



Strong gold production and cash generation in Q1 September 2015

St Barbara Limited achieved near-record gold production of 111,039 ounces in the September 2015 quarter (only 249 ounces or 0.2% below the March 2015 quarter record of 111,288 ounces), comprising:

- Gwalia production of 72,388 ounces
- Simberi record quarterly production of 29,539 ounces, and
- final King of the Hills production of 9,112 ounces.

Gwalia's production benefited from higher mined volume and higher mined grade (9.7 g/t Au) than anticipated in the mine plan.

Simberi's production for the quarter set a new record and comfortably exceeded the 100,000 ounce per annum target run rate for the second consecutive quarter. Improved performance was due to increasing productivity in the mine and the plant. Total ore and waste mined at Simberi increased to 2.67 Mt for the quarter, and ore milled increased to 860 kt for the quarter, approximately equivalent to the target 3.5 Mtpa run rate. Mined grade for the quarter averaged 1.27 g/t Au, consistent with the Ore Reserve grade of 1.3 g/t Au¹.

Mining ceased at King of the Hills in April 2015 and processing of stockpiles concluded in the September quarter.

¹ Ore Reserve grade at 30 June 2015, refer Ore Reserves and Mineral Resources Statements released 25 August 2015

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The Company's strong cash generation for the quarter is evidenced by the cash balance increasing from A\$77 million² at 30 June 2015 to approximately A\$115 million³ at the end of the September quarter, after total payments of A\$34 million for the repurchase of US Notes and Red Kite interest and principal repayments noted below.

During the September quarter, the Company repurchased US\$13 million in aggregate principal of its US Senior Secured Notes at a 7% discount to par value (US\$3 million was announced on 26 August 2015 with the financial report presentation, and US\$10 million was announced on 28 September 2015). The corresponding net cash outflow, including discounted principal repayments and accrued interest, amounted to A\$18 million. St Barbara has now repurchased a cumulative US\$67 million (27%) in aggregate principal of the original US\$250 million of Notes issued by St Barbara in March 2013. US\$183 million of the Notes remain on issue at the date of this announcement.

The first of eight US\$9 million quarterly repayments of the Red Kite debt facility was completed during the September 2015 quarter, leaving a balance of US\$66 million on this facility at the end of the quarter. Interest and principal repayments to Red Kite amounted to A\$16 million for the September quarter.

Details of the September 2015 quarter production are set out in the table below.

Production Summary Consolidated		Q3 Mar FY15	Q4 Jun FY15	Q1 Sep FY16	Full Year FY16 Guidance Range
<u>Production</u>					
Gwalia	oz	76,954	57,208	72,388	220,000 to 250,000
King of the Hills	oz	11,836	15,014	9,112	9,000
Simberi	oz	22,498	27,137	29,539	90,000 to 110,000
Consolidated	oz	111,288	99,359	111,039	319,000 to 369,000
<u>Mined Grade</u>					
					<u>Reserve grade⁴</u>
Gwalia	g/t Au	9.7	8.6	9.7	9.4
Simberi	g/t Au	1.38	1.28	1.27	1.3

The Company will issue its September 2015 quarterly report, including production costs and cash flow details, late in October 2015. Guidance for FY16 was issued in the June 2015 quarterly report, released on 21 July 2015.

² Cash balance excludes A\$2 million restricted cash

³ Financial information unaudited, cash balance excludes A\$2 million restricted cash

⁴ Ore Reserve grade at 30 June 2015, refer Ore Reserves and Mineral Resources Statements released 25 August 2015