Tower Hill Discovery Expands

Exploration Results

- Recent outstanding results at Tower Hill include 41m @ 5.5 grams per tonne (g/t) from a depth of 232 metres (m), 22m @ 9.7g/t from 195m, 23.0m @ 6.2g/t from 177m and at the northern end 17.7m @ 5.2g/t from 240m and at depth 10.8m @ 7.1g/t from 441 metres. Tower Hill, located 2km from the Gwalia mill, is now likely to provide ore from both open pit and underground production. Refer Diagram 1.
- Recent drilling results at Marvel Loch testing depth extensions included 30.5 metres true width (mtw) @ 7.3 g/t from 393 metres below surface (mbs) and 5.4mtw @ 39.3g/t from 559mbs. Marvel Loch underground mine production continues to outperform reserves
- At Nevoria, near surface drilling results include 28.0m @ 4.4g/t from 68m and 10m @ 4.2g/t from 46m.
- Assays with peak values of 14.3% zinc, 4.6% copper, 2.1% lead, 115g/t silver and 16.9g/t gold over a number of 1 metre intervals have been identified in historic drilling at Kelly Star, Southern Cross, indicating potential for volcanogenic-massive-sulphide (VMS) mineralisation in the Southern Cross District.

Southern Cross Operations

- Gold production at Southern Cross Operations for the September Quarter 2007 was 43,146 ounces at a cash operating cost of A$509 (US$432) per ounce.

Leonora Operations

- The Hoover Decline is at 865 metres below surface, a vertical advance of 95 metres since last reported and remains on schedule to reach the top of the Gwalia reserves in the March Quarter 2008.
- A$64 (US$54) million has been spent to date at Gwalia, comprising A$55 (US$46) million on mine development and A$9 (US$8) million on infrastructure. Of this total, A$25 (US$21) million has been spent since development approval in February 2007.
- Pre-production capital expenditure for Gwalia of A$110 (US$98) million from February 2007 as estimated in the Feasibility Study was reconfirmed by the Company's budget review process.

Finance

- Revenue for the September Quarter 2007 was A$32.8 (US$27.8) million with an average sales price of A$807 (US$684) per ounce.
- Cash at bank and investments totalled A$77.5 (US$68.8) million as at 30 September 2007.
- The current spot price of gold is around A$850 (US$755) per ounce.
- Company debt totalled A$2.1 (US$1.9) million as at 30 September 2007, excluding the Convertible Notes.

Forecast

- Southern Cross Operations are forecast to produce 45,000-48,000 ounces of gold in the December Quarter 2007 at a cash operating cost of A$500 (US$445) per ounce. The forecast production for the 2007/08 year is 170,000 - 175,000 ounces of gold at a cash operating cost of A$500 (US$445) - A$525 (US$465) per ounce.

Resources and Reserves

- Revised Resources and Reserves Statements and open pit optimisations are scheduled to be completed as at the close of the December Quarter 2007.

Diagram 1: **Tower Hill is 2km from the Gwalia mill.**

Eduard Eshuys
Managing Director & CEO

24 October 2007

Gold Exploration

Leonora

Tower Hill

The gold mineralisation at Tower Hill remains open to the north, south and at depth, and is hosted in quartz-carbonate-fuchsite veins which splay off an undulating granite footwall contact. Significant zones of high grade veining are present. Outstanding results include 41m @ 5.5 grams per tonne (g/t) from a depth of 232 metres (m), 22m @ 9.7g/t from 195m, 23.0m @ 6.2g/t from 177m and at the northern end 17.7m @ 5.2g/t from 240m and at depth 10.8m @ 7.1g/t from 441 metres. Refer Diagram 9 and Table 2.

A Tower Hill resource estimate will be completed during the December Quarter 2007.

Past metallurgical test work indicates that Tower Hill mineralisation has similar characteristics regarding hardness and recovery to Gwalia. Historically, recoveries of 95% have been achieved at Tower Hill. Engineering, development and cost studies are also underway.

Commencement of Tower Hill open pit mine production is targetted for the September Quarter 2008 subject to the necessary regulatory approvals.

Gwalia – Kailis Trend

The improved geological understanding of Tower Hill and Gwalia has highlighted the significance of the contact between the Gwalia Domain Greenstone and the Raeside Granite. Significant mineralisation has been identified further north along this contact over a strike length of 8 kilometres. Drilling will commence at the Poker and Forrest prospects in the December Quarter 2007. Refer Diagrams 2 and 4.

Gwalia

At Gwalia, potential to add reserves at the southern end of the historic workings at 700mbs to 960mbs has been identified. Refer Diagram 3. Assay records of the historical drives indicate significant mineralisation which was not mined due to the increased haulage distance to the historic inclined shaft. The Hoover Decline is now in close proximity to this area and has advanced sufficiently to allow drill testing of this mineralisation. A programme of relatively short underground holes is scheduled for the December Quarter 2007.

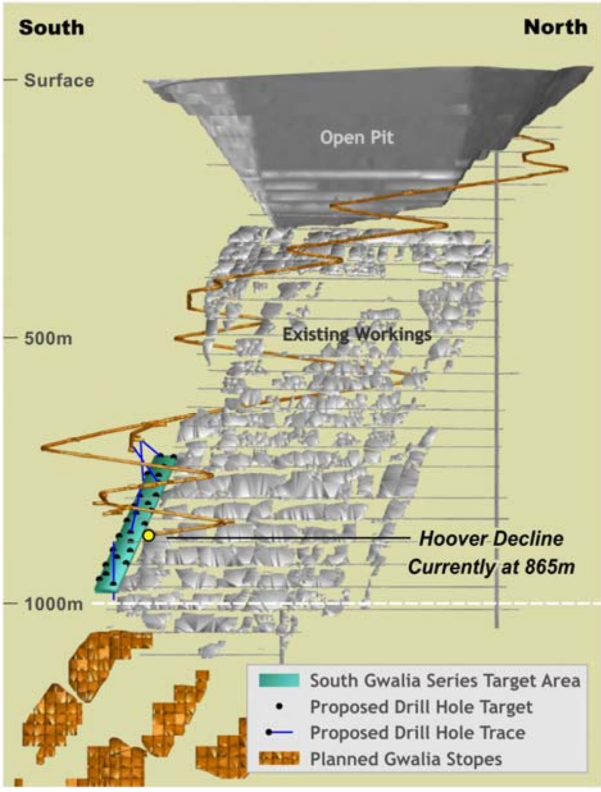


Diagram 3: **Gwalia Underground**

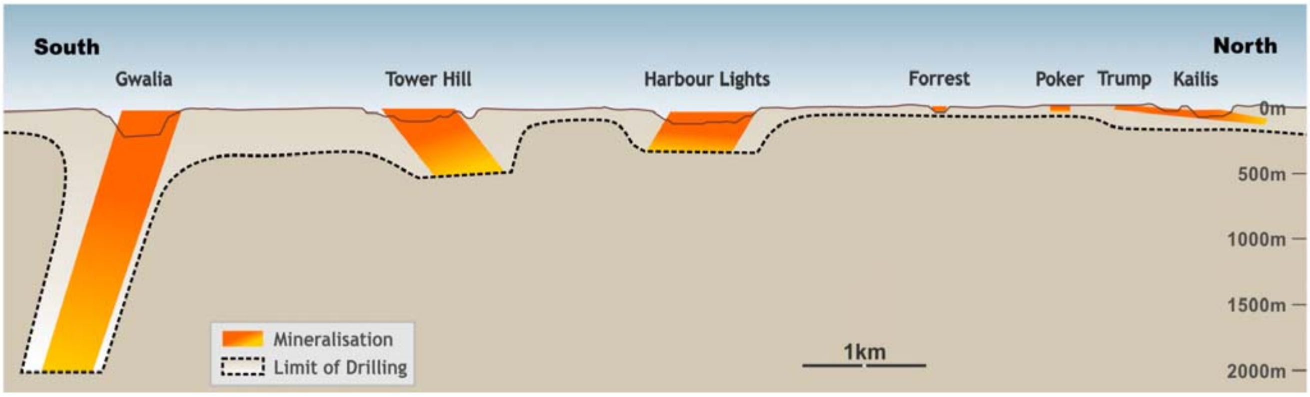


Diagram 2: **Gwalia to Kailis – Longsection**

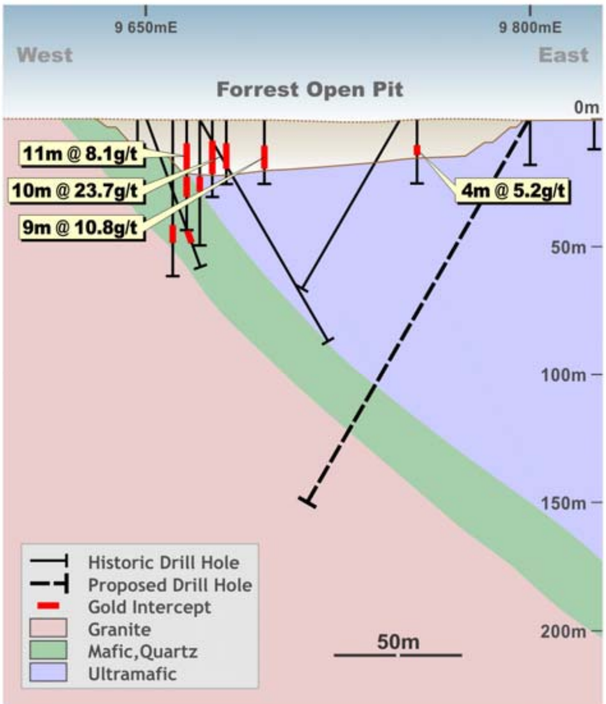


Diagram 4: **Forrest Cross Section**

Southern Cross

Marvel Loch

Significant drilling results at Marvel Loch, in particular at East Lode of 30.5mtw @ 7.3g/t at 393mbs and Undaunted Lode 5.4mtw @ 39.3g/t at 559mbs, continue to confirm the high grade depth potential of each of the Marvel Loch Lodes. Updated resources and reserves are to be calculated in the December Quarter 2007.

Three underground exploration drill drives have been established to accelerate the resource and reserve definition drilling.

The Southern Cross Operations central ore processing plant with a capacity of 2.5 million tonne per annum is located at Marvel Loch adjacent to the Marvel Loch Underground mine.

Nevoria

Recent diamond and Reverse Circulation (RC) drilling at Nevoria has continued to focus on the open pit potential and achieved results including 28m @ 4.4g/t from 68.0m and 10.0m @ 4.2g/t from 46m. Reserve calculations and associated mining studies are being undertaken. It is now anticipated that open pit mining will precede the underground development foreshadowed previously with a definition of underground reserves of 90,000 ounces. Nevoria is 13km from the 2.5 million tonne per annum central processing plant at Marvel Loch.

GVG

RC drilling at GVG, located 12km south of Marvel Loch, below existing shallow pits at Grand National, Tenacious Pig and Bronco South achieved further encouraging results. Refer Table 2.

Other GVG results included at Phoenix 19m @ 3.1g/t from 31m and Bronco East 4m @ 21.9 g/t from 21m.

Open pit mining studies and reserves are expected to be completed during the December Quarter 2007.

Transvaal and Edward's Find

Transvaal and Edward's Find represent other potential sources of long term open pit ore for the Southern Cross Operations. Transvaal is located 30km north of Marvel Loch and comprises two lines of open pits previously mined down to a maximum depth of 80m. Past production at Transvaal totalled 342,000 oz at an average grade of 4.6g/t. RC drilling has commenced to test for the metallurgical characteristics and extensions of the mineralisation.

Edward's Find is located 10km from Marvel Loch and also has significant potential for open pit developments. Evaluation and drilling is expect to commence during the December Quarter 2007.

Southern Cross Operations

Safety

The Minerals Council of Australia recently released the 2005-2006 Safety Performance Report indicating a mining industry Lost Time Injury Frequency Rate (LTIFR) of 5.0, compared to St Barbara's LTIFR of 4.3.

By 30 September 2007, Leonora Operations had achieved 200 days without a lost time injury.

During the Quarter however there were 4 Lost Time Injuries. Safety leadership initiatives have been launched at Southern Cross and Leonora to foster a stronger safety culture.

Southern Cross Operations *Cont'd*

Gold Production

The Southern Cross Operations produced 43,146 ounces at a cash operating cost of A$509 (US$432) per ounce during the September Quarter 2007. The Southern Cross Operations central ore processing milling facility of 2.5 million tonnes per annum is located at Marvel Loch, adjacent to the Marvel Loch Underground. Mine ore for processing was sourced from Marvel Loch Underground, Hercules and GVG open pits. Production statistics are set out in Table 1.

Cash operating costs in the quarter at A$509 (US$432) per ounce were broadly in line with the forecast of A$505 per ounce.

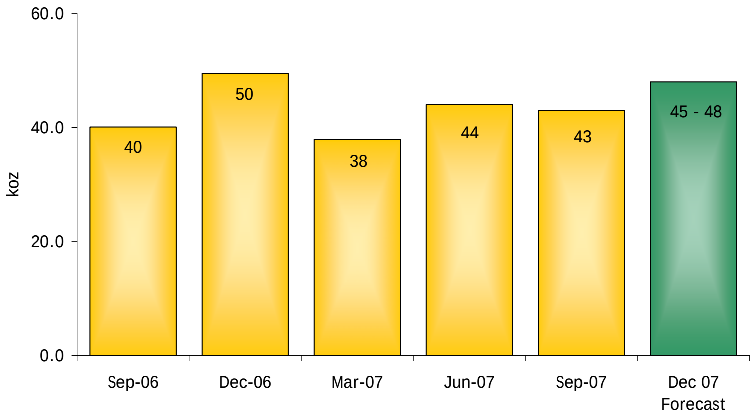
The significant increase in open pit production has resulted in 250,000 tonnes at 1.8g/t of Run of Mine (ROM) stockpiles being established as at 30 September 2007.

Underground production at Marvel Loch continues to outperform reserves in terms of tonnes and grade. Reserves are now being reviewed to take into account the positive reconciliation between production and reserves, increases in reserves arising from detailed stope definition drilling and improved mining recoveries by the introduction of backfill.

Gold production was adversely impacted by a 72 hour planned maintenance shutdown of Mill 1 and crushers. Improved processing plant performance should result.

		Sep 07	June 07
Open Pit Ore Mined	t	**556,000**	213,000
Grade	g/t	**2.0**	1.7
Underground Ore Mined	t	**167,000**	199,000
Grade	g/t	**4.2**	4.3
Ore Milled	t	**578,000**	580,000
Grade	g/t	**2.6**	2.6
Recovery	%	**90**	91
Gold Production	oz	**43,146**	43,710
Cash Operating Cost	A$/oz	**509**	558

Table 1: **Quarterly Production Statistics**



Quarterly Gold Production

Gwalia Development

The Hoover Decline has progressed from 770 to 865 metres below surface and is on schedule to reach the top of the reserves during the March Quarter 2008. Lateral development of stockpiles and ventilation drives also occurred.

The pilot hole for the 5.5 metre diameter ventilation shaft was completed ahead of schedule to the design depth of 800 metres below surface. Raise boring of the main 5.5 metre diameter ventilation shaft has commenced and is scheduled to be completed by April 2008.

Refurbishment of the 1.2 million tonnes per annum Gwalia Mill and other infrastructure works are underway and are on track to be completed ahead of the scheduled commencement of Gwalia gold production in the September Quarter 2008.

Capital expenditure of A$64 (US$54) million has been spent to date at Gwalia, comprising A$55 (US$46) million on mine development and A$9 (US$8) million on infrastructure. Of this total, A$25 (US$21) million has been spent since development approval in February 2007.

Pre-production capital expenditure for Gwalia of A$110 (US$98) million from February 2007 as estimated in the Feasibility Study was reconfirmed by the Company's budget review process.

Base Metals Exploration

Leonora

At Leonora a 5km long regolith zinc anomaly has been outlined by previous shallow RAB drilling. The anomaly is similar to the halo of low grade mineralisation seen along strike from known deposits. The zinc anomaly is associated with a basement electromagnetic anomaly defined by historical surveys. In addition, the Gravel Pit Anomaly and WTB45 Prospect are along strike from the Teutonic Bore and Jaguar mineralised structure. Drilling of these base metal targets will commence during the December Quarter 2007. Refer Diagrams 5 and 6.

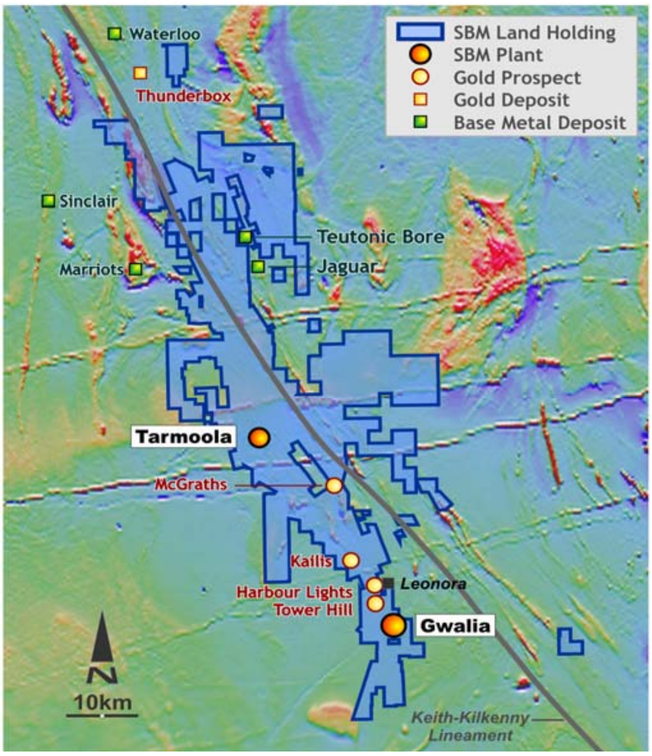


Diagram 5: **Leonora Land Holdings**

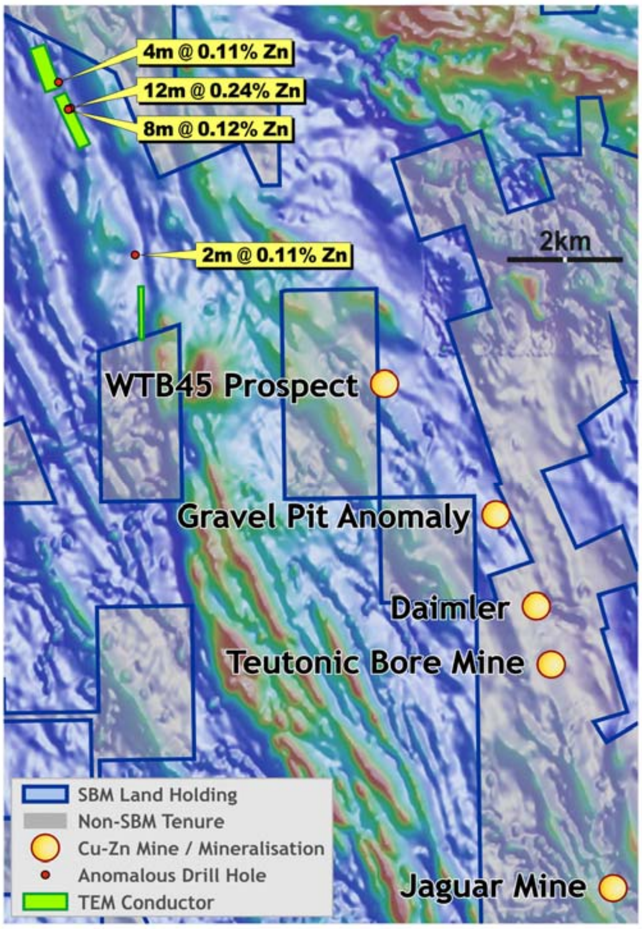


Diagram 6: **Leonora Copper-Zinc Prospectivity**

Southern Cross

The evaluation of Southern Cross District data identified Kelly Star mineralisation located 16km south-east of Marvel Loch, and the potential for base metals in the District. Refer Diagram 7.

Peak individual drillhole assay values in fresh rock at Kelly Star from previous drilling are 14.3% zinc, 4.6% copper, 2.1% lead, 115 g/t silver and 16.9g/t gold over a number of one metre intervals. The presence of sphalerite, pyrrhotite, arsenopyrite, galena, chalcopyrite, gersdorffite, gold and bismuth has been confirmed.

This previous exploration defined a gold and zinc-lead-silver anomaly within a volcanogenic and banded iron formation sequence. The sequence displays mineral assemblages typical of rocks that have been subject to submarine hydrothermal alteration prior to metamorphism, similar to that observed in volcanogenic-massive-sulphide (VMS) deposits.

The Kelly Star mineralization provides encouragement for the discovery of VMS-style mineralization in this region. Relogging of drill core and sampling will further evaluate the volcanic architecture of the belt and broaden the base metal analysis of exhalative horizons.

Furthermore, the ultramafic horizons of Southern Cross show some compositional similarities to the Forrestania ultramafic rocks to the south. Core from historical gold drillholes will be progressively relogged to define prospective channel environments and evidence for Ni-Cu-PGE anomalism.

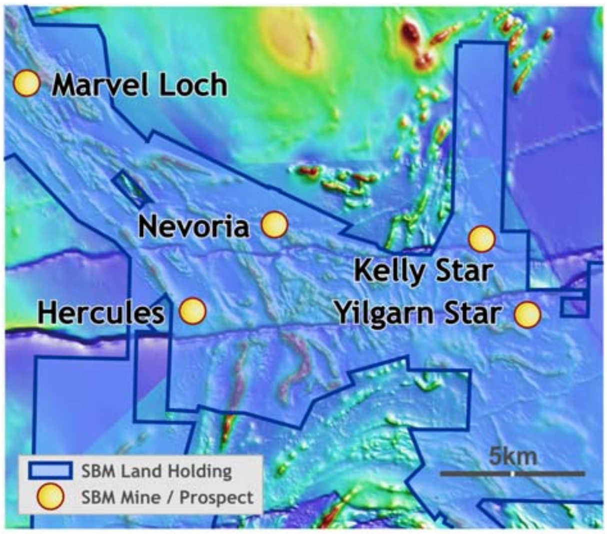


Diagram 7: **Marvel Loch – Kelly Star Area**

Financials

Gold shipped of 40,681 ounces was sold at an average price of A$807 (US$684) per ounce during the Quarter.

Cash at bank and investments totalled A$77.5 (US$68.8) million as at 30 September 2007, including investments in listed securities with a mark-to-market value of A$16.5 (US$14.6) million as at 30 September 2007. Cash at bank was in line with forecast.

Apart from the A$100 million Convertible Notes the Company's debt at 30 September 2007 comprised hire purchase commitments and an insurance premium funding liability totalling A$2.1 (US$1.9) million.

Capital expenditure incurred for the Quarter included:

Capital Expenditure	Sept 07 Quarter A$M
Gwalia decline and infrastructure	10.3
Southern Cross mine development	10.5
Exploration	5.2
	26.0

Exploration expenditure included Tower Hill A$3.4 (US$2.9) million and Southern Cross A$1.8 (US$1.5) million.

At 30 September 2007 the mark to market value of the put options (which secure a minimum gold price) was A$20.3 (US$18.0) million, giving an unrealised gain for the Quarter of A$7.2 (US$6.4) million.

The Company's put option position as at 30 September 2007 comprised:

	Ounces	Price/oz	Maturity
Bought put options	125,600	A$760	Nov 07-Jun 08
Bought put options	222,000	A$700	Jul 08–Apr 10
Bought put options	1,106,400	A$700	Jul 10-Apr 17

As at 30 September the Company's gold production remained unhedged save for 10,700 ounces of deferred forward contracts at A$788 per ounce, which will mature during the December Quarter 2007.

Share Capital

Changes in issued capital for the Quarter were:

Shares on issue as at 30 June 2007	836,555,567
Exercise of unlisted employee options	160,000
Shares on issue at 30 September 2007	**836,715,567**

Options on issue as at 30 June 2007	18,160,000
Less employee options exercised	(160,000)
Less employee options lapsed	(500,000)
Options on issue at 30 September 2007	**17,500,000**

The unlisted options are exercisable at various prices between 15¢ and 58.1¢ up to 23 December 2011.

Corporate

Delphine Cassidy has been appointed as General Manager Investor Relations. Previously she was with AWB Limited.

Richard Beazley has been appointed General Manager Southern Cross Operations. He has strong experience in both open cut and underground operations with organisations such as Henry Walker Eltin Contracting and most recently was General Manager for Aditya Birla Mineral's Nifty Copper Operation.

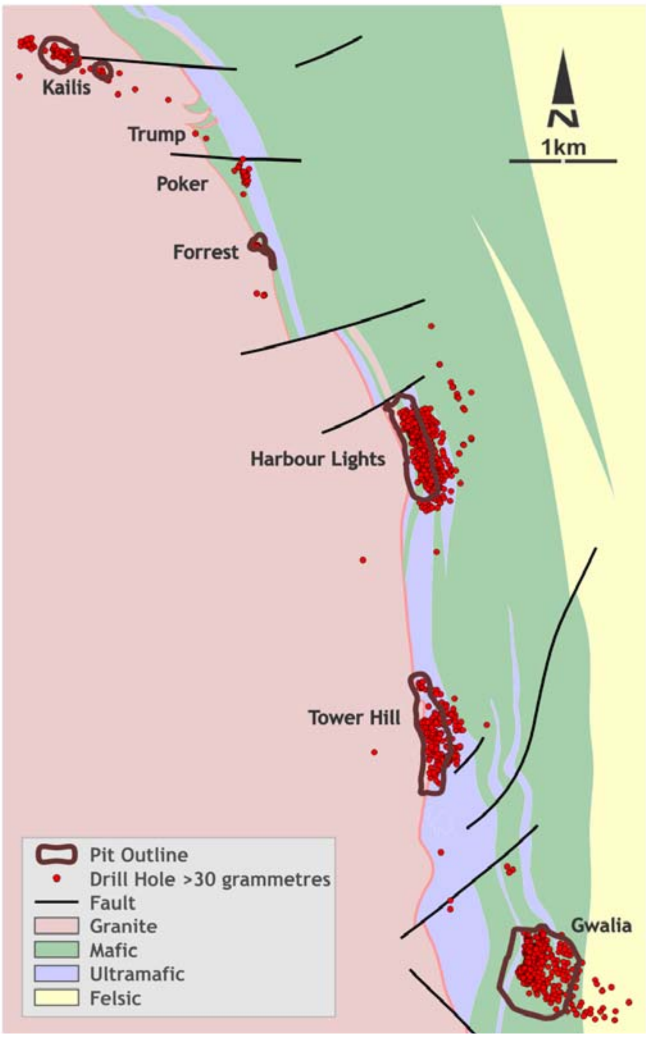


Diagram 8: **Gwalia to Kailis – Plan View**

Directors

S J C Wise	Chairman
E Eshuys	Managing Director & CEO
D W Bailey	Non-Executive Director
B J Gibson	Non-Executive Director
P C Lockyer	Non-Executive Director
H G Tuten	Non-Executive Director
R J Kennedy	Company Secretary

Registered Office

Level 21, 90 Collins Street
Melbourne Victoria 3000
Telephone: +61 3 8660 1900
Facsimile: +61 3 8660 1999
Email: melbourne@stbarbara.com.au
Website: www.stbarbara.com.au

Largest Shareholders

Resource Capital Funds II and III LP
- shares held 78,662,230
- percentage holding 9.4%

JPMorgan Chase & Co
- shares held 41,631,000
- percentage holding 5.0%

Acorn Capital Ltd
- shares held 42,191,655
- percentage holding 5.0%

Australian Securities Exchange Listing SBM
Singapore Exchange Listing - Convertible Notes

Shareholder Enquiries

Computershare Limited
GPO Box 2975
Melbourne Victoria 3001
Telephone (within Australia): 1300 653 935
Telephone (international): +61 3 9415 4356
Facsimile: +61 3 9473 2500

Exchange Rate

A$ amounts converted at A$1:
- at 30/09/07 US$0.8878
- for Quarter average US$0.8480

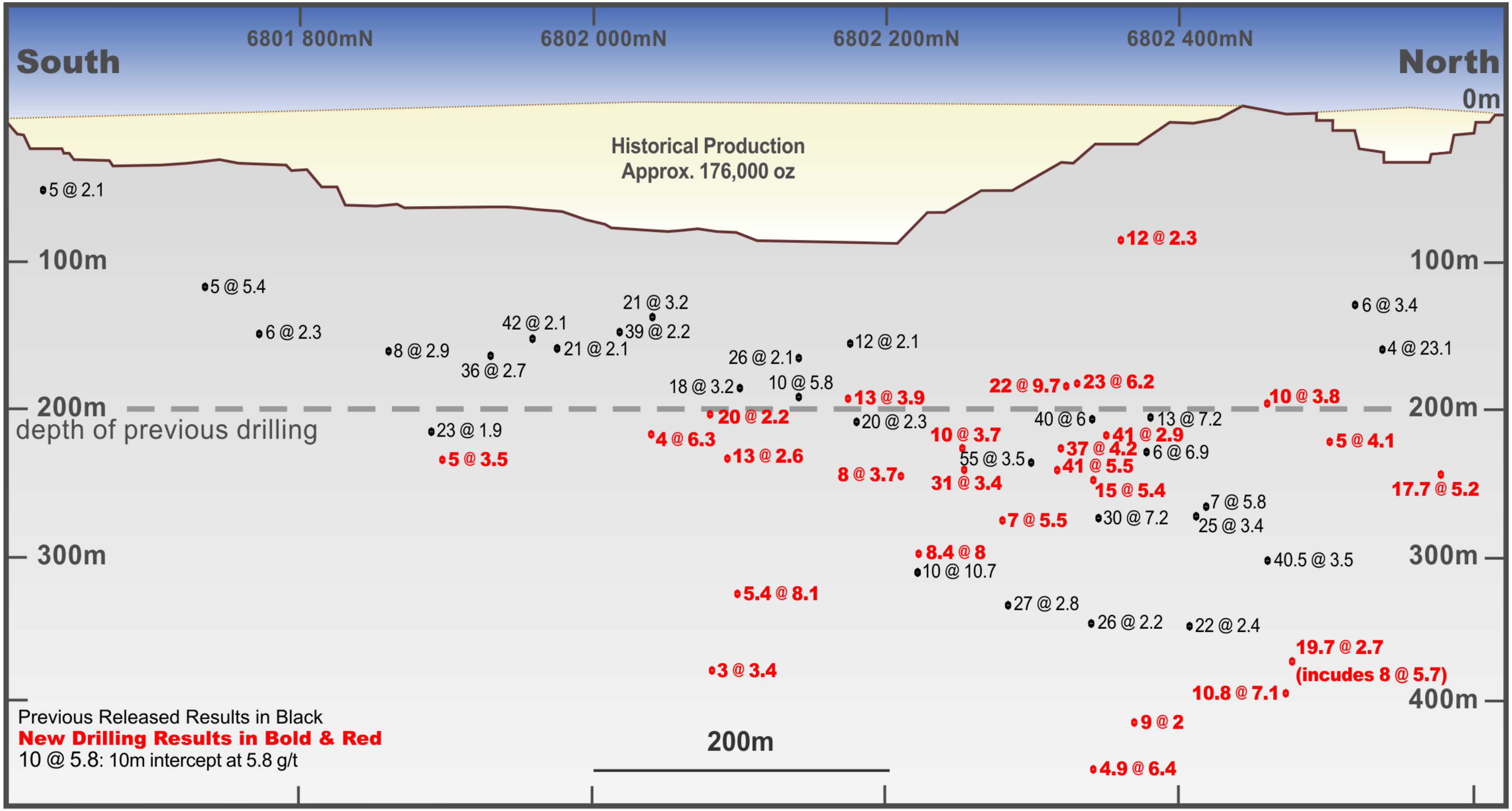


Diagram 9: **Tower Hill Long Section**

Appendix 1

Table 2: Significant Gold Intersections

Hole No	North	East	Dip/Azi	Vertical Depth mbs	Mineralised Intersection From m	Length m	Gold g/t
LEONORA							
Tower Hill							
TWRC0161*	6802340	336700	-75/270		194.0	40.0	6.0
TWRC0227	6802320	336765	-78/270		232.0	41.0	5.5
TWRC0234	6802320	336720	-66/270		195.0	22.0	9.7
					229.0	16.0	1.7
TWDD0096*	6802340	336870	-60/270		294.0	30.0	7.2
TWRC0180*	6802300	336767	-75/270		225.0	55.0	3.5
TWRC0231	6802335	336675	-80/270		177.0	23.0	6.2
					209.0	17.0	5.1
TWDD0175*	6802460	336850	-75/270		303.5	40.5	3.5
TWRC0232	6802343	336711	-84/270		209.0	41.0	2.9
TWDD0174*	6802220	336980	-70/270		325.0	10.0	10.7
TWRC0229	6802260	336757	-85/270		238.0	31.0	3.4
TWRC0178*	6802380	336700	-80/270		205.0	13.0	7.2
					232.0	6.0	6.9
TWDD0192	6802580	336733	-80/270		240.4	17.7	5.2
TWDD0095*	6802400	336850	-65/270		285.0	25.0	3.4
TWRC0225	6802340	336720	-86/270		242.0	15.0	5.4
					217.0	11.0	2.9
TWDD0184	6802460	337092	-60/270		441.2	10.8	7.1
TWDD0172*	6802280	336880	-87/270		323.0	27.0	2.8
TWRC0235	6802320	336740	-80/270		221.0	19.0	3.9
					245.0	12.0	4.0
					265.0	6.0	5.4
TWDD0204	6802223	336980	-55/270		333.6	8.4	8.0
					360.0	2.0	2.0
TWRC0164*	6802040	336665	-60/270		143.0	21.0	3.2
TWRC0156*	6802140	336760	-75/270		211.0	10.0	5.8
					229.0	11.0	1.0
TWDD0170*	6802340	336875	-87/270		338.0	26.0	2.2
TWRC0154*	6802140	336747	-55/270		196.0	26.0	2.1
					229.0	10.0	3.0
TWDD0183	6802460	337000	-60/270		398.1	19.7	2.7
TWDD0171*	6802400	336855	-87/270		340.5	22.0	2.4
TWRC0215	6802180	336740	-75/270		204.0	13.0	3.9
					231.0	22.0	1.2
TWRC0179*	6802180	336795	-67/270		231.0	20.0	2.3
					259.0	18.0	1.3
TWRC0157	6802080	336765	-78/270		210.0	20.0	2.2
TWDD0193	6802100	336970	-75/270		334.9	5.4	8.1
TWRC0177*	6802420	336657	-90/270		262.0	7.0	5.8
					210.0	20.0	1.6
TWDD0097	6802280	336875	-60/270		304.0	7.0	5.5
					317.0	11.0	1.9
TWRC0221	6802460	336680	-75/270		199.0	10.0	3.8
TWRC0219	6802260	336737	-77/270		245.0	10.0	3.7
					216.0	7.0	1.7
TWRC0149	6801940	336790	-90/270		0.0	7.0	5.2
TWRC0153	6802120	336745	-70/270		194.0	18.0	2.0
					237.0	7.0	2.3
TWRC0167	6802100	336800	-80.8/270		254.0	13.0	2.6
TWDD0186	6802300	337170	-76/270		476.1	4.9	6.4
TWRC0169	6802220	336770	-74/270		263.0	8.0	3.7

* = Previously reported
Intersection lengths for Tower Hill are true width.

Table 2 *Continued*: Significant Gold Intersections

Hole No	North	East	Dip/Azi	Vertical Depth mbs	Mineralised Intersection From m	Length m	Gold g/t
SOUTHERN CROSS							
Marvel Loch							
ELGC038	9778	4858		393.0	124.0	30.5	7.3
	9791	4833		387.2	108.0	7.8	3.9
NUG055	10741	4781		558.6	307.0	5.4	39.3
ELGC023	9819	4850		386.6	98.0	39.4	3.2
SUG084	9746	4862		542.4	212.5	28.8	2.7
SUG085	9752	4867		548.0	230.0	21.0	3.0
SUG083	9749	4875		520.7	206.7	29.2	2.0
NUG056	10749	4782		499.7	258.9	1.9	22.9
	10748	4752		441.5	193.5	1.6	23.3
ELGC032	9810	4823		408.7	99.2	8.3	4.2
Nevoria							
NVC046	9514	7040	-59/2		68.0	28.0	4.4
NVC022*	9465	5899	-55/360		34.0	14.0	6.1
NVCD031*	9310	6160	-50/4		231.2	6.8	10.9
					203.0	6.8	3.6
NVCD043	9330	5940	-55/357		233.0	8.0	9.1
NVCD024*	9350	5920	-55/360		244.0	5.0	14.4
					219.0	4.8	4.0
NVCD018*	9340	6042	-60/3		208.0	4.3	13.9
					272.1	7.9	4.9
NVC021*	9469	5859	-60/360		116.0	53.0	1.1
NVCD030*	9310	6150	-55/355		272.8	6.1	8.6
					0.0	4.0	3.1
NVCD028	9320	6180	-55/2		252.3	2.7	19.3
					229.0	2.9	12.8
NVC035*	9435	5910	-50/20		55.0	11.0	4.3
NVCD038	9350	6020	-54/358		217.1	1.9	22.7
NVC052	9594	7180	-59/360		46.0	10.0	4.2
NVC050	9569	7160	-59/3		11.0	19.0	2.0
NVCD019*	9342	6280	-52/357		242.9	1.1	29.6
					200.0	4.0	7.3
NVCD032*	9310	6200	-50/9		279.0	2.7	10.5
					253.1	1.4	8.4
GVG							
RRRC0019	6506614	743486	-60/281		21.0	4.0	21.9
RRRC0011*	6506641	743480	-59/286		23.0	3.0	24.4
GLRC0303*	6506610	743479	-90/360		1.0	19.0	3.5
PXRC0013	6505205	743200	-59/93		31.0	19.0	3.1
MSRC0043	6506279	744180	-90/270		6.0	9.0	5.2
MSRC0039	6505997	744407	-50/270		57.0	12.0	3.3
GTRC0047	6505601	744278	-50/270		14.0	7.0	5.7
MSRC0046	6506100	744364	-90/270		45.0	15.0	2.3
GTRC0041	6505720	744346	-49/267		94.0	16.0	2.1
GTRC0050	6505699	744306	-50/270		36.0	5.0	4.7
GTRC0051	6505740	744314	-50/278		45.0	5.0	4.6
MSRC0047	6506100	744375	-90/270		49.0	2.0	9.2

* = Previously reported

Intersection lengths for GVG and Nevoria are downhole, and for Tower Hill and Marvel Loch are true width. Vertical depths and North and East co-ordinates shown for Marvel Loch relate to the mid-point of the intercept. CUG holes are at Exhibition Lode. NUG holes are at Sherwood Lode and Undaunted Lode. ELG holes are at East Lode and New Lode. SUG holes are at Firelight Lode.

Competent Person Statement

Significant gold intersections and geological interpretations contained in this report have been compiled by Mr Peter Thompson. Mr Thompson is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of the Company. Mr Thompson has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Mr Thompson consents to the inclusion in the report of the matters based on their information in the form and context in which they appear.