



St Barbara
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Presentation on Merger Proposal with Catalpa

Attached is a copy of a presentation by Tim Lehany, Managing Director and CEO, to investors and analysts regarding the merger proposal with Catalpa.

Ross Kennedy
Executive General Manager Corporate Services, and
Company Secretary
13 May, 2011





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Merger Proposal with Catalpa

13 May 2011



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St Barbara estimates its ore reserves and mineral resources in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 Edition (JORC Code), which governs such disclosures by companies listed on the Australian Securities Exchange.

Proposal to Create a Leading Australian Mid-Tier Gold Company

- St Barbara announced today that it has made a proposal to merge with Catalpa Resources Limited (“Catalpa”) to create a leading Australian mid-tier gold company
- Value enhancing transaction for both St Barbara and Catalpa shareholders
- Combination delivers an enhanced platform of scale, diversity and capability to continue to grow the combined operations, as well as financial strength to invest in future growth and development opportunities
- Potential operating and strategic synergies in the northern Southern Cross region
- A strong and growing production profile with foundations for future growth

An attractive and logical proposal which provides a platform for further growth in the Australian gold sector

Overview of the Proposal

- Offer value of A\$1.92 for each Catalpa share¹ comprising a fixed ratio of 0.4535 St Barbara shares plus A\$0.9613 cash for each Catalpa share:
 - Including a ‘mix and match’ facility giving Catalpa shareholders the opportunity to choose to receive proportionately more shares or more cash²
- Attractive value proposition for Catalpa shareholders, with offer value representing:
 - A 41% premium to Catalpa’s closing share price on the date of the Proposal, 10 May 2011; and
 - A 26% premium to Catalpa’s 30-day volume weighted average share price for the period ending on the date of the Proposal, 10 May 2011
- Transaction to be effected by way of scheme of arrangement
- Cash component to be funded by St Barbara’s existing cash reserves and debt
- Proposal has only limited conditions, including a unanimous recommendation from the Catalpa Board in favour of the Proposal, satisfactory completion of due diligence on key issues, entry into a customary implementation agreement and other customary conditions

¹ Based on the closing price of St Barbara shares on the Proposal date, 10 May 2011, of A\$2.12

² Subject to scale back on pro rata basis if required based on an aggregate final mix of share consideration of 82 million St Barbara shares and \$174 million cash consideration

Strong Strategic and Operational Rationale for a Combination

- 1** Creates a portfolio with one of the largest gold reserves and resources positions in the Australian mid-tier gold sector
- 2** Diversified portfolio of established and proven operating assets which reduces overall investment risk profile
- 3** Stronger production growth profile with significant upside opportunity
- 4** Greater scale and financial capabilities to capture future growth opportunities
- 5** Potential to realise operating and strategic synergies in the northern Southern Cross region of Western Australia
- 6** Strong cash flow generation on a pro forma basis
- 7** Broad operations management capability covering open pit and underground mining across the value chain, from discovery to gold production
- 8** Proven track record in developing and operating underground gold projects

Value for St Barbara Shareholders

- Significant uplift in gold production, reserves and resources
- Asset diversification
- Expected to be EPS and cash flow accretive from financial year ending 30 June 2013¹
- Creation of a leading player in the Australian mid-tier gold sector, forecast to produce approximately 480,000 ounces in FY 12, with enhanced scale and financial strength
 - Provides foundations to accelerate St Barbara's growth strategy and pursue a broad range of brownfield and greenfield growth options
 - Potential re-rating to reflect market positioning, production and quality of portfolio relative to mid-tier peers

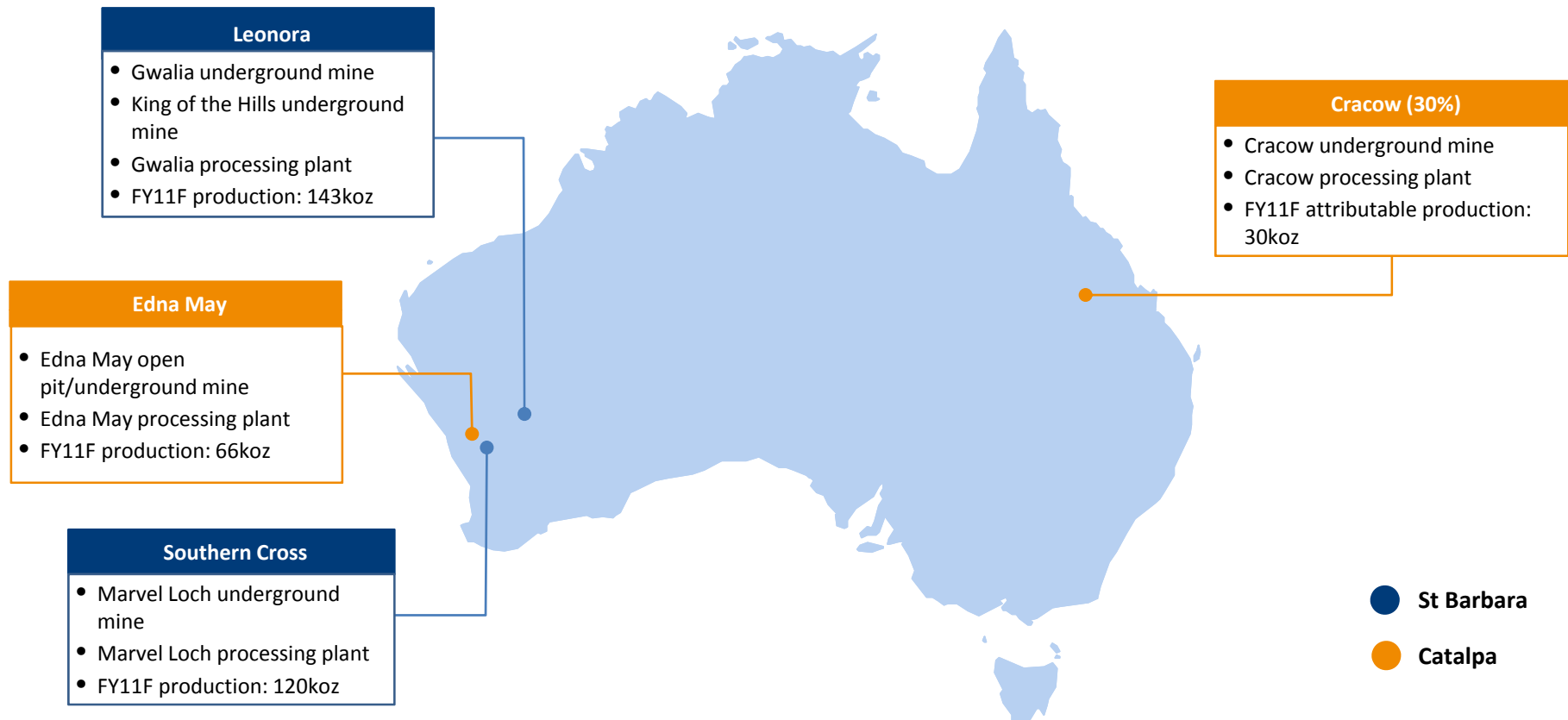
¹ Based on publicly available information

Value for Catalpa Shareholders

- Attractive premium even before any potential re-rating driven by production and quality of portfolio relative to mid-tier peers
- Immediately and significantly accretive on both physical and financial metrics¹
- Access to St Barbara's cash flow profile to fund any capital expenditure associated with underground development opportunities at Edna May
- Potential benefits from synergies through improved purchasing power and supply chain access, and optimisation of assets in the northern Southern Cross region of Western Australia
- Access to an expanded pipeline of brownfield and greenfield growth opportunities
- Potential CGT rollover relief for shareholders electing scrip consideration

¹ Based on publicly available information

Combined Group to Produce Approximately 480,000 Ounces in FY12F

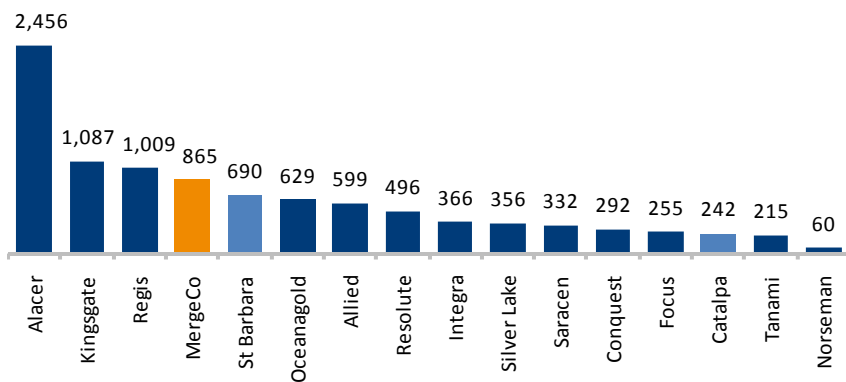


Diversified portfolio of established, proven and low risk producing assets, supplemented by robust development and exploration opportunities

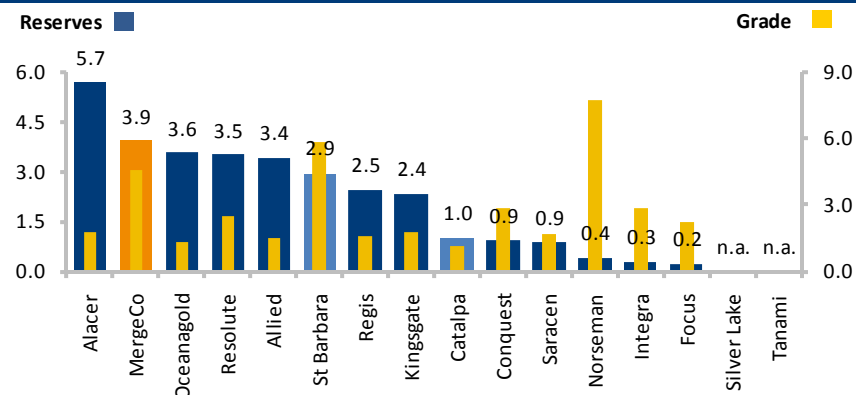
Note: Production forecasts for FY11F based on mid-point of company guidance for both St Barbara and Catalpa. Production forecasts for FY12F based on mid-point of company guidance for St Barbara, and estimates from selected brokers which disclose production metrics for Catalpa

Leading Player in the Australian Mid-Tier Gold Sector

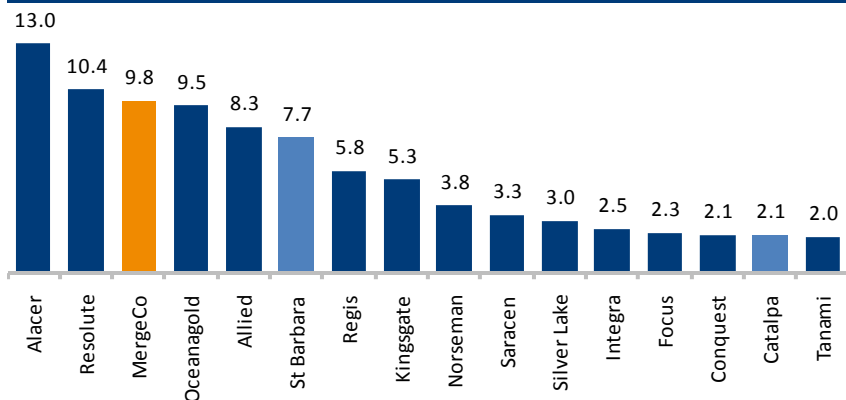
Proforma Market Cap (A\$m)¹



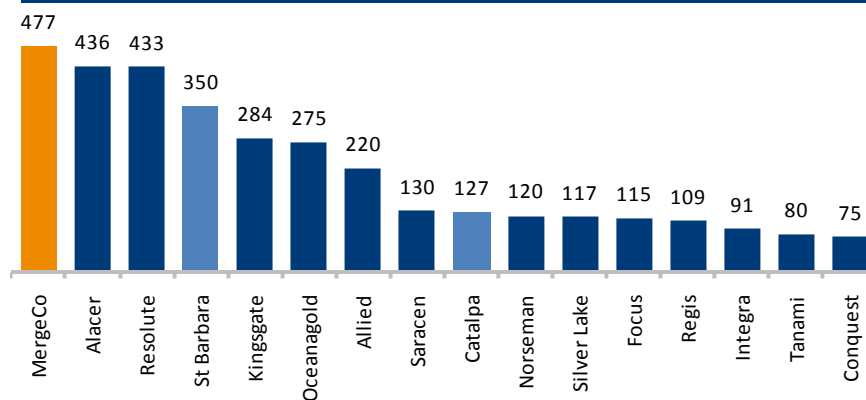
Proforma Reserves (Moz) and Reserve Grade (g/t)²



Proforma Resources (Moz)²



Proforma FY12F Production (koz)³



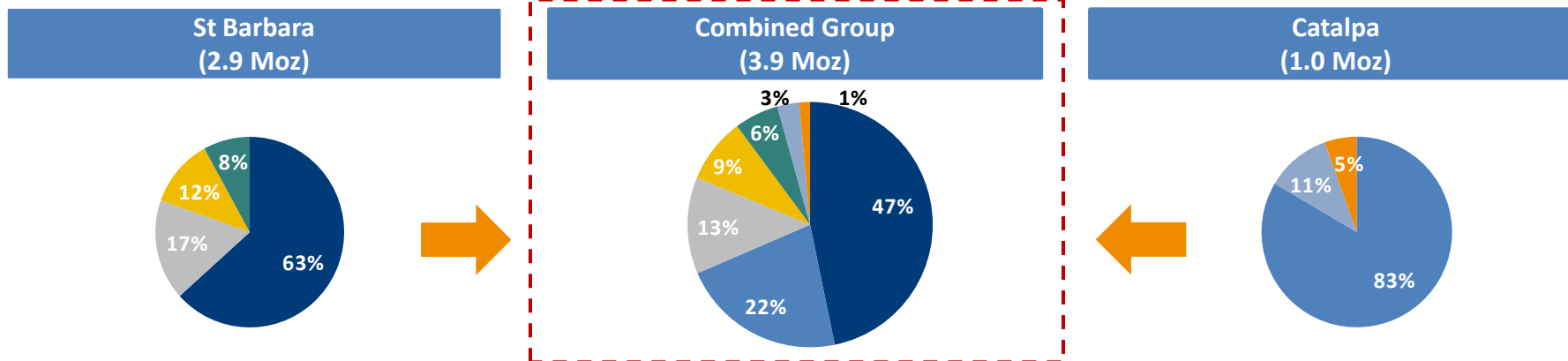
¹ Pro forma market capitalisation for the combined group is calculated by adding the St Barbara shares issued to Catalpa shareholders as share consideration under the proposed transaction structure (on a fully diluted basis) to the existing number of St Barbara shares on issue, multiplied by St Barbara's closing price of A\$2.12 on 10 May 2011. Other market capitalisation figures as at close on 10 May 2011

² Based on most recently disclosed company filings

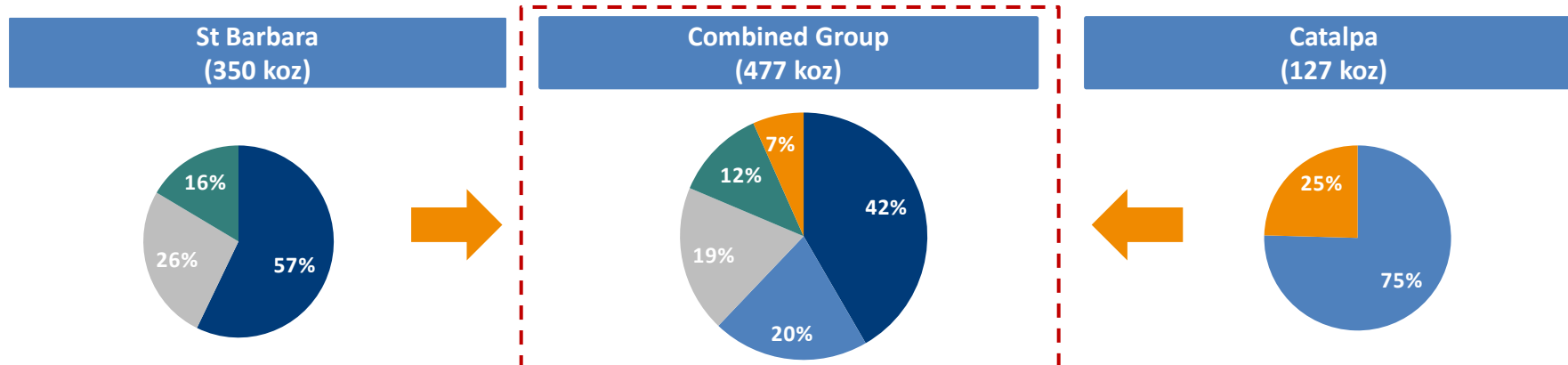
³ Based on mid-point of company guidance where available, otherwise based on estimates from selected brokers which disclose production metrics

Enhanced Diversification

Reserves by Asset¹



FY12F Production by Asset²

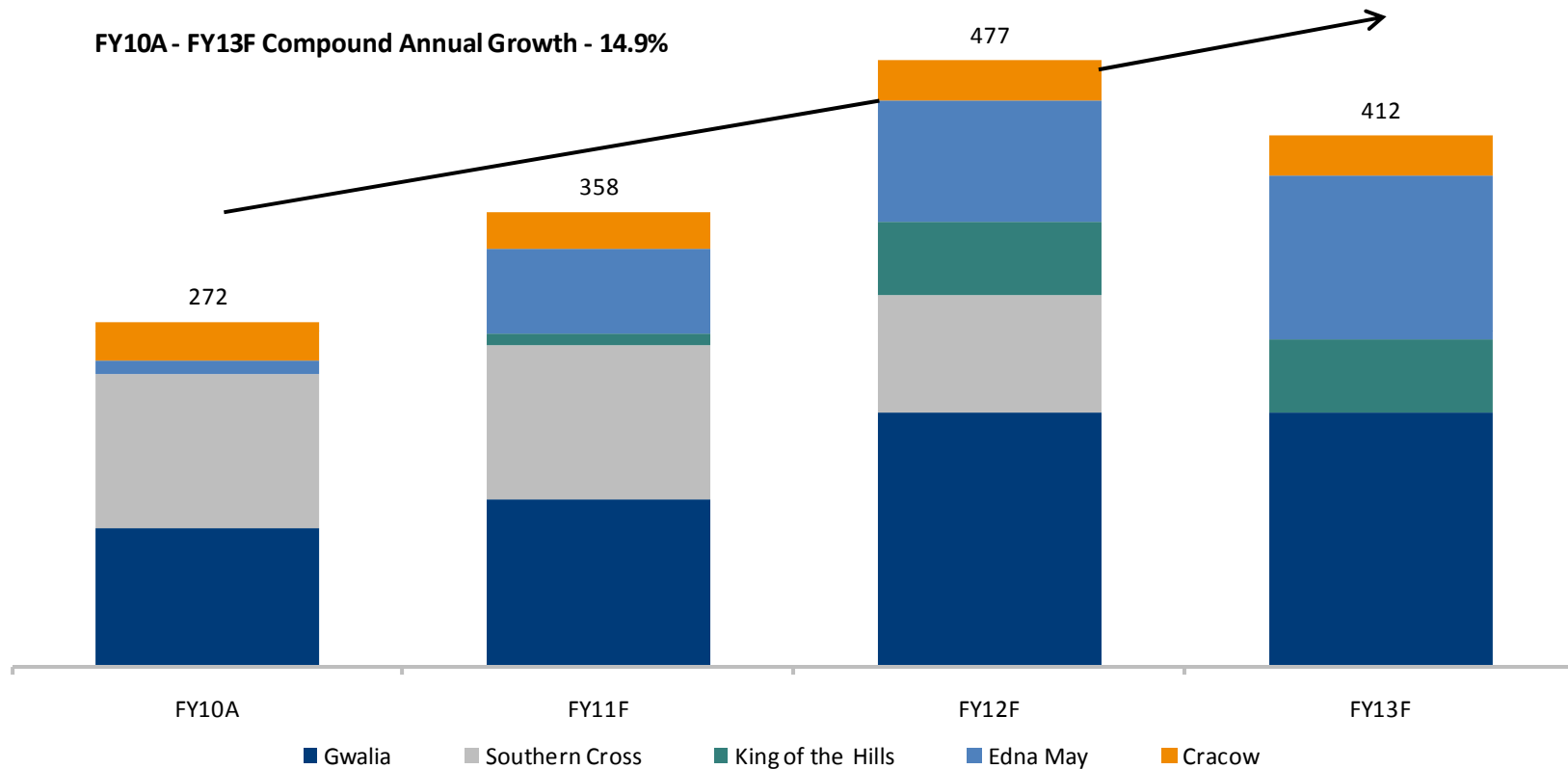


■ Gwalia
 ■ Southern Cross
 ■ King of the Hills
 ■ Tower Hill
 ■ Edna May
 ■ Cracow
 ■ Other Catalpa

¹ Based on most recently disclosed company filings

² Based on mid-point of company guidance for St Barbara, and estimates from selected brokers which disclose production metrics for Catalpa

Forecast Average Annual Production Growth Almost 15%

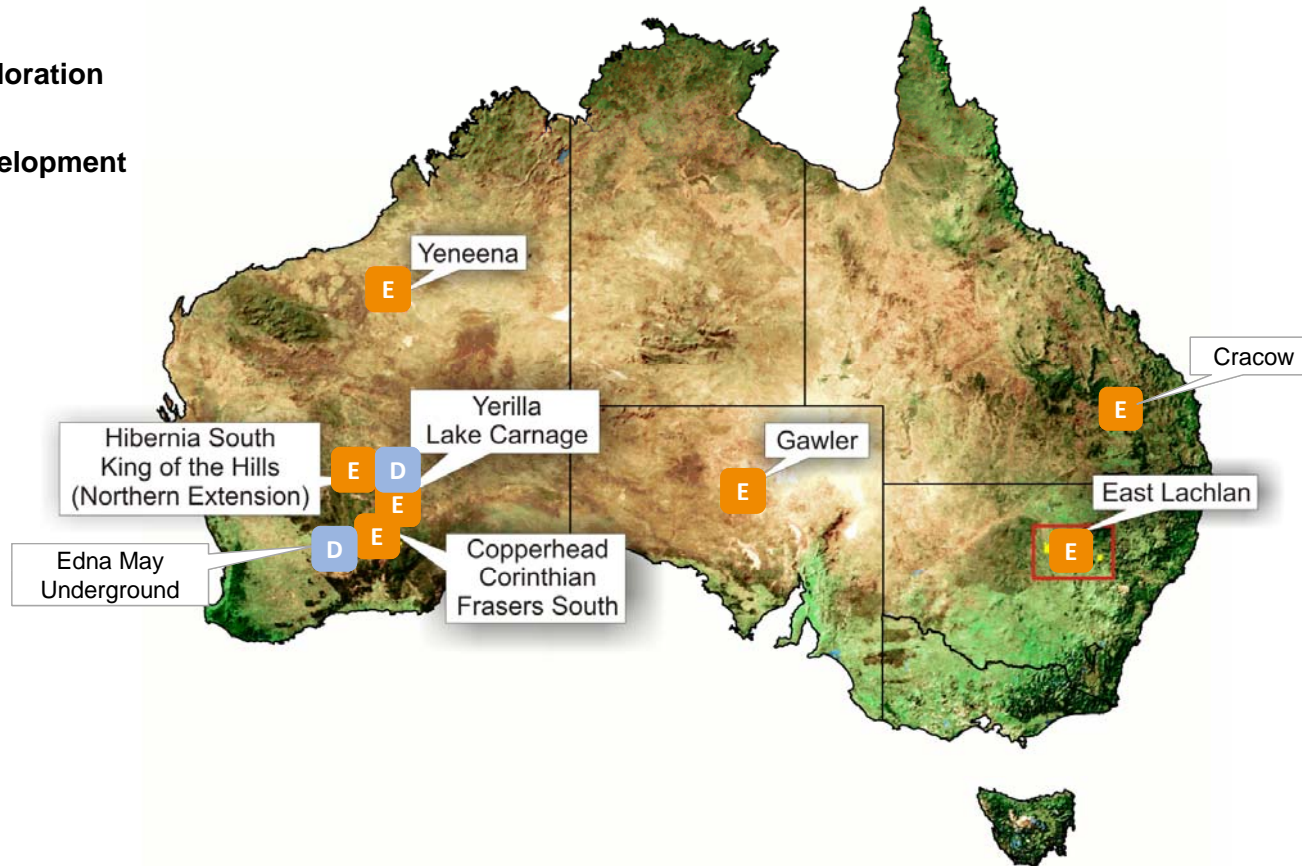


Strength of combined group will provide a strong footing to fund development projects and pursue exploration opportunities

Note: St Barbara production forecasts based on the mid-point of company guidance. Catalpa production forecasts for FY11F based on the mid-point of company guidance. Other Catalpa production forecasts based on estimates from selected brokers which disclose production metrics

Development and Exploration Upside

- E** Exploration
- D** Development

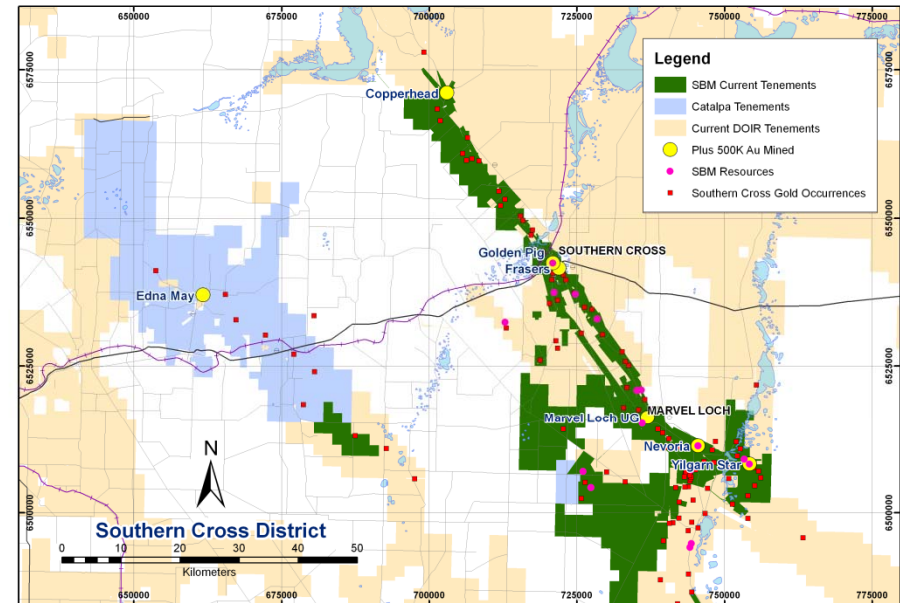


5,000+km² of prospective land around Australia plus identified development projects at Edna May and King of the Hills

Potential Synergies

- Potential for the combined organisation to realise operating and strategic synergies
 - Procurement savings through scale
 - Optimisation of ore processing from new discoveries enabled through two treatment plants
- As part of due diligence the magnitude of potential synergies will be clarified

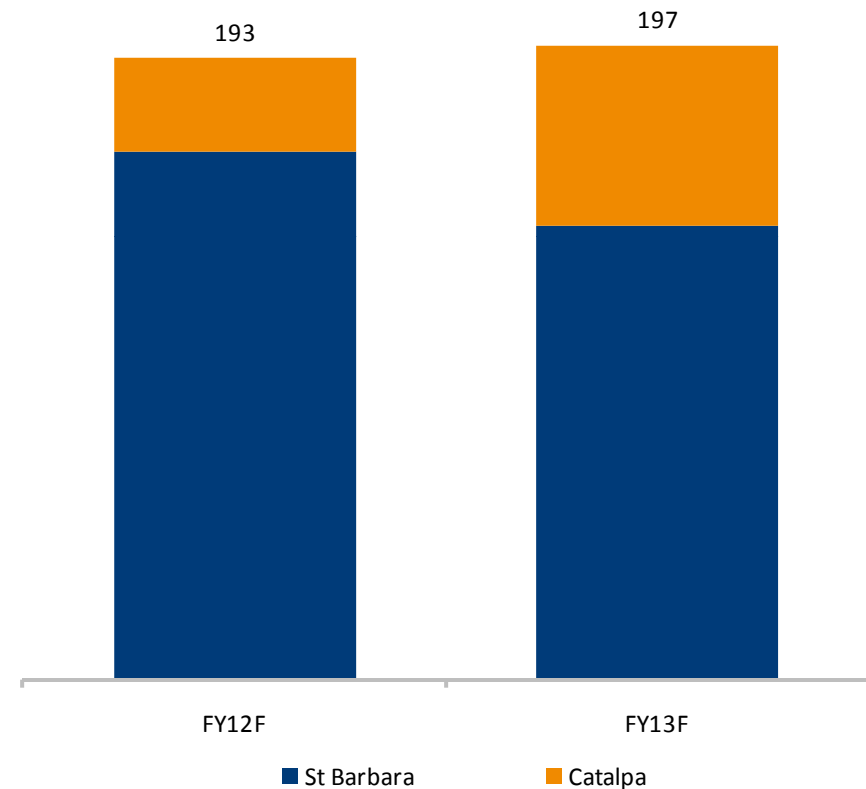
Southern Cross and Edna May Locations



Strong Cash Flow Generation Forecast on Pro Forma Basis

- High free cash flow generator (post capex) based on current broker consensus cash flow and gold price estimates
- Projected pro forma free cash flows expected to provide sufficient capacity to fully repay debt by 30 June 2012
- Cash flow profile provides flexibility to pursue growth

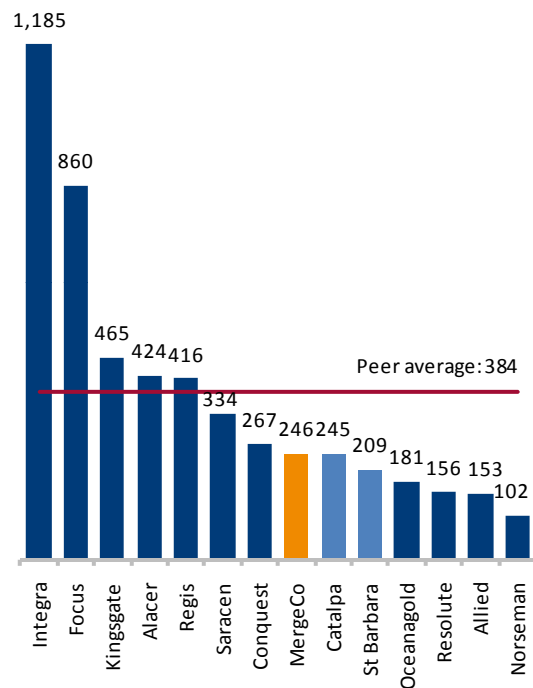
Illustrative Pro Forma Free Cash Flow¹ A\$m



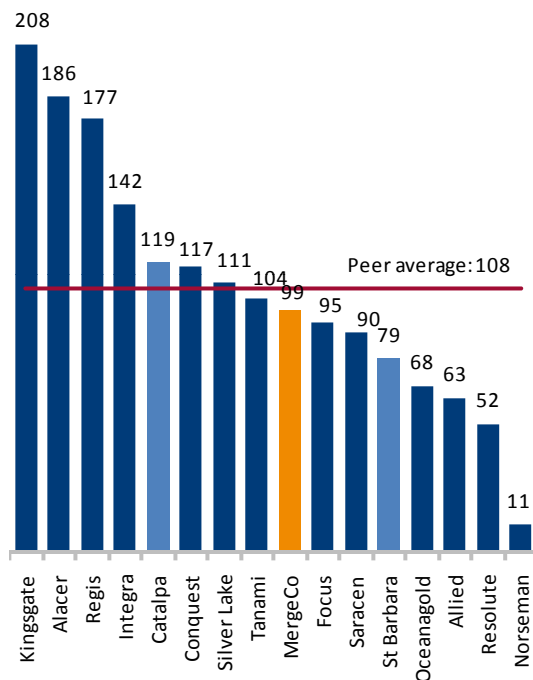
¹ Free cash flow calculated using mean FactSet broker consensus EBITDA estimates less mean interest, tax, capital expenditure and change in working capital estimates from selected brokers

Pro Forma Physical and Financial Multiples

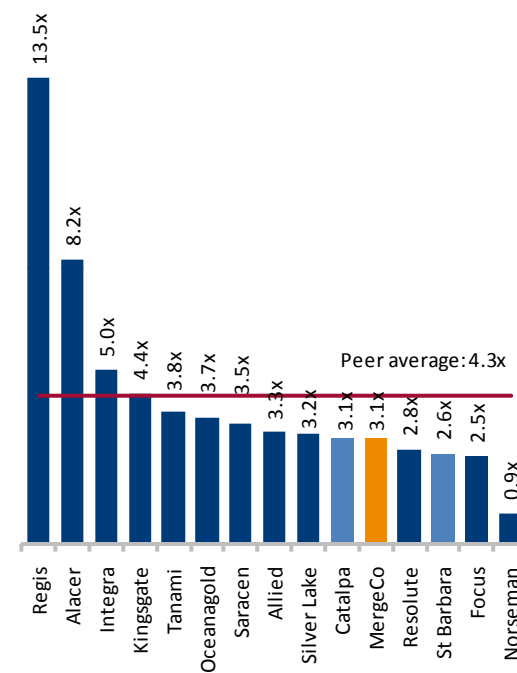
EV/Reserves^{1,2}



EV/Resources^{1,2}



EV/FY12F EBITDA^{1,3}



Catalpa shareholders will receive an attractive premium even before any potential re-rating driven by position and quality of portfolio relative to mid-tier peers

¹ Pro forma enterprise value for the combined group is calculated by adding the St Barbara shares issued to Catalpa shareholders as share consideration under the proposed transaction structure (on a fully diluted basis) to the existing number of St Barbara shares on issue, multiplied by St Barbara's closing price of A\$2.12 on 10 May 2011, then adding St Barbara and Catalpa's net debt and minority interest figures (as at 31 December 2010 for St Barbara and as at 28 February 2011 for Catalpa), plus assumed additional debt issued in order to fund the cash component of the offer. Other enterprise value figures calculated by adding most recently disclosed net debt and minority interest figures to market capitalisation as at 10 May 2011

² Reserves and resources based on most recently disclosed company filings

³ FY12F EBITDA based on mean FactSet broker consensus estimates

Conclusion

- Opportunity to create a leading mid-tier Australian gold producer
 - 3.9 million ounces of gold reserves
 - 9.8 million ounces of gold resources
 - Gold production of approximately 480,000 ounces in FY12F
- Strong strategic and operational rationale underpinning the combination
- Value enhancing for both St Barbara and Catalpa shareholders
- St Barbara believes it has put forward an attractive proposal to Catalpa
- In the event that the combination does not proceed, St Barbara will continue to focus on realising value from organic growth and other identified opportunities