

St Barbara Limited

ABN 36 009 165 066



16 February 2009

Mr James Gerraty
Manager Issuers
ASX Limited
Level 45, 525 Collins Street
Melbourne VIC 3000

Dear James

Re: Price query

We refer to your letter of 13 February 2009.

We understand that the submission of this letter will enable ASX to lift the trading halt currently in place in relation to St Barbara Limited (**Company**).

Adopting the numbering in your letter we respond as follows:

1. Subject to the comments below in relation to Macquarie Capital Advisers Limited, the Company is not aware of any information concerning it that has not been announced which, if known, could be an explanation for the trading in the securities of the Company from the open of trading on 12 February 2009.

The Company has been advised by Macquarie Capital Advisers Limited via telephone that it sold approximately 72 million Company shares on Friday, 13 February 2008. The Company understands that these shares have been bought by a number of institutional investors.

Following on-site visits to the Company's operations by a number of investment analysts and investors during the week ended 13 February 2009, the Company understands that there have been updated reports and advice provided to clients of their respective firms.

The Company is satisfied that there was no information (of the type contemplated in ASX listing rule 3.1) provided to the participants in these site visits that has not been previously disclosed to the market.

In addition, the Company notes that it is considering a number of potential strategies in relation to the Convertible Notes issued by the Company in 2007 which have a present face value of \$99,600,000, however, the Company has

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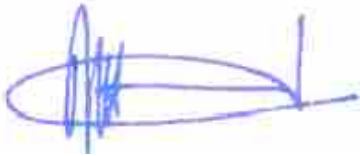
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made no decision in relation to how it may seek to deal with the Convertible Notes.

2. Not relevant
3. The 31 December 2008 Half Year Financial Statements have not yet been completed. It is not anticipated at this stage that the 31 December 2008 operating result before abnormals and income tax will vary from the previous corresponding period by more than 15%.
4. Refer Schedule 1 attached.
5. Other than as specified in 1 above, no.
6. Confirmed.

Yours sincerely

A handwritten signature in blue ink, consisting of a large, stylized 'R' followed by a horizontal line and a vertical stroke.

Ross Kennedy
General Manager Corporate Services / Company Secretary

Schedule 1

Possible Half Year Abnormal Items

In the preparation of its 31 December 2008 half year financial statements, the Company has reviewed the carrying value of its assets, as required under the Australian accounting standards.

Based on an initial review, the Company has formed the view that write downs of between \$19 million and \$25 million will be recorded in the 31 December 2008 half year financial statements. The components of the write downs are as follows:

- Negative mark to market adjustment of listed equity investments (mainly Bendigo Mining Limited), based on their 31 December 2008 share price, of \$6.4 million;
- Write down of capitalised expenditure associated with open pit operations at Southern Cross of approximately \$9 million; and
- Write down of capitalised expenditure associated with open pit operations at Leonora of between \$4 million and \$10 million.

In addition, the Company will recognise restructuring and redundancy costs as at 31 December 2008 of \$3 million. These costs are in relation to the restructure of the Company's corporate functions and associated redundancies during the period ended 31 December 2008.

The carrying value of the Company's assets and the 31 December 2008 half year financial statements have not yet been considered by the Board and are subject to audit review. Final details of any write downs and other abnormal items will be presented with the release of the Company's half year financial statements by 28 February 2009.



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13 February 2009

Ross Kennedy
Company Secretary
St Barbara Limited
Melbourne VIC

By email only

Dear Ross

St Barbara Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 31.5 cents at the close of trading on 11 February 2009 to 39.5 cents at the time of writing. The volume of shares traded yesterday and today has also increased significantly.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the half year ended 31 December 2008 would vary from the previous period by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ended 31 December 2008? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at james.gerraty@asx.com.au. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie **before 9.30 a.m. EDST**) on Monday, 16 February 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Sent electronically without signature

James Gerraty
MANAGER ISSUERS, MELBOURNE