



# St Barbara



## Issue of Employee Options with Performance Hurdles to Managing Director & CEO

1 October 2009

A total of 5,857,320 employee options are proposed to be granted to Mr Tim Lehany, Managing Director and CEO in respect of the fiscal year 2010 Long Term Incentive allocation, subject to shareholder approval.

The exercise price of \$0.306 per option was calculated as the volume weighted average price measured over the 10 business day period immediately preceding 23 September 2009,

Key terms are as follows:

Grant Date: with effect from 23 September 2009 subject to shareholder approval  
 Vesting date: 23 September 2012  
 Expiry date: 23 September 2014  
 Exercise price: \$0.306 per option

Prior shareholder approval of the options will be sought at St Barbara Limited's 2009 Annual General Meeting to be held on Thursday 19 November 2009.

Conditions of options vesting include continued employment as at the vesting date and a performance hurdle based on Relative Total Shareholder Returns:

Relative TSR Performance Over Measurement Period	% of Right to Vest
<50 <sup>th</sup> percentile	0%
50 <sup>th</sup> percentile	50%
>50 <sup>th</sup> & <75 <sup>th</sup> percentiles	Pro-rata between 50% & 100%
75 <sup>th</sup> percentile and above	100%

Relative Total Shareholder Returns will be measured from the date of grant up to and including 23 September 2012, compared with the total shareholder returns for a defined peer group of companies over the same period of time. The peer group and TSR performance measures are the same as applied to the employee options granted in respect of the 2009 fiscal year. Details of the peer group are set out in Schedule 1 attached.

The issue of employee options is consistent with established remuneration principles for St Barbara Limited senior executives. The vesting conditions align potential rewards for the executive team with the creation of relative value for our shareholders.

**Ross Kennedy**  
**Executive General Manager Corporate Services/  
 Company Secretary**

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## Schedule 1

The peer group against which Total Shareholder Return is measured comprises:

Company	
Newcrest Mining Limited	Independence Group NL
Lihir Gold Limited	Dominion Mining Limited
Sino Gold Mining Limited	Lion Selection Limited
Kingsgate Consolidated Limited	Apex Minerals NL
Avoca Resources Limited	OceanaGold Corporation

The Board reserves the right to make minor changes to the peer group to allow for changing circumstances (e.g. takeover) for peer group companies.