**St Barbara Limited** ACN 009 165 066
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14 September 2010

Mr Darren Collins
Senior Adviser, Issuers and Accounting Policy,
Melbourne
ASX Markets Supervision Pty Ltd
Level 45, Rialto South Tower
525 Collins Street
Melbourne VIC 3000
Darren.Collins@asx.com.au

Dear Mr Collins

**St Barbara Limited ("Company") - Price Query**

I refer to your letter dated 14 September 2010.

I respond to the questions contained in your letter as follows.

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?**

No.

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?**

N/A.

3 **Is there any other explanation that the Company may have for the price change in the securities of the Company?**

No, but the Company notes that:

- On 24 August 2010, the Company released its revised ore reserve and mineral resource statements as at 30 June 2010, which disclosed that there was a 13% overall increase in ore reserves net of production for fiscal year 2010;
- On 24 August 2010, the Company released its amended full year financial statements for the year ended 30 June 2010;
- On 1 September 2010, the Company released a copy of a presentation by the Company's chief financial officer to an analysts' and investors' roadshow held on that date;
- On 3 September 2010, the Company released an announcement that a definitive mine study for the Company's King of the Hills gold project had confirmed the viability of the project, further reduced the project's risk profile and underpinned an extension to the life of the project;
- On 7 September 2010, the Company released an announcement notifying the market that the Company proposed to conduct a share consolidation, a voluntary share sale facility and top-up facility, and an unmarketable parcel share sale process;
- On 9 September 2010, the Company released a copy of a presentation to be given by the Company's managing director and chief executive officer to shareholders and investors in

the United Kingdom, Canada and the United States of America between 9 and 14 September 2010; and

- On 10 September 2010, M&G Investment Management Limited, M&G Limited, M&G Group Limited and Prudential plc lodged a Form 604 Notice of change of interests of substantial holder with ASX indicating that those entities had increased their relevant interest in the Company from 16.00% to 17.03%.

The Company considers that these factors, together with the recent favourable climate for gold stocks, may have contributed to the recent price change.

4 **Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the half year ended 31 December 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.**

For the six months to 31 December 2009 the Company reported a net profit after tax of $803,000. The budgeted net profit after tax for the 6 months ending 31 December 2010 is $25,474,000. The main reasons for the significant increase in the budgeted net profit for the 31 December 2010 half year as compared with 2009 are:

- The budgeted average gold price for the December 2010 half year is A$1,350/oz compared to the realized averaged gold price in the December 2009 half year of A$1,178/oz; and
- Budgeted gold production in the December 2010 half year is 139,508 ounces compared to 113,938 ounces in the December 2009 half year – most of the increase is from the ramp up in production at Gwalia.

These two factors add significant profitability compared with the same period last year. The Company issued detailed three year guidance to the market in July 2010 covering production, cash cost, capital expenditure, exploration expenditure and corporate costs. This guidance would have assisted the market in calculating the profitability of the Company in fiscal year 2010.

5 **Is there any reason to think that the Company may record any material abnormal or extraordinary item for the half year ended 31 December 2010? If so, please provide details.**

There are no anticipated material abnormal or extraordinary items for the 6 months ending 31 December 2010, apart from profit on the sale of the Tarmoola plant of approximately $1.2 million. This transaction has already been reported to the market.

6 **Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.**

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely

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

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14 September 2010

Xian Davies
Assistant Company Secretary
St Barbara Limited
Level 14, 90 Collins Street
Melbourne VIC 3000

By email only

Dear Xian

**St Barbara Limited ("Company") - Price Query**

We have noted a change in the price of the Company's securities from 37.5 cents at the close of trading on 10 September 2010 to an intra-day high of 43.5 cents at the time of writing today.

In light of the price change, 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 other explanation that the Company may have for the price change in the securities of the Company?

4. Is there any reason to think that there may be a change in the operating results before abnormal items and income tax so that the figure for the half year ended 31 December 2010 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.

5. Is there any reason to think that the Company may record any material abnormal or extraordinary item for the half year ended 31 December 2010? If so, please provide details.

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 **darren.collins@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 **9.30 a.m. E.S.T. tomorrow Wednesday, 15 September 2010**.

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]

Darren Collins

**Senior Adviser Issuers and Accounting Policy**