



19 February 2009

## Trading Update – Half Year Preliminary Results

St Barbara advises that gold revenue for the six months to 31 December 2008 was approximately \$110 million, an increase of 57% over the same period last year. EBITDA from the operations for the period was approximately \$34 million compared to \$29 million in the previous corresponding period, reflecting higher gold prices and an initial contribution from the Leonora operations commissioned in October 2008.

St Barbara expects that its Net Loss after tax for the six months to 31 December 2008 to be in the range of \$38 million to \$44 million. This compares to a loss of \$9.3 million for the corresponding period last year.

The anticipated net loss includes a number of exceptional items, details of which were advised to the ASX last Friday. Without such exceptional items, the Net Loss for the period is expected to be between \$13 million and \$15 million. This compares with a net loss before exceptional items in the prior corresponding period of \$16.2 million.

### Exceptional Items

The exceptional items arise from a review of the carrying value of open pit assets and listed investments, leading the Company to expect that write downs of between \$19 million and \$25 million will be recorded for the period. The components are:

- Negative mark to market adjustment of listed equity investments (mainly Bendigo Mining Limited), based on its 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 expects to 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.

### Income Statement Items

Exploration expenditure for the period was \$13 million (\$12.5 million for the six months to 31 December 2007), with an expected \$10 million charged to the income statement compared to \$13.2 million in the prior corresponding period. Depreciation and amortisation increased with the commencement of Leonora operations and is anticipated to be around \$20 million for the period (\$16.7 million for the six months to 31 December 2007).

The guidance outlined in this Update is preliminary in nature and is based on unaudited accounts and the carrying values of the Company's assets. As such, it remains subject to finalisation by St Barbara and review by the Company's external auditor. The actual results may therefore differ from this preliminary result. St Barbara intends to release its actual results by 27 February 2009.

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## Financial Position

Cash at bank totalled A43.9 million as at 31 December 2008, which included restricted cash of A\$23.4 million held by the Commonwealth Bank as security for bank guarantees, primarily relating to environmental performance bonds. Capital expenditure for the period was approximately \$117 million, which was in line with budget.

As at 31 January 2009 the cash balance was \$31.5m, which included \$23.5m of such restricted cash.

## Outlook

The Company anticipates that production for the second half of the year will be within the previously forecast range of 145,000 to 155,000 ounces, of which gold production from Gwalia Operations is forecast to be 60,000 to 65,000 ounces at a cash operating cost of A\$660 to A\$680 per ounce, and gold production from Southern Cross Operations is forecast to be 85,000 to 90,000 ounces, at a cash operating cost of A\$820 to A\$840 per ounce.

For the full year, and incorporating actual results for the six months to 31 December 2008, the consolidated forecast is to produce 250,000 to 260,000 ounces of gold at a cash operating cost of A\$775 to A\$795 per ounce

*For any additional information, please contact Mr Ross Kennedy, Company Secretary, on 61(3) 8660 1900*

This release includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of St Barbara, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and St Barbara assumes no obligation to update such information.