



Short term US\$ gold price protection on 50 koz of gold for July to December 2016

St Barbara Limited has entered into forward gold contracts to reduce the US dollar gold price risk associated with accumulating US funds for the future repayment of the remaining of US Senior Secured Notes.

A total of 50,000 ounces of forward gold contracts are to be delivered in monthly instalments from July to December 2016 at a forward price of US\$1,260 per ounce. This volume represents less than 15% of current annual Company production. The hedge provides gold price certainty at recent higher gold prices for a portion of the remaining US\$168 million balance of US Notes. The US Notes have a maturity date of April 2018, however, the Company intends to continue its recent practice of reducing debt by repurchasing Notes in advance as the opportunity arises.

In combination with the continuing strong cash flow generated from operations, it is anticipated the Company will pay out in full the US\$36 million balance remaining on the Red Kite debt facility by the end of June 2016, twelve months ahead of the amortisation schedule.

Summary of hedging in place at the date of this release

- 2H FY16**
- approximately 25,000 ounces of gold forward contracts remain (from initial hedge of 100,000 ounces) to be delivered in monthly instalments between April and June 2016 at A\$1,600 per ounce (this hedge announced on 8 April 2015, to secure a reliable cash margin on Simberi's FY16 gold production)
 - 40,000 ounces of gold in a zero cost collar, comprising put options (priced at US\$1,187 per ounce) and call options (priced at US\$1,287 per ounce) for the period March to June 2016 (this hedge announced on 15 February 2016, to reduce US dollar gold price risk on remaining Red Kite debt facility)
 - these two hedges represent approximately 65% of anticipated gold production for the period March to June 2016
- 1H FY17**
- 50,000 ounces of gold forward contracts to be delivered in monthly instalments between July and December 2016 at US\$1,260 per ounce (this hedge announced today, to reduce US dollar gold price risk associated with repayment of the remaining US Senior Secured Notes)

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