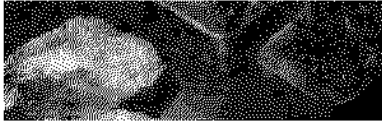


St Barbara



A\$100 (US\$83) Million Offering of Convertible Notes

The Company has raised A\$100 (US\$83) million by the issue of Convertible Notes (Notes) with a five year term, at a conversion price of A\$0.73 (USD\$0.60) each, representing a 30% premium to the volume weighted average price of St Barbara shares on 14 May 2007 of A\$0.5585. The conversion price is subject to adjustment in accordance with customary market practice.

The Company is also finalising a separate secured bank debt facility of A\$50 (US\$42) million.

The funding is for the development of Gwalia Deeps, expansion of Southern Cross Operations and general corporate purposes. In connection with the Gwalia Deeps Development, the Company has purchased to date put options for 1,050,000 ounces at a strike price of A\$700 (US\$583) per ounce. The put options have been purchased at an average price of A\$6.30 (US\$5.25) per ounce.

The Notes have a five year term and a coupon of 8% payable twice yearly in arrears. Conversion of the Notes to shares would represent an additional 137.7 million shares, approximately 14.4% of the expanded issued capital. Unless previously redeemed, converted or purchased and cancelled, the Notes will be redeemed at maturity for their principal amount plus any accrued interest.

Holders of the Notes have the right to request redemption of all or some of the Notes at their principal amount together with any accrued interest on the third anniversary of issue. St Barbara also has a right to redeem all of the Notes at their principal amount together with any accrued interest where the trading price of the shares exceeds 130% of the conversion price for a defined period. The Company will cash settle any conversion exercise request to the extent that it cannot issue ordinary shares in satisfaction of the request.

The issue of the Notes is due to close on 4 June 2007 and St Barbara intends to apply for listing of the Notes on the Singapore Stock Exchange. An Extraordinary General Meeting of shareholders, to ratify the issue of the Notes, is scheduled for 26 June 2007. JPMorgan acted as Sole Bookrunner for the Notes issue and has underwritten the offering. The Notes are being offered outside of the United States in compliance with Regulation S of the US Securities Act of 1933, as amended and will be listed on the Singapore Stock Exchange.

Eduard Eshuys
Managing Director & CEO
15 May 2007

The announcement above is for informational purposes only and is made in accordance with Australian Stock Exchange Listing Rule 3.1 and should not be retransmitted, reproduced or otherwise redistributed. No actions have been taken to register, qualify or otherwise permit a public offering of the Notes in any jurisdiction nor will the Notes be registered under the U.S. Securities Act of 1933, as amended. The attached announcement (1) is not for publication or distribution to persons in the United States of America or any other jurisdiction where action for such purpose is required, (2) does not constitute to form part of any offer, or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Notes, and (3) shall not form the basis of, or be relied on in connection with, any contract or investment decision. US\$ amounts have been converted at A\$1 = US\$0.8332.

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