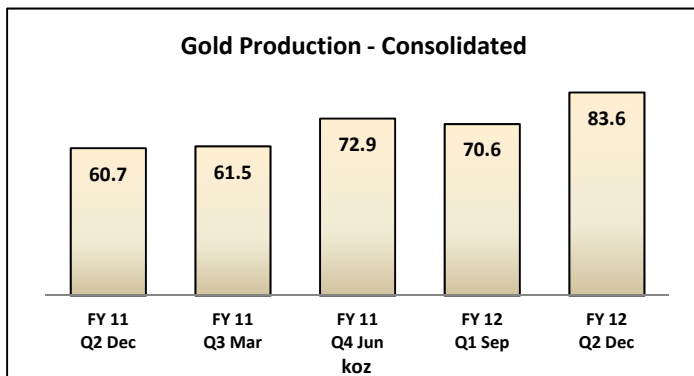


Gold production up 18% to a record 83,615 ounces

Overview

Key Results for the December Quarter

- **Gold production up 18% to a quarterly record 83,615 ounces, at consolidated group cash operating costs of \$844 per ounce**
(Sep 11 qtr: 70,608 oz; \$876/oz)
- **Gwalia cash operating cost \$683 per ounce**
(Sep 11 qtr: \$712/oz)
- **Cash up 47% to \$110 million.**



Operations

- Gwalia mine achieved both record production for the quarter, and the long-term forecast sustainable production rate:
 - Gold production up 14% to 46,007 ounces and mined grade up 8% to 8.1 g/t Au
(Sep 11 qtr: 40,306 oz; 7.5 g/t Au)
- King of the Hills mine reached its annualised production range during the quarter:
 - Gold production up 51% to 14,107 ounces
(Sep 11 qtr: 9,343 oz)
- Southern Cross Operations improved quarterly result:
 - Gold production up 12% to 23,501 ounces
(Sep 11 qtr: 20,959 oz)
 - now anticipated to continue gold production beyond August 2012 and into the December 2012 quarter

Discovery and Growth

- Initial results from deep drilling at Gwalia, Leonora, WA, indicate the potential extension of high grade resources further south than existing resources. Intersections include (all intercepts down-hole, details in Table 1):
 - 13.2m @ 9.8 g/t Au from 1,647m;
 - 6.8m @ 11.2 g/t Au from 1,670m.
- Drilling results from Frasers, Southern Cross, WA, during the quarter include:
 - 4.8m @ 5.6 g/t Au from 278m;
 - 4.9m @ 4.5 g/t Au from 269m.

Health & Safety

- The Total Recordable Injury Frequency Rate, calculated as a rolling 12 month average, improved from 12.6 to 11.9 at the end of the December quarter.

Financial

- Average realised gold price A\$1,638 per ounce for the quarter (Sep 11 qtr: A\$1,571/oz).

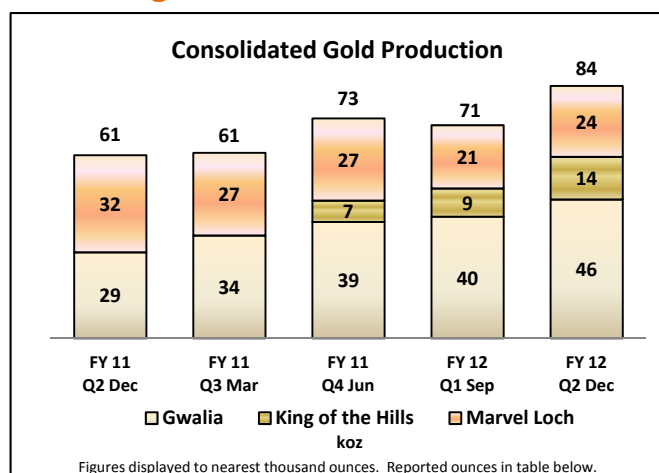
Outlook

- FY12 production and cost guidance is maintained.
- Gold production from the Gwalia and King of the Hills mines is expected to increase in the second half of FY12.
- Exploration drilling will increase in the second half of FY12.



Tim Lehany
Managing Director and CEO
23 January 2012

Increasing Gold Production

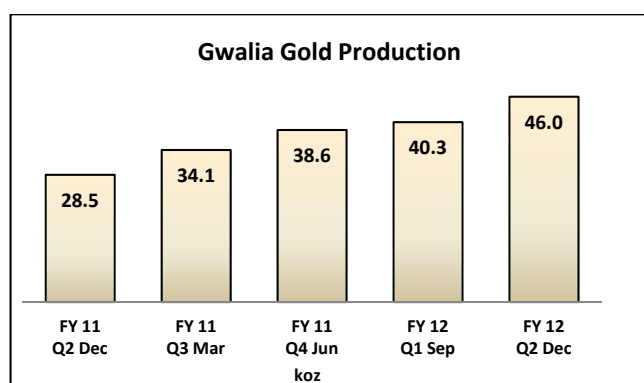


Production Summary Consolidated		Jun Qtr FY11	Sep Qtr FY12	Dec Qtr FY12
Production				
Gwalia	oz	38,556	40,306	46,007
King of the Hills	oz	7,066	9,343	14,107
Southern Cross	oz	27,238	20,959	23,501
Consolidated	oz	72,860	70,608	83,615
Mined Grade				
Gwalia	g/t	6.9	7.5	8.1
King of the Hills	g/t	4.7	3.7	4.3
Southern Cross	g/t	2.9	2.7	3.1
Total Cash Operating Costs				
Gwalia	\$/oz	722	712	683
King of the Hills	\$/oz	699	872	754
Southern Cross	\$/oz	985	1,193	1,215
Consolidated	\$/oz	818	876	844

Gwalia, Leonora, WA

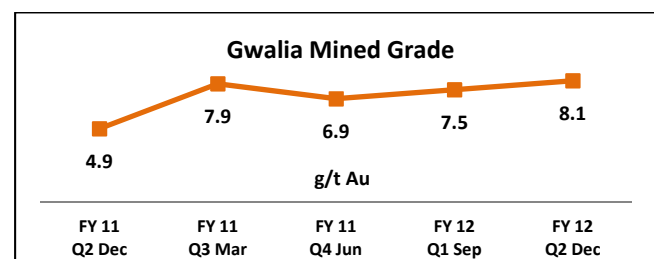
Gwalia mine achieved both record production for the quarter, and the long-term forecast sustainable production rate:

- o Gold production up 14% to 46,007 ounces
- o Mined grade up 8% to 8.1 g/t Au
- o Cash operating costs fell 4% to \$683 per ounce
- o Mined ore increased 4% to 181,204 tonnes (Sep 11 qtr: 40,306 oz; 7.5 g/t Au; \$712/oz; 173,498 t)



Production Summary		Jun Qtr FY11	Sep Qtr FY12	Dec Qtr FY12
Gwalia				
Underground ore mined	t	176,214	173,498	181,204
Grade	g/t	6.9	7.5	8.1
Ore milled	t	177,703	174,056	192,592
Grade ¹	g/t	7.0	7.4	7.7
Recovery	%	96	97	97
Gold production	oz	38,556	40,306	46,007
Cash Operating Costs		\$ per ounce		
Mining		463	484	410
Processing		134	124	110
Site services		77	82	62
Stripping and ore inventory adjustments		15	(8)	58
		689	682	640
By product credits		(4)	(4)	(4)
Third party refining & transport		1	1	1
Royalties		36	33	46
Total cash operating costs		722	712	683
Depreciation and amortisation		254	254	242
Total operating costs		976	966	925

The grade of mined ore continues to increase as ore sources move predominantly into the higher grade South West Branch.



The increase in gold production is mainly due to an 11% increase in milled volumes together with the higher grade of ore mined.

Higher than expected milling recoveries of 97% reflected an increase in the proportion of gold reporting to the gravity circuit following the installation of a second Knelson concentrator in August 2011.

A small quantity of low grade ore from Tower Hill stockpile and Gwalia mineralised waste were also treated during the quarter to capitalise on available plant capacity.

Cash operating costs reduced to \$683 per ounce for the quarter and will continue to trend down as the grade is maintained above 8.0 g/t Au in the second half of FY12.

Outlook

Production is expected to further increase in the second half of FY12, underpinned by higher mined grades, with a corresponding fall in cash operating costs. FY12 cash operating cost guidance remains at \$610 to \$640 per ounce.

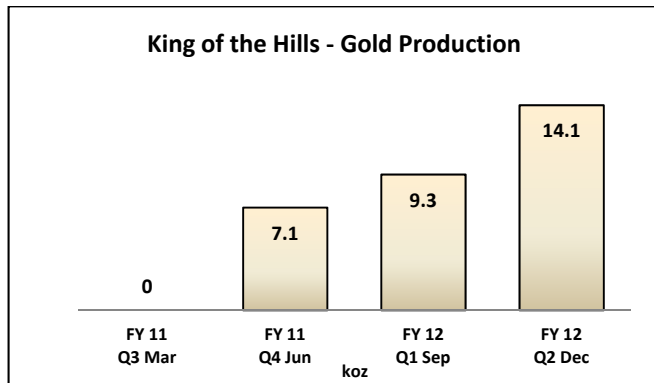
A haulage optimisation preliminary feasibility study has been completed for the Gwalia mine. The outcome of a subsequent definitive feasibility study to assess the economic viability of a haulage shaft is due in the June 2012 quarter.

¹ Includes Tower Hill low grade stockpile and Gwalia mineralised waste.

King of the Hills, Leonora, WA

King of the Hills mine reached its annualised production range during the quarter:

- Gold production up 51% to 14,107 ounces
- Mined grade up 16% to 4.3 g/t Au
- Cash operating costs fell 14% to \$754 per ounce
- Mined ore increased 40% to 107,840 tonnes (Sep 11 qtr: 9,343 oz; 3.7 g/t Au; \$872/oz; 77,034 t)



Production Summary		Jun Qtr	Sep Qtr	Dec Qtr
King of the Hills		FY11	FY12	FY12
Underground ore mined	t	58,139	77,034	107,840
Grade	g/t	4.7	3.7	4.3
Ore milled	t	50,105	82,179	105,541
Grade	g/t	4.6	3.8	4.4
Recovery	%	95	94	94
Gold production	oz	7,066	9,343	14,107
Cash Operating Costs		\$ per ounce		
Mining		534	716	582
Processing		194	247	185
Site services		90	67	33
Stripping and ore inventory adjustments		(129)	(176)	(80)
		689	854	720
By product credits		(14)	(15)	(8)
Third party refining & transport		-	-	-
Royalties		24	33	42
Total cash operating costs		699	872	754
Depreciation and amortisation		298	298	298
Total operating costs		997	1,170	1,052

Outlook

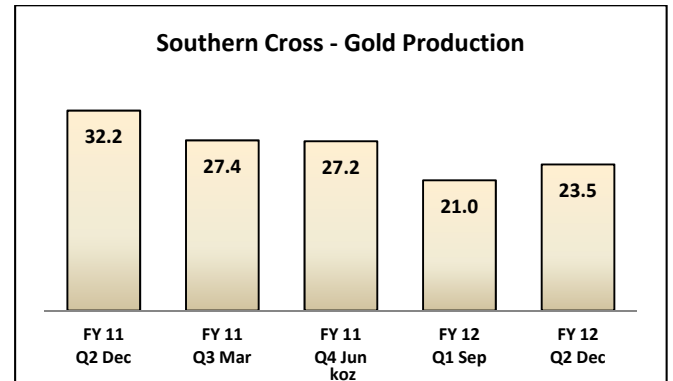
King of the Hills production is expected to increase in the March 2012 quarter as stoping levels developed in the Eastern flank during the first half come into production. The grade is anticipated to vary from quarter to quarter, but reconciles in the long term to the Ore Reserve grade of 4.3 g/t Au.

Unit cash operating costs fell in the December 2011 quarter due to the higher head grade and increased mining volumes.

Southern Cross Operations, WA

Gold production was sourced from the Marvel Loch mine and low grade satellite stockpiles during the quarter:

- Gold production up 12% to 23,501 ounces
- Marvel Loch mined grade up 15% to 3.1 g/t Au
- Cash operating costs stable at \$1,215 per ounce
- Mined ore decreased 35% to 163,814 tonnes (in line with expectations) (Sep 11 qtr: 20,959 oz; 2.7 g/t Au; \$1,193/oz; 251,628 t)



Production Summary		Jun Qtr	Sep Qtr	Dec Qtr
Marvel Loch		FY11	FY12	FY12
Underground ore mined	t	308,389	251,628	163,814
Grade	g/t	2.9	2.7	3.1
Ore milled	t	316,149	295,076	518,560
Grade	g/t	2.9	2.5	1.6
Recovery	%	93	89	88
Gold production	oz	27,238	20,959	23,501
Cash Operating Costs		\$ per ounce		
Mining		583	720	642
Processing		318	378	498
Site services		94	115	101
Stripping and ore inventory adjustments		(26)	(53)	(56)
		969	1,160	1,185
By product credits		(13)	(18)	(10)
Third party refining & transport		2	2	2
Royalties		27	49	38
Total cash operating costs		985	1,193	1,215
Depreciation and amortisation		184	264	333
Total operating costs		1,169	1,457	1,548

The Southern Cross Operations are continuing to perform to expectations and generate positive cash flows as the Marvel Loch mine life comes to an end. Lower underground volumes from Marvel Loch were offset by milling existing low grade stockpiles from satellite mine sites.

Outlook

It is anticipated that increased mining volumes from the Marvel Loch mine will underpin a modest increase in production in the September 2012 quarter, and will combine with the recovery of surface stockpiles at legacy sites, to extend gold production at Southern Cross Operations beyond August 2012 and into the December 2012 quarter. Following this the processing plant will be

placed on care and maintenance.

Mine development is expected to progressively reduce as the Marvel Loch mine approaches closure, with an anticipated increase in net cash flows.

Strategic options for the Southern Cross Operations continue to be evaluated ahead of the anticipated mine closure at Marvel Loch.

Discovery and Growth

Leonora Region, WA

Gwalia: The deep drilling program at Gwalia is aimed at extending Inferred Resources, and converting a substantial portion of existing Inferred Resources to Indicated Resources (and potentially Ore Reserves), within the current planned mining depth interval.

Encouraging intercepts from the first wedge hole of a seven drill hole program, GWDD111, included (all intercepts down-hole, details in Table 1):

- 13.2m @ 9.8 g/t Au from 1,647m (South West Branch);
- 6.8m @ 11.2 g/t Au from 1,670m (South Gwalia Series).

These initial results from hole GWDD111 appear to extend the Gwalia lodes further south than existing resources. A second drill machine will be added to this program in January 2012 with the aim of extending the resource further north, and a total of 5,800m is expected to be completed by mid 2012.

Leonora targets: The program of drill testing continued in the Leonora district at **Gwalia near-mine targets**. As highlighted previously, a series of deep conceptual targets have been identified on the main shear zone centred on the Gwalia mine trend for drill testing. Commencement of this drilling is subject to obtaining clearances from heritage surveys, which were completed during the December quarter, and satisfying other land access requirements. As a result, it is planned that several of these Gwalia near-mine targets will be tested later in 2012.

Initial drilling programs at **Jasper Hill, Marionette** and **Coronation** have been completed and the results are being analysed.

Southern Cross Region, WA

Nevoria: The aim of the program is to convert a substantial portion of Inferred Resources to Indicated Resources, leading to feasibility work for an underground mining operation to contribute ore to the Marvel Loch plant.

With 7 holes of a planned 10 holes completed, results to date have confirmed the existing geological interpretation and estimated grade. The program is expected to be completed in January with a revised resource estimate due in the March 2012 quarter.

Frasers: As a result of significant high grade gold intersections from the Frasers project in the September 2011 quarter, a second phase drill program of eight holes was commenced in November. The aim of this program was to further extend the high grade mineralisation hosted by banded iron formation (BIF) rock units with the main

shear zone, following the southerly plunge at depth.

Six holes have been completed, and a series of variable intersections have been made within the BIF, demonstrating the pinching and swelling nature of the shear zone down-plunge. Significant intercepts during the quarter included (all intercepts down-hole, details in Table 1):

- FSDD17, 4.8m @ 5.6 g/t Au from 278m;
- FSDD20, 4.9m @ 4.5 g/t Au from 269m,
- FSDD16, 2.1m @ 7.5 g/t Au from 391m.

Drilling will continue during the March 2012 quarter to complete an additional two holes, at which stage results will be reviewed.

On completion of this program, the drill team will relocate south to the Cornishman mine, to test the potential for similar high-grade, BIF mineralisation hosted by the same regional shear zone.

Copperhead: A drilling program will be undertaken in early 2012 to delineate the Western Series Lode target zone and follow up the high grade mineralisation intersected previously in drill hole CHR02.

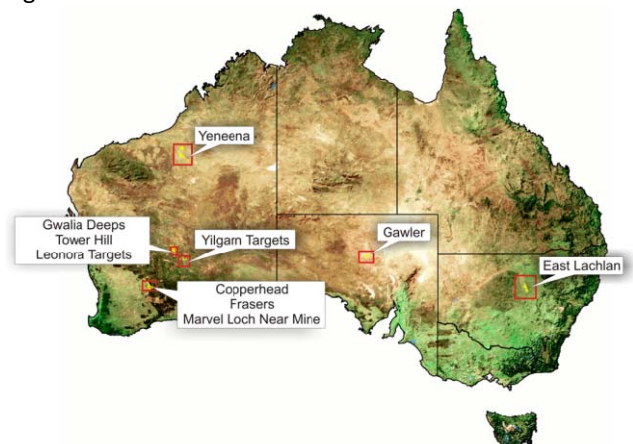
Other Areas

Yilgarn province, WA: Access has been granted to part of the Lake Carnage tenement, and geochemical drilling is expected to commence early in 2012. Elsewhere, regional targeting studies are continuing to generate priority areas with potential for larger higher grade deposits and for possible acquisition.

East Lachlan Fold Belt, NSW: The target in the Nyngan area, NSW, is intrusive-related porphyry copper-gold mineralisation within a large volcanic complex situated under younger cover rocks on the edge of the Great Artesian Basin. Following the encouraging signs obtained in previous drill hole BCRDD09, a detailed geophysical gravity survey has commenced to assist development of follow-up drill targets, and will be completed in January. Subject to results, drilling is expected to resume in the March 2012 quarter.

Discovery and Growth Outlook

The exploration budget for FY12 has been increased by \$6 million to \$22 million to fund additional drilling programs. The map below shows current and planned target areas for the remainder of FY12.



Health & Safety

The Total Recordable Injury Frequency Rate, calculated as a rolling 12 month average, improved from 12.6 to 11.9 at the end of the December quarter. Incidents are reducing in both frequency and severity.

Financials (unaudited)

82,130 ounces of gold were sold in the December quarter, at an average gold price of A\$1,638 per ounce.

Net cash increased by \$36 million for the quarter to \$107 million, comprising cash at bank at 31 December 2011 of \$110 million, and interest bearing liabilities of \$3 million.

Corporate

A share buy-back facility was announced on 21 December 2011, allowing the repurchase of up to 15 million shares over a six month period. The buy-back facility was established to enable St Barbara to apply its strong balance sheet and cash position to consolidate the Company's capital base for the benefit of shareholders. No shares were repurchased during the quarter.

Mr Alistair Croll joined the Company as Chief Operating Officer on 16 January 2012. Mr Croll is an experienced mining executive with over 20 years of industry experience, having held senior roles at De Beers, Anglo Platinum, Consolidated Minerals and most recently, Managing Director at Kimberley Diamond Company.

On 9 November 2011, St Barbara was recognised by the Federal Government's Equal Opportunity for Women in the Workplace Agency with a Director's Award acknowledging St Barbara's advancements in increasing work participation and leadership by women.

Share Capital at 31 December 2011

Issued shares

Opening balance 30 September 2011	325,615,389
Shares repurchased under buy-back facility	nil
Closing balance 31 December 2011	325,615,389

Unlisted employee options

Opening balance 30 September 2011	3,346,227
Lapsed	(292,784)
Closing balance 31 December 2011	3,053,443

Unlisted performance rights

Opening balance 30 September 2011	2,388,863
Issued	1,637,460
Lapsed	(112,601)
Closing balance 31 December 2011	3,913,722

Forward Guidance FY12

FY12 production and cost guidance is maintained.

Forward Guidance FY12		Gwalia	King of the Hills	Marvel Loch	Total
		Leonora		S'thn Cross	
Gold production	koz	175-190	55-60	90-100	320-350
Cash operating cost	\$/oz	610-640	710-750	1,170 -1,220	-
Capex	\$M	55-60	20-25	10-15	85-100

The above table is reproduced from the June 2011 Quarterly Report. For full details and the associated disclaimer, refer to the June 2011 Quarterly Report available at www.stbarbara.com.au.

Corporate Directory

St Barbara Limited

ABN 36 009 165 066

Board of Directors

Colin Wise..... Non-Executive Chairman
 Tim Lehany Managing Director & CEO
 Doug Bailey..... Non-Executive Director
 Betsy Donaghey..... Non-Executive Director
 Phil Lockyer Non-Executive Director
 Robert Rae..... Non-Executive Director

Executive Team

Tim Lehany Managing Director & CEO
 Garth Campbell-Cowan Chief Financial Officer
 Alistair Croll Chief Operating Officer
 Ross Kennedy EGM Corporate Services
 Phil Uttley..... EGM Discovery and Growth

Registered Office

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 Melbourne Victoria 3004
 Australia
 Telephone..... +61 3 8660 1900
 Facsimile..... +61 3 8660 1999
 Email..... melbourne@stbarbara.com.au
 Website www.stbarbara.com.au

Substantial Shareholders	% of Holdings ¹
M&G Investment Management Ltd ²	18.1%
Hunter Hall Investment Management Ltd	6.4%
Franklin Resources Inc.....	6.0%
Van Eck Associates Corporation	5.0%

1. % as notified by the substantial shareholders.
2. M&G Group's interest includes shares also disclosed by Vanguard Precious Metals & Mining Fund.

Shareholder Enquiries

Computershare Limited

GPO Box 2975
 Melbourne Victoria 3001
 Australia
 Telephone (within Australia) 1300 653 935
 Telephone (international)..... +61 3 9415 4356
 Facsimile +61 3 9473 2500

Investor Relations Contacts

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 Rowan Cole..... + 61 3 8660 1914

Australian Securities Exchange (ASX) Listing code "SBM"
 American Depositary Receipts (ADR) – through The Bank of New York Mellon, www.adrbnymellon.com

Financial figures are in Australian dollars.

About St Barbara Limited

St Barbara was established in 1969, and is one of Australia's most profitable ASX listed gold producers and explorers.

St Barbara has three mines and two processing plants, at Leonora and Southern Cross, in the Eastern Goldfields region of Western Australia, and over 5,000 km² of prospective tenements across Australia.

The Gwalia mine at Leonora is the Company's cornerstone asset. The high grade Gwalia deposit has an expected mine life of at least 10 years, and remains open to the south and at depth.

At June 2011, Mineral Resources contained 7.6 million ounces of gold including Ore Reserves containing 2.8 million ounces of gold*. Ten priority exploration targets will be drilled in FY12.

Gold production, profit and operating cash flow all increased in FY11. Net profit after tax increased to \$69 million. Gold production is expected to grow by 30% in FY12 to between 320,000 and 350,000 ounces.



* For full details refer to the Ore Reserves and Mineral Resources Statements contained in the 2011 Annual Report, available at www.stbarbara.com.au.

Figure 1: Gwalia Deeps (Leonora) Ore Reserves and Mineral Resources

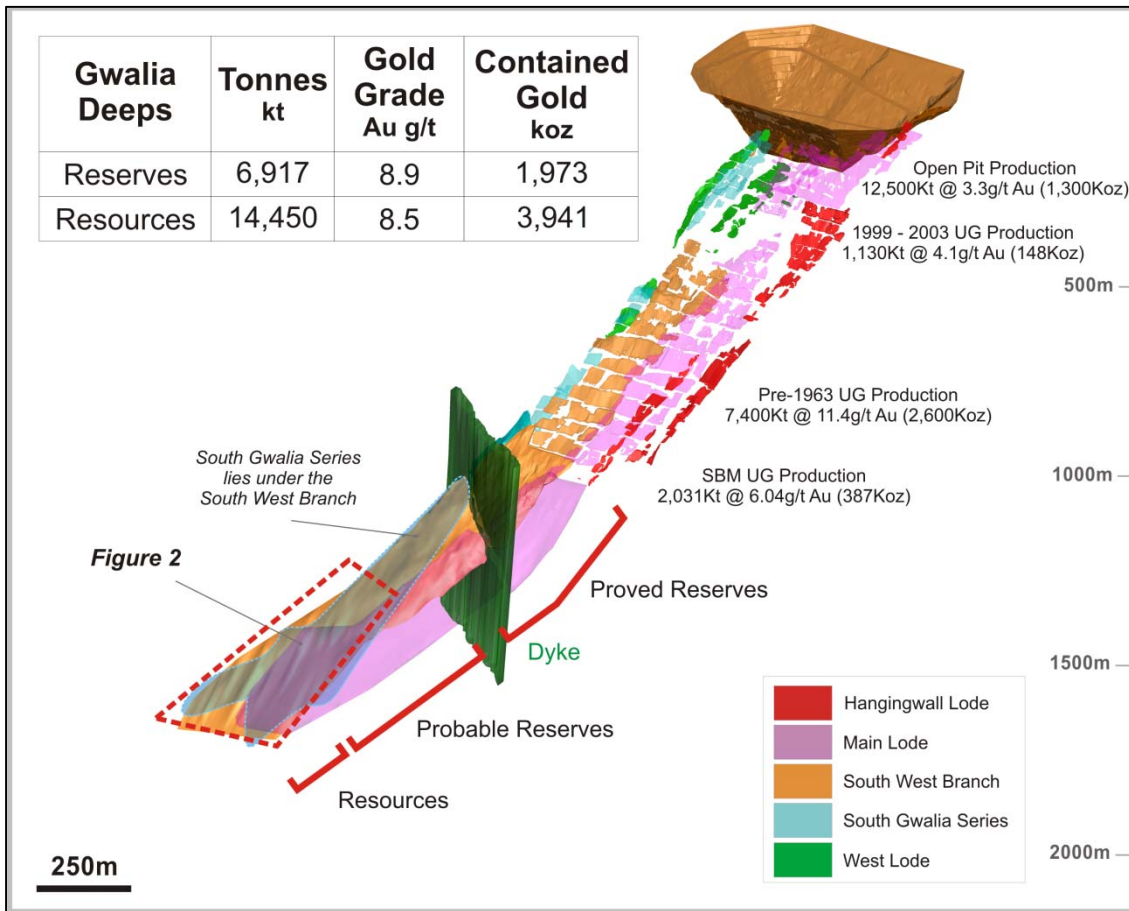


Figure 2: Gwalia Deeps (Leonora) Planned Drilling Program

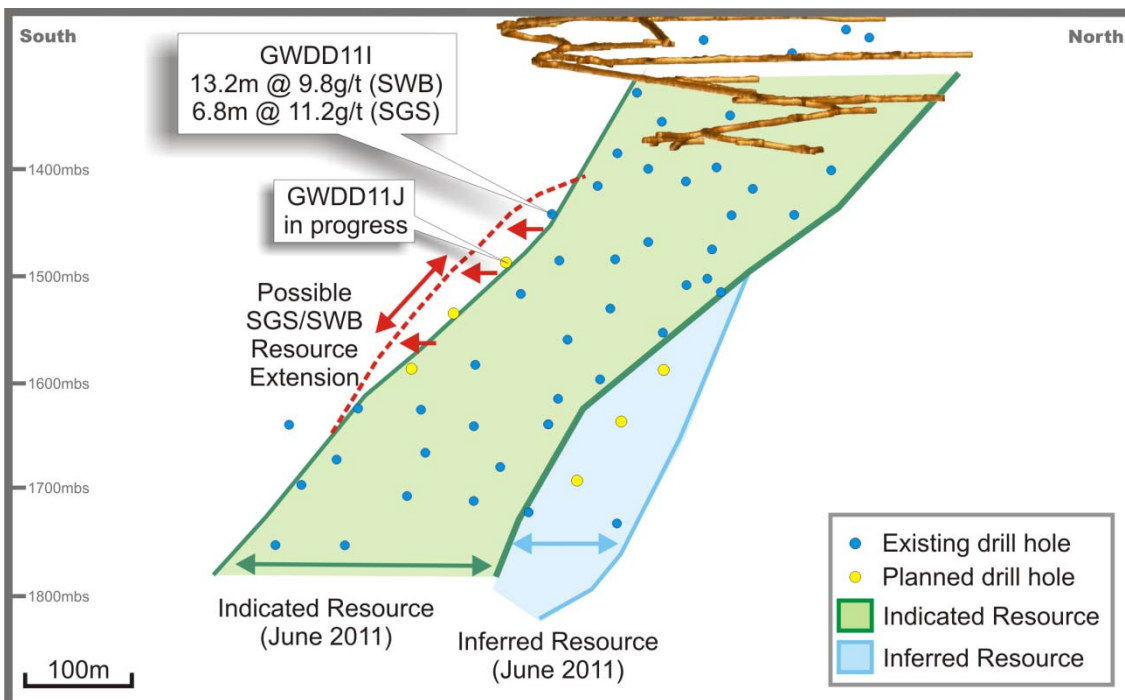


Figure 3: Frasers (Southern Cross) Cross Section Showing Results From Recent Drilling

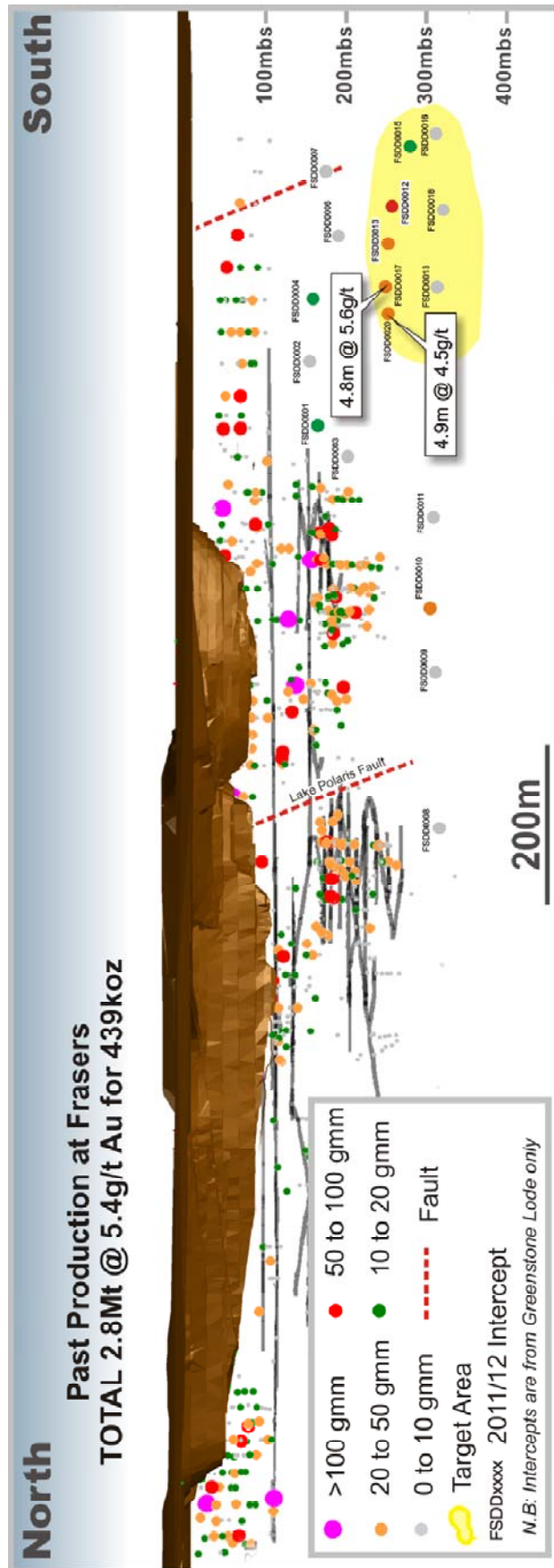


Figure 4: Leonora Regional Exploration Map

Current drilling locations

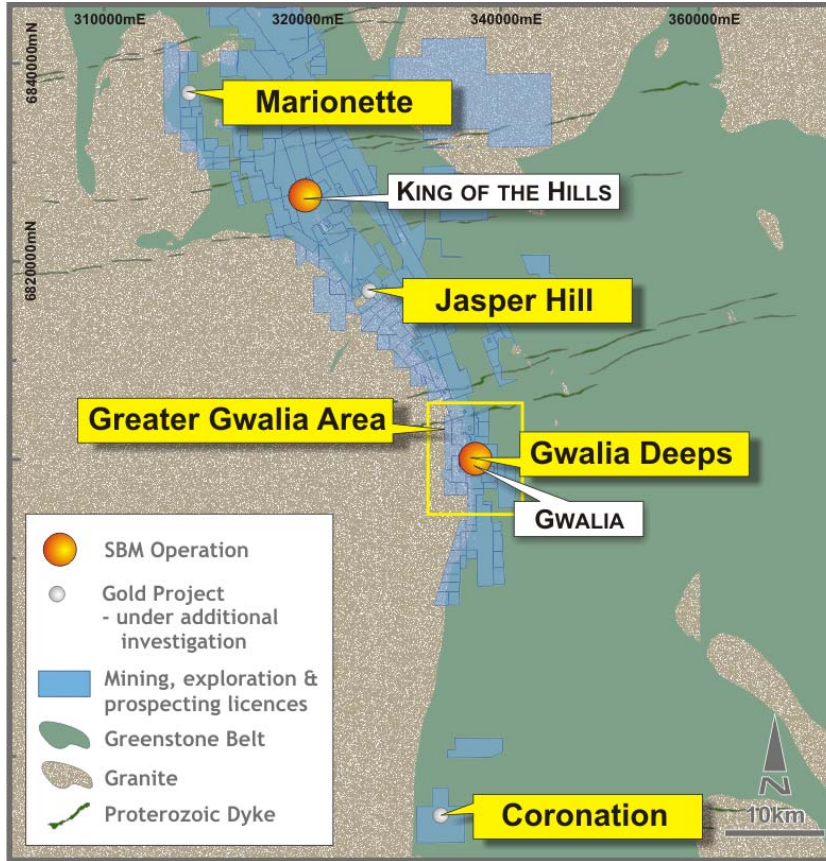


Figure 5: Southern Cross Regional Exploration Map

Current drilling locations

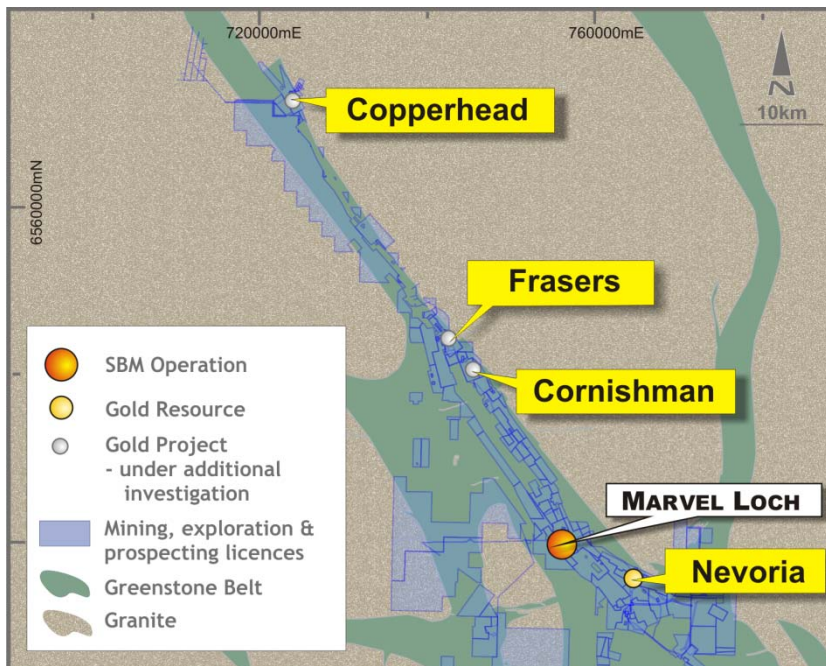


Table 1: Significant Intercepts

Hole No	North (local)	East (local)	Dip/ Azimuth	Vertical Depth mbs	Lode	Down-hole Mineralised Intersection		
						From m	Length m	Gold grade g/t Au
LEONORA								
Gwalia Deeps								
GWDD11I	5847	9209	-29/267	1440	South West Branch	1647.0	13.2	9.8
GWDD11I	5846	9192	-28/268	1450	South Gwalia Series	1670.2	6.8	11.2
SOUTHERN CROSS								
Frasers South								
FSDD0016	10905	4906	-69/73	372	Scholls Lode	391.0	2.1	7.5
FSDD0017	11104	4934	-57/51	246	Greenstone Lode	278.3	4.8	5.6
FSDD0020	11137	4934	-63/57	250	Greenstone Lode	269.1	4.9	4.5
Nevoria								
NVCD0102	9422	5999	-66 / 7	151	Silver	189.4	7.4	3.0
NVCD0102	9445	6002	-66 / 7	203	Silver	249.3	0.9	21.9
NVCD0102	9448	6003	-66 / 7	210	Silver	255.5	3.6	3.8
NVCD0102	9453	6003	-66 / 7	221	Silver	267.7	3.6	9.2
NVCD0103	9436	6065	-56 / 3	173	Silver	228.1	9.9	2.6
NVCD0103	9468	6066	-56 / 3	220	Silver	288.7	0.9	29.8
NVCD0104	9428	5967	-58 / 2	196	Silver	247.1	6.8	6.9
NVCD0105	9400	6026	-55 / 10	203	Silver	254.0	2.5	2.2
NVCD0105	9403	6027	-55 / 10	210	Silver	260.0	5.8	4.3
NVCD0106	9436	6180	-48 / 6	166	Silver	227.9	3.1	2.8
NVCD0107	9459	6270	-54 / 357	176	Silver	221.8	2.1	3.9

Notes:

1. All mineralised intersections are quoted as down-hole lengths and gold values are uncut unless otherwise stated.
2. For Gwalia, the intersections are approximately true thickness and the nominal cut-off grade is 3 g/t Au.
3. For other projects, the intersections are approximately true thickness and the nominal cut-off grade is 1 g/t Au.

Competent Persons Statement

References to Exploration Results including significant gold intersections and geological interpretations contained in this report have been compiled by Mr Phillip Uttley. Mr Uttley is a Fellow of The Australasian Institute of Mining and Metallurgy and is a full time employee of the company. Mr Uttley has sufficient experience relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, December 2004 (JORC Code). Mr Uttley consents to the inclusion in the report of the matters based on his information, in the form and context in which they appear.