ASX SHAREHOLDERS REPORT

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Dollar values in this report are Australian dollars unless otherwise stated.

Conversion of Convertible Note

The Company wishes to advise of the conversion by Ocean Resources Capital Holdings plc ("Ocean") of the face value of its convertible note (A$4.4 million) into ordinary shares in the capital of St Barbara at a strike price of 8 cents per share.

Accordingly 55 million ordinary shares in the capital of the Company will be issued to Ocean forthwith. Shareholder approval for the issue of shares pursuant to the convertible note had previously been received from shareholders in general meeting on 25 November 2003.

Furthermore the Company is currently closing its private placement which was previously advised to the market on 25 May 2004 which raises up to $3 million in working capital for the Company. The maximum number of shares which can be issued under ASX Listing Rule 7.1 is 86,122,373 ordinary shares.

Lee Boyd
Company Secretary

15 July 2004