

ST BARBARA MINES LIMITED

ACN 009 165 066



ASX SHAREHOLDERS REPORT

*Enquiries regarding this report
may be directed to:*

Eduard Eshuys

Managing Director & CEO

Telephone +61 8 9476 5555

St Barbara Mines Limited

ACN 009 165 066

Level 2, 16 Ord Street

West Perth

Western Australia 6005

Telephone (08) 9476 5555

Overseas +61 8 9476 5555

Extension to Operations at Southern Cross

St Barbara's gold production will now extend beyond November 2005, following the Company's decision to proceed with open pit mining of Hercules, 12kms south of the Marvel Loch mill.

Mining at Hercules combined with continuing underground production from Marvel Loch results in a revised forecast gold production for the financial year 2005/06 of 150,000ozs at an estimated cash cost of \$415/oz.

The capital cost of the Hercules pit and Marvel Loch underground development will be funded by cash flow from current production.

On-Market Share Buy-Back

The Company is utilising surplus cash to implement an on-market buy-back of up to 10% of its issued capital, over the next 12 months.

The buy back program will commence on Tuesday 2 August 2005 and an Appendix 3C is attached.

Compulsory Sale of Unmarketable Parcels

The Company has in excess of 6,000 shareholders with unmarketable parcels of shares. Accordingly, the Company has decided to implement a compulsory sale/purchase of unmarketable parcels through Euroz Securities Limited.

All holders of unmarketable parcels will have the opportunity for a six week period to elect not to sell their shares.



Eduard Eshuys
Managing Director & CEO

26 July 2005

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001.

Name of entity

St Barbara Mines Limited

ABN

36 009 165 066

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On market (within 10/12 limit)
2	⁺ Class of shares which is the subject of the buy-back (eg, ordinary/preference)	Ordinary
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares in the ⁺ class on issue	566,533,352
6	Whether shareholder approval is required for buy-back	No
7	Reason for buy-back	Capital management program

⁺ See chapter 19 for defined terms.

Appendix 3C

Announcement of buy-back

8 Any other information material to a shareholder's decision whether to accept the offer (eg, details of any proposed takeover bid)

Nil

On-market buy-back

9 Name of broker who will act on the company's behalf

To be advised before commencement of buy-back.

10 Deleted 30/9/2001.

11 If the company intends to buy back a maximum number of shares - that number

56,653,335

Note: This requires a figure to be included, not a percentage.

12 If the company intends to buy back shares within a period of time - that period of time; if the company intends that the buy-back be of unlimited duration - that intention

02/08/2005 – 01/08/2006

13 If the company intends to buy back shares if conditions are met - those conditions

N/A

Employee share scheme buy-back

14 Number of shares proposed to be bought back

N/A

15 Price to be offered for shares

N/A

Selective buy-back

16 Name of person or description of class of person whose shares are proposed to be bought back

N/A

⁺ See chapter 19 for defined terms.

17 Number of shares proposed to be bought back N/A

18 Price to be offered for shares N/A

Equal access scheme

19 Percentage of shares proposed to be bought back N/A

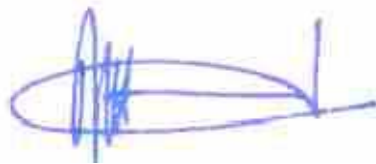
20 Total number of shares proposed to be bought back if all offers are accepted N/A

21 Price to be offered for shares N/A

22 ⁺Record date for participation in offer
Cross reference: Appendix 7A, clause 9. N/A

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.



Sign here: Date: 26 July 2005
(Director/Company secretary)

Print name: Ross Kennedy

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⁺ See chapter 19 for defined terms.