



## Tender to Repurchase Convertible Notes Launched

18 March 2009



On 23rd February the Company advised that it had successfully raised \$75 million (net of costs) through an equity private placement.



The purpose of the raising was to provide the Company with a strengthened balance sheet and funds to enable it to partially buy back outstanding Convertible Notes at an appropriate discount and/or fund their later potential redemption.

On 17 March 2009, the Company sent (with the assistance of J.P. Morgan Securities Limited, the Company's Tender Agent) to Convertible Noteholders an invitation to purchase, by way of tender, up to A\$50 million of Convertible Notes. The offer opens today, March 18<sup>th</sup> at 10am (AEST), and is expected to close on 21 March at 3am (AEST).



The Company will have the sole discretion in determining the quantum and price of any Notes to be re-purchased. Attached is an announcement containing further details of the offer to re-purchase the Convertible Notes made to the Singapore Exchange Securities Trading Limited (the exchange on which the Convertible Notes are listed).

A further announcement is anticipated towards the end of the month.

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# OFFER TO REPURCHASE COMPANY CONVERTIBLE NOTES

18 March 2009



The Company advises that it intends to buy back for cash up to A\$50,000,000 face value of Convertible Notes, by way of an invitation to holders of Notes ("**Noteholders**") to tender their Notes for repurchase (the "**Invitation to Tender**"). The Company has despatched to Noteholders a tender offer memorandum dated 17 March 2009 (the "**Tender Offer Memorandum**") setting out, *inter alia*, the terms and conditions of the Invitation to Tender.

The Invitation to Tender is being made as part of the Company's active management of its balance sheet and follows a successful equity private placement that raised A\$75 million (net of costs) conducted by the Company in February 2009 for the purpose of providing the Company with a strengthened balance sheet and funds to enable it to conduct the Invitation to Tender and/or fund the later potential redemption of the Convertible Notes (Noteholders have an early redemption right on 4 June 2010, and otherwise the Convertible Notes mature on 4 June 2012).

By way of background, in June 2007, St Barbara Limited issued an aggregate principal amount of A\$100,000,000 8 per cent. Convertible Notes due June 2012. The Notes are listed on the Singapore Exchange Securities Trading Limited. Currently A\$99,600,000 of Notes remain outstanding.

The Invitation to Tender will commence at 10:00 a.m. (AEST) on 18 March 2009 and will expire at 3:00 a.m. (AEST) on 21 March 2009 (5:00 p.m. (Central European Time ("**CET**")) on 20 March 2009), unless extended, re-opened or earlier terminated as provided in the Tender Offer Memorandum (the "**Tender Period**"). The Invitation to Tender requires Noteholders who wish to participate to complete a Tender Application (as defined in the Tender Offer Memorandum), which must be received by J.P. Morgan Securities Limited (as Tender Agent) during the Tender Period. In addition, such Noteholders are also required to complete an electronic Tender Confirmation (as defined in the Tender Offer Memorandum), which must be received by the relevant Clearing Systems (as defined in the Tender Offer Memorandum) by no later than 11:00 p.m. (AEST) on 25 March 2009 (1:00 p.m. (CET) on 25 March 2009). Tenders of Notes will be irrevocable except in certain limited circumstances.

The amount in cash in Australian dollars to be paid for each A\$1,000 principal amount of the Notes accepted for repurchase will be determined by multiplying the Clearing Price (as defined in the Tender Offer Memorandum) for the Notes (expressed as a percentage) by such A\$1,000 principal amount, rounded to the nearest cent (the "**Gross Repurchase Amount**") less a brokerage commission of 1 per cent. of such A\$1,000 principal amount, which commission shall be deducted from the Gross Repurchase Amount and paid by the Company to the Dealer Manager on the Settlement Date (as defined below).

Acceptance of any Tender Offers received is at the Company's absolute discretion. The aggregate principal amount of outstanding Notes to be bought back will be determined by the Company at its sole discretion.

The settlement date for the repurchase of the Notes is currently expected to be 31 March 2009 (the "**Settlement Date**"), subject to the right of the Company to extend, re-open, amend and/or terminate the Invitation to Tender.

It is currently envisaged that the Company will make an announcement on 27 March 2009 stating, *inter alia*, the aggregate cash amount payable by the Company based on the aggregate principal amount of Notes it will repurchase pursuant to the Tender Offer.

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The Company also envisages making a further announcement on 2 April 2009 stating, *inter alia*, that settlement has taken place, the total consideration paid by the Company and the aggregate principal amount of Notes remaining outstanding following completion of the Invitation to Tender.

Further details of the Invitation to Tender are contained in the Tender Offer Memorandum.

All Noteholders are advised to obtain taxation and professional advice on the implications of participating in the Invitation to Tender in their particular circumstances.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful.

A handwritten signature in black ink, appearing to read 'Tim Lehany', is positioned above the printed name and title.

**Tim Lehany**  
**Managing Director & CEO**