Since the period end the Company invested a further £1.1 million in two companies, one of which was a new investment and the other a follow-on. Details of these two investments are given in the Investment Manager's Report.

Realisations

As at 22 July 2010 (when we released our final results) the Company had realised £23.1 million through disposals, generating a gain on investment of 37 per cent. Most of these realisations were achieved prior to the financial crash in late 2008, although there were modest realisations more recently.

However, over the last six months of 2010, straddling both the period under review and the subsequent three months, there has been a material acceleration in realisations. This reflects both the maturing of companies within the portfolio and more favourable stock market conditions for oil and gas/ resource companies as the IPO market has returned.

We are pleased to report that we have achieved gross realisations of £16 million since 22 July 2010 and net realisations of £12.7 million. (The difference arises from the obligation to pay withholding tax in Brazil). This has largely come from two successful IPO's where we have made partial realisations, the largest being an IPO in Brazil. However several other companies in the portfolio have also floated during this period, albeit not necessarily with the effect of generating a liquid after-market.

Progress with realisations is discussed further in the Investment Manager's Report.

Share Buybacks

On 26 October 2010 the Company bought back 2,400,000 of its own shares at 50p per share, a large discount to the prevailing net asset value per share. These shares will be cancelled.

Outlook

St Peter Port has realised significant cash in recent months and we intend to reinvest that money where we believe that we can obtain strong returns and exits within the remaining committed life of the Company, which is until Spring 2012. In the current improved stock market conditions for commodity-related stocks a number of our pre-IPO investments have come to market or expect to come to market in the next six months. These developments offer the potential for further significant realisations, generally at a significant premium to our carrying cost. We hope to be able to report further progress in realisations when we next issue results.

Bob Morton
Chairman
29 December 2010

Investment Manager's Report

The sectoral composition of our portfolio has not changed significantly since the year end. Whilst the proportion held outside of the mining/oil and gas area increased during 2009, the portfolio weighting towards investments of this type remains and we are also exposed to soft commodity companies. This is demonstrated by the following table, which shows the breakdown by sector of the pre-IPO investments (including investments which are now quoted) as at 30 September 2010:

Investments by Sector as at 30 September 2010

Sector	Number	Cost £m	Value £m	Percentage (of value)
Oil and Gas	10	21.7	16.6	28%
Mining	15	24.6	27.4	46%
Technology	2	3.0	3.7	6%
Renewable Energy	5	5.5	1.6	3%
Other	8	10.7	10.5	17%
Total	40	65.5	59.8	100%

Investments

During the six months under review, there were no new investments, but we have recently made two further pre-IPO investments, one being new and one a follow-on. In total we invested £1.1 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 realise a return within a relatively short period. This might arise from a trade sale, repayment of a loan or other exit event.

The follow-on investment was in East African Timber. We had previously invested £250,000 in this company with the right to invest a further £500,000 on the same terms. We have exercised this right early in recognition of which we have been granted additional warrants. The company is developing plantations of fast growing timber in the most favoured part of Mozambique and has also acquired existing mature plantations.

We have made one new investment in Mongolia Minerals Corporation, a Canadian company whose board includes a leading exploration entrepreneur, executives from a major Canadian coal producer and a well-connected Mongolian partner. The company has licences with a proven resource of 512 million tonnes of high quality coal and the funds being raised will partly be used to expand the license area. It expects to sell the coal in China. We have invested C$1 million as part of a C$25 million equity round.

Realisations

Over the last few months a number of companies in our portfolio have gone public. Several have achieved successful IPO's in that they raised new money, generating a significant uplift in value for us, but without generating a liquid after-market. Two of the companies in the portfolio, HRT Participacoes em Petroleo SA ("HRT") and Creso Exploration Inc ("Creso") have achieved post IPO liquidity. HRT raised approximately US$1.5 billion in an IPO in Brazil on 25 October 2010 and has since seen its shares trade well. Creso reversed into a public company in June 2010 and has subsequently raised new equity in two placings, including one with Franco-Nevada Corporation, one of North America's leading financiers of gold exploration companies.

Since the IPO, we have sold virtually our entire holding of shares in HRT, generating a large gain. We originally acquired the holding for US$5 million, but the balance sheet as at 30 September 2010 carried the holding at a written up value of US$7.5 million. We sold the shares for £14.5 million gross, but were charged withholding tax in Brazil of £3.3 million on our gain. Post balance sheet we have therefore generated from these sales alone a gain of £6.5 million in relation to our carrying value at the period end. In addition we hold warrants over a further 17,710 shares, exercisable during the next four years at a cost of approx. US$3.8 million. These warrants currently (as at close, 22 December 2010) have an intrinsic value, net of the exercise cost but gross of any tax, of £10.6 million. We do not believe that any further Brazilian withholding taxes should be applicable to any exercise and disposal. However, it is not clear whether this will be the case, nor at what rate any tax would be levied if it was indeed applicable.

As the balance sheet at 30 September 2010 carried the holding in HRT at a much lower value, the subsequent gain in HRT (realised and unrealised) will have significantly increased net asset value per share above the figure reported in this statement for the period end.

We have realised sufficient shares in Creso to have recovered the cost of our initial investment. We continue to hold a substantial shareholding and warrants over shares in Creso exercisable at a fraction of the current market price. Creso has reported upon three highly successful holes drilled in 2010 and is currently completing a more substantial drilling programme. Creso believes that its licensed area contains a substantial gold system and that the initial drilling results strongly support this.

Commentary on Other Significant Developments

Several of our holdings have either recently gone public or are planning to list in the near future. Union Agriculture, in which we invested in two rounds at US$1.40 and US$1.70, has recently completed a placing of US$130 million in new equity at US$2.10 per share, with a view to an IPO in 2011. Royal Nickel has recently completed an IPO raising C$70 million. Other companies in the portfolio to have gone public include Ilika Technologies and HaloSource.

Nusantara Energy, which has a large coal resource in Sumatra, Indonesia, is currently in the late stages of a corporate auction, whilst Buried Hill is close to completing its farm-in deal in Turkmenistan. Brazil Potash has made good progress in demonstrating the size of its potash resource and the recent corporate activity in the sector encourages us to believe it will prove a successful investment.

We hold shares and a loan note in Dominion Minerals, a company which had acquired a licence to explore a highly prospective area in Panama for copper. Legal problems in Panama have led to the license being suspended and the company has told us that it is unable to repay our loan. We hold security over the subsidiary holding the licence and are taking action to protect our position. There are also problems with the oil exploration licences of Continental Petroleum and for prudence we have written off our investment in this company for balance sheet purposes. Notwithstanding these setbacks, we are focused on sorting out these and similar problems in other investee companies in cases where we have the influence to do so, and hence to extract value from such problem investments.

Pipeline and Prospects

Investing in pre-IPO stocks remains a buyers' market where there is only limited competition in offering funding at critical points in companies' development. The improved climate for certain types of IPO and trade exits should enable us to have greater clarity on the potential for achieving significant uplifts and realisations from new investments. We are therefore considering further new investments, albeit with caution and due regard to the remaining life of the Company.

However, our primary focus remains to harvest the results of our existing investments as companies in the portfolio achieve liquidity events. We see good prospects for this next year.

Tim Childs
as Investment Advisor to St Peter Port Investment Management Limited
29 December 2010

Condensed Consolidated Statement of Financial Position

as at 30 September 2010

Assets	**Notes**	**As at 30 September 2010 (unaudited) £ '000**	**As at 31 March 2010 (audited) £ '000**	**As at 30 September 2009 (unaudited) £ '000**
Current assets				
Financial assets designated at fair value through profit or loss	5	**59,754**	63,278	54,870
Trade and other receivables		**70**	4	307
Cash and cash equivalents		**7,848**	8,012	15,162
Total assets		**67,672**	71,294	70,339
Liabilities				
Current liabilities				
Trade and other payables		**92**	180	95
Total liabilities		**92**	180	95
Net assets		**67,580**	71,114	70,244
Equity				
Capital and reserves attributable to equity holders of the company				
Share capital	7	**–**	–	–
Share Premium		**–**	–	–
Special reserve		**70,898**	70,898	71,198
Treasury reserve		**1,535**	1,535	1,364
Retained earnings		**(4,853)**	(1,319)	(2,318)
Total Equity		**67,580**	71,114	70,244
Net asset value per share (pence per share)	8	**92.89p**	97.75p	96.16p

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

Condensed Consolidated Statement of Comprehensive Income

for the period ended 30 September 2010

	Notes	Period ended 30 September 2010 (unaudited) £ '000	Year ended 31 March 2010 (audited) £ '000	Period ended 30 September 2009 (unaudited) £ '000
Net investment expense		**(2,366)**	(3,749)	(6,068)
Administrative expenses		**(1,168)**	(2,135)	(1,014)
Operating loss		**(3,534)**	(5,884)	(7,082)
Finance income		**–**	–	198
Finance costs		**–**	(1)	–
Loss for the period		**(3,534)**	(5,885)	(6,884)
Attributable to:				
– equity holders of the company		**(3,534)**	(5,885)	(6,884)
(Deficit) per share for loss attributable to the equity holders of the company (pence per share)	6	**(4.86)p**	(8.07)p	(9.42)p

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

Condensed Statement of Changes in Equity

for the period ended 30 September 2010

	Period ended 30 September 2010				
	Share Premium £ '000	Special Reserve £ '000	Treasury Reserve £ '000	Revenue Reserve £ '000	Total Equity £ '000
Balance brought forward	**–**	**70,898**	**1,535**	**(1,319)**	**71,114**
Loss for the period	**–**	**–**	**–**	**(3,534)**	**(3,534)**
Balance at 30 September 2010	**–**	**70,898**	**1,535**	**(4,853)**	**67,580**

	Year ended 31 March 2010				
	Share Premium £ '000	Special Reserve £ '000	Treasury Reserve £ '000	Revenue Reserve £ '000	Total Equity £ '000
Balance brought forward	–	71,198	1,364	4,566	77,128
Loss for the year	–	–	–	(5,885)	(5,885)
Repurchased shares	–	–	171	–	171
Ordinary shares repurchased	–	(300)	–	–	(300)
Balance at 31 March 2010	**–**	**70,898**	**1,535**	**(1,319)**	**71,114**

	Period ended 30 September 2009				
	Share Premium £ '000	Special Reserve £ '000	Treasury Reserve £ '000	Revenue Reserve £ '000	Total Equity £ '000
Balance brought forward	–	71,198	1,364	4,566	77,128
Loss for the period	–	–	–	(6,884)	(6,884)
Balance at 30 September 2009	**–**	**71,198**	**1,364**	**(2,318)**	**70,244**

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

Condensed Consolidated Statement of Cash Flow

for the period ended 30 September 2010

	Period ended 30 September 2010 (unaudited) £ '000	Year ended 31 March 2010 (audited) £ '000	Period ended 30 September 2009 (unaudited) £ '000
Cash flows from operating activities			
Interest received	**282**	456	268
Interest paid	**–**	(1)	–
Operating expenses paid	**(1,346)**	(2,082)	(1,078)
Loans granted to portfolio companies	**–**	(1,575)	(364)
Loan payments received from portfolio companies	**–**	502	502
Sale of investments	**1,570**	877	167
Purchase of investments	**(670)**	(12,611)	(6,908)
Net Cash used in operating activities	**(164)**	(14,434)	(7,413)
Cash flows from investing activities			
Purchase of treasury shares	**–**	(129)	–
Cash flows from investing activities	**–**	(129)	–
Cash flow for the period	**(164)**	(14,563)	(7,413)
Cash and cash equivalents at beginning of period	**8,012**	22,575	22,575
Cash and cash equivalents at end of period	**7,848**	8,012	15,162

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

Notes to the Financial Statements
for the period ended 30 September 2010

These notes form an integral part of this condensed consolidated interim financial information.

1. GENERAL INFORMATION
St Peter Port Capital Limited is a Guernsey registered, closed ended investment company regulated by the Guernsey Financial Services Commission and governed by The Companies (Guernsey) Law, 2008. The Company is listed on the London Stock Exchange's Alternative Investment Market (AIM).

This condensed consolidated interim financial information has not been reviewed or audited by an independent auditor.

2. BASIS OF PREPARATION OF HALF-YEAR REPORT
This condensed consolidated interim financial information for the half-year ended 30 September 2010 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2010, which have been prepared in accordance with IFRSs, interpretations issued by the International Financial Reporting Interpretations Committee of the IASB ("IFRIC") and applicable legal and regulatory requirements of Guernsey Law.

Consolidation
Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the parent Company and de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

During the period the Company acquired 100% ownership of St Peter Port Capital (RFN) Limited. The objective of the subsidiary is to act as an investment holding vehicle for the parent Company.

3. ACCOUNTING POLICIES
The accounting policies are consistent with those of the annual financial statements for the year ended 31 March 2010.

3. ACCOUNTING POLICIES continued

(a) New and amended standards relevant to the Group
The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010.

IFRS 3 (revised), 'Business combinations', and consequential amendments to IAS 27, 'Consolidated and separate financial statements', IAS 28, 'Investments in associates', and IAS 31, 'Interest in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

(b) Standard, amendments and interpretations to existing standards effective in 2010 but not relevant to the Group.
IFRIC 17, 'Distributions of non-cash assets to owners'.
IFRIC 18, 'Transfers of assets from customers'.

(c) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:
IFRS 9, 'Financial instruments'.
IAS 24, 'Related party disclosures'.
IAS 32, 'Classification of rights issues', Amendment.

4. SEGMENTAL INFORMATION

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment into growth companies which are seeking to achieve an initial public offering ("IPO") within a reasonably short time horizon. The Company's primary reporting format is industry sector and secondary format is geographical domicile.

4. SEGMENTAL INFORMATION continued

	30 September 2010 £m	30 September 2010 %	31 March 2010 £m	31 March 2010 %	30 September 2009 £m	30 September 2009 %
Oil & Gas	16.6	27	21.1	33	19.5	36
Mining	27.4	46	27.0	43	22.4	41
Technology	3.7	6	3.0	5	3.0	5
Renewable energy	1.6	3	1.8	3	1.8	3
Other	10.5	18	10.3	16	8.1	15
	59.8		63.2		54.8	

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Designated at fair value through profit or loss

	Historic Cost 30 September 2010 £'000	Market value at 30 September 2010 £'000	Historic Cost 31March 2010 £'000	Market value at 31 March 2010 £'000	Historic Cost 30 September 2009 £'000	Market value at 30 September 2009 £'000
Listed equity securities	15,768	10,117	10,606	5,823	9,271	3,471
Unlisted equity securities	41,236	41,530	46,421	49,217	43,530	43,104
Unlisted debt securities	7,537	8,107	7,043	8,238	5,167	8,295
Total financial assets designated at fair value through profit or loss	64,541	59,754	64,070	63,278	57,968	54,870

6. DEFICIT PER SHARE

The calculation of basic deficit per share is based on the net loss from continuing operations for the period and on 72,750,000 shares being the weighted average number of shares in issue during the period.

7. SHARE CAPITAL

Founder Shares	30 September 2010 £ '000	31 March 2010 £ '000	30 September 2009 £ '000
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 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 72,750,000 have been issued and fully paid. The Ordinary Shares do not carry any right to fixed income.

Treasury reserves

The Company had 2,250,000 Ordinary Shares held in Treasury at 30 September 2010 (31 March 2010: 2,250,000, 30 September 2009: 1,950,000).

8. NET ASSET VALUE PER SHARE

	30 September 2010 £' 000	31 March 2010 £' 000	30 September 2009 £' 000
Net Asset Value	67,580	71,114	70,244
Average number of Ordinary Shares in issue	72,750	72,750	73,050
Net Asset Value per Ordinary Share (pence per share)	92.89p	97.75p	96.16p

The Net Asset Value per Ordinary Share is based on the Net Asset Value at the Balance Sheet date and on 72,750,000 Ordinary Shares being the average number of shares in issue during the year to date.

9. RELATED PARTY TRANSACTIONS

Related party transactions are described in the 2010 Annual Report and Accounts on page 27. There were no other related party transactions during the period ended 30 September 2010.

10. EVENTS AFTER BALANCE SHEET DATE

A portfolio holding, in HRT Participacoes em Petroleo SA ("HRT"), a Brazilian oil and natural-gas exploration company, completed an IPO in Brazil and its shares began trading on 25 October 2010. The Company has since sold 35,400 shares in HRT and now holds a residual 20 shares. It also holds warrants over 17, 710 shares, exercisable for 4 years after the IPO date at a price of Brazilian Reias 365.672. As at the close on 22 December 2010, the price of HRT shares was Brazilian Reias 1,575.

On 26 October 2010 the Company announced that it purchased 2,400,000 of its ordinary shares of nil par value ("Ordinary Shares") at a price of 50 pence per share. All of the repurchased shares will be cancelled. Following the purchase and cancellation of these shares, the Company will have 70,350,000 Ordinary Shares in issue.

11. FURTHER INFORMATION

Copies of these interim results are available from the offices of Intertrust Fund Services (Guernsey) Limited, PO Box 119, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB or alternatively on the Company's website: **www.stpeterportcapital.gg**

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Simon Charles Bourge (Director)
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