St Barbara

Delivering to forecast for June 2009 Half

Production Summary

- Gold production of 74,431 ozs for the June 2009 Quarter.
- Cash operating costs for the Quarter of A$757/oz. Gold revenue averaged A$1,208/oz.
- Production for June Half of 134,321 ozs at a cash operating cost of A$863/oz delivered compared to guidance of 130,000-135,000 ozs at a cash operating cost of A$830/oz to A$850/oz.
- Production for fiscal year 2009 was 238,900 ounces, which is 53% higher than for fiscal year 2008.

Strategic Review

- The Company has completed its strategic review and announced the outcomes on 10 July 2009.
- The three year plan detailing production, cost and capital expenditure has been completed.

Leonora Operations

- Leonora gold production was 33,802 ozs for the June 2009 Quarter, exceeding guidance.
- Cash operating cost was A$542 /oz.
- Cash operating cost of A$434/oz for May and June combined demonstrate Gwalia's long term potential to be a first quartile cost gold producer by Australian standards.

Operations – Southern Cross

- Southern Cross gold production was 40,629 ozs in the Quarter at a cash operating cost of A$937/oz.
- Southern Cross experienced better than expected mill performance in June following the crusher maintenance work undertaken in the previous Quarter.

Exploration

- One significant result from Edward's Find at Southern Cross was 11m @ 4.7g/t from 53m, east of the main resource area. A resource update will be conducted in the September 2009 Quarter.

Safety

- A Company-wide focus on improving safety awareness and reporting has contributed to a significant decline in the 12 months rolling Classified Injury Frequency Rate from 16 at 30 June 2008 to 6 at 30 June 2009.

Finance

- Cash at 30 June 2009 was A$78 million, including cash backing of A$24 million for a bank guarantee facility.
- Interest bearing liabilities (including Convertible Notes) as at 30 June 2009 totalled A$98.7 million.
- The Company has no gold or currency hedging.

Corporate

- The Company has sufficient working capital to finance its operational and capital expenditure for fiscal year 2010. It may require additional funding in the June 2010 Quarter to fund the potential full redemption of the convertible notes on issue (currently A$77.1million) on 4 June 2010.

Outlook

- St Barbara expects production for the fiscal year 2010 to be in the range of 205,000 to 240,000 ozs of gold at a cash operating cost of A$745 to A$820/oz. The Company's recently released strategic review forecasts that gold production will grow to 300,000-340,000 ozs in the 2012 fiscal year, with cash operating costs in the range of A$560 to A$630/oz.

Tim Lehany
Managing Director & CEO
23 July 2009

Operations

Gold Production Summary

Gold production for the June 2009 Quarter totaled 74,431 ounces of gold. Gold production for the June 2009 Half was 134,321 ounces which was within guidance of 130,000-135,000 ounces.

Production for fiscal year 2009 was 238,900 ounces, which is 53% higher than for fiscal year 2008.

FY 09		June Qtr 09	June Half 09	Full Year 09
Leonora	oz	33,802	55,222	82,795
Southern Cross	oz	40,629	79,099	156,105
Total	**oz**	**74,431**	**134,321**	**238,900**

Leonora Operations

Production Summary		June Qtr 09	June Half 09	Full Year 09
Underground ore mined	t	104,421	206,854	304,544
Grade	g/t	9.9	7.4	6.9
Open Pit ore mined	t	-	145,598	372,206
Grade	g/t		1.0	1.3
Ore milled	t	183,621	487,717	835,843
Grade	g/t	6.0	3.7	3.3
Recovery	%	96	94	94
Gold production	oz	33,802	55,222	82,795

Gold production for the Quarter of 33,802 ounces was sourced primarily from Gwalia Deeps. Figure 1 shows the location of mining stopes for the 2009 fiscal year. Stoping from West Lode was completed in May and a small amount of feed came from stockpiled Trump material.

Underground ore production for the month of June of 43,500 tonnes was the highest to date; 25% more than previously produced in one month. Remote loading, production drilling and paste filling rates continued to be in line with expectations. Stope performance was positive with good geotechnical conditions and extraction performance.

Stronger underground mining expertise has now been engaged, mine management strengthened and contractor performance improved. These initiatives contributed to strong performance in the June 2009 Quarter, compared to previous Quarters, and are expected to form the base for reliable performance in the future.

Development

The Hoover Decline - the main decline for the long term Gwalia mine - was at 1,191 metres below surface (mbs) as at 30 June 2009. The Barden-Decline recently joined up with the Hoover Decline.

Driving the Hoover Decline and associated development deeper is the key priority for the current fiscal year 2010. A diagram of the mine is set out in Figure 2. Planned development and production for the current financial year is shown in Figure 3.

Mill Operations

Mill throughput was as scheduled. The treatment plant operated on a campaign basis during the Quarter to treat the ore supply from the underground mine and final stockpiles from Trump open pit ore. Recoveries of 96% were above budget, reflecting a shift to ore sourced primarily from Gwalia Deeps.

Costs

Cash Operating Costs	June Qtr 09	June Half 09	Full Year 09
Gold Production (ounces)	33,802	55,222	82,795
Costs per ounce (A$)			
Mining	313	450	517
Processing	162	227	239
Site Services	42	54	58
Stripping and ore inventory adjustments	(6)	(33)	(123)
	511	**698**	**691**
By products credits	(1)	(2)	(2)
Third party refining and transport costs	1	1	1
Royalties	31	33	29
Total Cash Operating Costs per ounce	**542**	**730**	**719**

Cash operating costs are based on production using the principles set out in the Gold Institute Production Cost Standard.

Cash operating costs for the Quarter were A$542 per ounce. Production for May and June 2009 combined was 27,920 ounces at A$434 per ounce based on processing of 125,247 tonnes of ore at 7.2 g/t and 96% recovery. This provides an indication of the Gwalia Mine's potential to be a first quartile Australian gold cash cost producer when production volumes and grades are forecast to increase in fiscal years 2011, 2012 and beyond.

Outlook for Leonora Operations

Forecast Production

The Gwalia mine represents the cornerstone asset for the Company with potential for long term sustained cash flows from fiscal year 2011 onwards. The original Gwalia Deeps development schedule was based on development rates that have not been achieved to date. Changes to planning and operating processes to drive more efficient development have been implemented, and improved development rates were achieved during the June 2009 Quarter. These actual development rates form the basis of new forecasts.

The priority during fiscal year 2010, in keeping with the Company's focus on maximising investment returns, is to drive the Hoover Decline deeper to access the richer and wider part of the ore body (South West Branch) commencing from 1,260 metres below surface as soon as practicable. Ore production from the higher grade South West Branch is forecast to commence in the first half of fiscal year 2011.

Planned gold production of 95,000 to 110,000 ounces for fiscal year 2010 reflects the availability of stoping areas and the grade in the upper part of the ore body averaging 6 grams per tonne (g/t). The average grade is forecast to increase with depth to 8 g/t for fiscal year 2011 and 11 g/t for fiscal year 2012.

The number of working faces in the mine will progressively increase from two at present, to five in fiscal year 2011. The resulting operating efficiencies and improving grade at depth drive the forecast reduction in cash operating costs (and consequential stronger cash flows) over the next three years.

Tower Hill

The Tower Hill project, located 2 km from the Gwalia processing plant, is being rigorously evaluated as part of the ongoing strategic review.

Detailed studies involving a combination of open stoping, and cut and fill mining are currently being undertaken. This mine engineering evaluation work, including geotechnical studies, is planned to be completed by the end of September 2009. Production from Tower Hill will be included in future plans if and when a robust business case is proven.

Processing Plant Capacity Available

The Gwalia treatment plant has consistently been processing ore at a higher throughput than its design capacity of 1.2 mtpa (hard rock), and with recoveries exceeding forecast.

Based only on Gwalia Underground ore production for fiscal year 2010 at the rate of 600,000 tonnes per annum, the plant will continue to operate on a campaign basis, one week on, one week off.

In addition to the Tower Hill opportunity the Company is actively considering the potential to source ore from third parties in the Leonora region. Higher treatment plant utilisation offers the potential to generate greater cash flow and profit, and lower the unit cost of gold production.

Southern Cross Operations

Gold production for the June 2009 Quarter was 40,629 ounces at a cash operating cost of A$937 per ounce. Cash operating costs were higher than the previous Quarter due to mill maintenance costs and high open pit mining costs.

Mining Operations

The Marvel Loch Underground mine continues to be the mainstay of Southern Cross Operations. Marvel Loch Underground ore production of 233,355 tonnes at 4.2 g/t gold for the Quarter matched forecast. Overall, Marvel Loch Underground delivered in excess of 1 million tonnes of ore to the mill for the 2009 fiscal year.

Next Quarter, underground production will predominantly be from Exhibition, Undaunted, Sherwood and New Lodes.

Production Summary		**June Qtr 09**	**June Half 09**	**Full Year 09**
Underground ore mined	t	233,355	485,326	1,003,202
Grade	g/t	4.2	4.0	3.8
Open Pit ore mined	t	358,188	588,754	1,119,997
Grade	g/t	2.7	2.1	1.9
Ore milled	t	582,046	1,130,956	2,233,367
Grade	g/t	2.5	2.5	2.5
Recovery	%	87	89	88
Gold production	ozs	40,629	79,099	153,105

Open pit production came from Kurrajong, Mercury and Resurrection. Open pit mining at Southern Cross ceased in early July 2009.

Mill Operations

The crushing circuit was refurbished during the March Quarter and resulted in improved mill throughput in the month of June 2009. Further capital expenditure on the plant is planned during fiscal year 2010.

Costs

Cash Operating Costs	**June Qtr 09**	**June Half 09**	**Full Year 09**
Gold Production (ounces)	40,629	79,099	156,105
Costs per ounce			
Mining	480	490	491
Processing	324	318	298
Site Services	31	30	38
Stripping and ore inventory adjustments	79	92	38
	914	**930**	**865**
By products credits	(8)	(8)	(7)
Third party refining and transport costs	1	1	1
Royalties	30	33	29
Total Cash Operating Costs	**937**	**956**	**888**

The "stripping and ore inventory adjustments" item in the above table represents the carrying costs of ore stockpiles processed during the Quarter, and deferred mining adjustments.

Extensions of Marvel Loch Underground

Geological studies at Marvel Loch have identified a range of extensional drill targets alongside and close to existing development. Modeling of mineralised intersections in the mine environment has enabled two coherent trends to be identified (Figure 4). The "Main Lode" has been projected from a broad position historically mined in the open pit, and will be tested for a potential bulk-mining scenario. The "Mazza Lode" represents a more discrete higher grade target at the southern end of the Marvel Loch lode system. Other additional conceptual targets have also been identified from structural studies of the broader Marvel Loch mine environment. The Main Lode and Mazza Lode targets have been strategically prioritised for evaluation based on proximity to existing development. Extensional drilling is scheduled to commence in the September 2009 Quarter.

Outlook for Southern Cross Operations

The Marvel Loch Underground mine will be the continuing production source at Southern Cross Operations now that open pit mining operations have ceased.

Marvel Loch Underground is forecast to produce 110,000 to 130,000 ounces of gold for fiscal year 2010 and invest A$3.6 million in drilling in the year for anticipated conversion of resources to reserves.

The forecast September 2009 Quarter production includes open pit ounces from processing remaining stockpiled material mined in fiscal year 2009. As a result, production will be higher in the September 2009 Quarter compared to other Quarters in the year. Unit costs in the September Quarter are accordingly forecast to be inflated by the processing of this stockpiled open pit material which carries a relatively high inventory value for accounting purposes. Marvel Loch Underground cash operating costs are estimated to be in the range of A$740 to A$820 per ounce in fiscal years 2011 and 2012.

Processing Plant Capacity Available

Although the Marvel Loch treatment plant has a throughput capacity of 2.4 mtpa it will transition to campaign milling on a week-on, week-off basis in the September 2009 Quarter, based on Marvel Loch Underground ore production of 850,000 tonnes per annum.

Nevoria

The economics of the Nevoria Underground Project based on current information do not provide an adequate return on shareholder funds. The Nevoria ore bodies are geologically complex and further resource and mining study evaluation is planned (see Exploration below). Nevoria Underground has the potential to add approximately 35,000 oz per annum for at least three years.

Exploration

Exploration has remained focused on the evaluation of advanced and emerging gold targets which have potential to complement future production from the Gwalia and Marvel Loch Underground mines.

Leonora

At Leonora, a major study into alteration patterns associated with gold mineralisation is nearing completion. Drill core and chips across the district have been analysed, defining a number of significant alteration trends. Structural and geochemical targets with strong alteration signatures have been prioritised for evaluation in the

2010 fiscal year, with a strategic focus on targets close to Gwalia.

The Company has been awarded a grant from the Western Australian Government to co-fund a drilling program in the Malcolm region, east of Leonora. The program will test a structural target concealed by transported cover. St Barbara has an option agreement over the Malcolm project area.

Southern Cross

Edward's Find

Final assay results were returned from drilling activity at Edward's Find, with results including 11m @ 4.7g/t from 53m, from a position to the east of the previously defined resource, highlighting the potential for definition of parallel lode positions. Edward's Find and a number of other prospects will continue to be evaluated over the coming months to seek reliable, long-term sources of future mill feed at Southern Cross.

Nevoria

The Nevoria Project is being re-evaluated to better constrain the lode geometry and grade distribution as part of an ongoing mining study. Mineralisation at Nevoria is developed in a series of steeply east plunging lodes controlled by folding and faulting of a banded iron formation. Lodes have strike lengths of 50 – 100m. Additional data has been retrieved from historical open pit and underground mining records to build a greater level of confidence into the geological and structural model. The resource model and mining study will be updated during the December 2009 Quarter. Requirements for further drilling will be considered, with historic intersections of 16.8m @ 27.6g/t and 9.3m @ 49g/t (down-hole) remaining open down-plunge in the Silver Lode.

Outlook for Exploration

Exploration will continue to focus on identifying new sources of high grade mill feed to complement production from the Gwalia and Marvel Loch Underground mines.

At Southern Cross, studies will evaluate the potential to recommission historic mines such as Cornishman, Frasers, Corinthian and Copperhead, A range of treatment options will also be investigated for the Transvaal resource, which has variable metallurgical recoveries.

At Leonora, a small amount of drilling will be conducted on emerging targets which offer opportunity for new discoveries. A three-dimension geological model will also be constructed to assist with targeting blind ore positions at depth.

The exploration budget for fiscal year 2010 has been set at A$6 million, reflecting the opportunity to focus on key conceptual targets at both operations as well as the company's prospective land banks in NSW and South Australia.

Stronger cash flows from operations are anticipated in fiscal years 2011 and 2012 and it is expected that exploration activity will increase in both of these years.

Safety

St Barbara achieved a 62% reduction in the 12 months rolling Classified Injury Frequency Rate (i.e. Comprising Lost Time Injury Frequency Rate and Disabling Frequency Rate) to 6.0 as at 30 June 2009.This rate is significantly less than the last available rate of 10.8, the Western Australia gold industry average for the 2008 fiscal year..

Strategic and Operational Review

The Managing Director, Executive Leadership Team and Board have completed their comprehensive strategic and operational review of St Barbara's operations, asset portfolio, organisational capability and financial requirements.

Outcomes

A Three Year Plan to implement the strategic review has been developed. Full details are set out in an ASX release dated 10 July, 2009.

Financials (unaudited)

Gold shipped in the Quarter of 73,279 ounces was sold at an average gold price of A$1,208 per ounce. The Company's production remains unhedged.

Cash at bank was A$78 million as at 30 June 2009, which included A$24 million as security for a bank guarantee facility, primarily relating to environmental performance bonds.

Total interest bearing liabilities at 30 June 2009 comprised convertible notes (A$77.1 million), an asset finance facility (A$17.2 million) and other liabilities (A$4.4 million)

Capital expenditure for the 2009 fiscal year was $137 million which was above the guidance of A$118 to A$132 million. The excess included additional mine development expenditure for Marvel Loch Underground at Southern Cross Operations.

In light of the strategic review, the carrying value of the Company's assets will be reassessed in preparing the annual financial statements for fiscal year 2009.

The Company is reviewing with the provider of an asset financing facility, the replacement of reporting performance measures (that were based on a 2007 plan) with revised reporting performance measures based on the new plan.

Share Capital

Shares on issue at 30 June2009	1,493,932,950
Options on issue as at 31 March 2009	4,750,000
Options issued to executives, as previously announced	6,869,771
Options on issue at 30 June 2009	11,619,771
Unlisted options are exercisable at various prices between A$0.118 and A$0.549 up to 2 March 2014	
Convertible Notes on issue	A$ 77,100,000

Convertible Notes are convertible at A$0.67 per share, are convertible at any time, have an 8% coupon and mature on 4 June 2012. Note holders have the option for early redemption of their notes for face value on 4 June 2010.

Convertible Notes currently on issue would convert into 115,074,626 ordinary shares if all were converted.

Information as at 30 June 2009

Directors
S J C Wise..Chairman
T J Lehany...............................Managing Director & CEO
D W Bailey .... Non-Executive Director
B J Gibson .... Non-Executive Director
P C Lockyer .... Non-Executive Director
R K Rae .... Non-Executive Director
R J Kennedy.....................................Company Secretary

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Email: .... @stbarbara.com.au
Website: .... .stbarbara.com.au

Substantial Shareholders	**% of Holdings As Notified**
M&G Group*	9.38%
JP Morgan Chase & Co	7.21%
Resource Capital Fund IV LP	5.25%

* M&G Group's interest includes 129,665,600 shares disclosed by Vanguard Precious Metals & Mining Fund

Australian Securities Exchange Listing....................SBM
Singapore Exchange Listing................ Convertible Notes

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

Exchange Rate
A$ amounts converted at A$1:
- at 30/06/09 .... US$0.8064
- for Quarter average .... US$0.7612

Figure 1. **Gwalia Deeps mined stopes and ore sources for the June 2009 Year.**

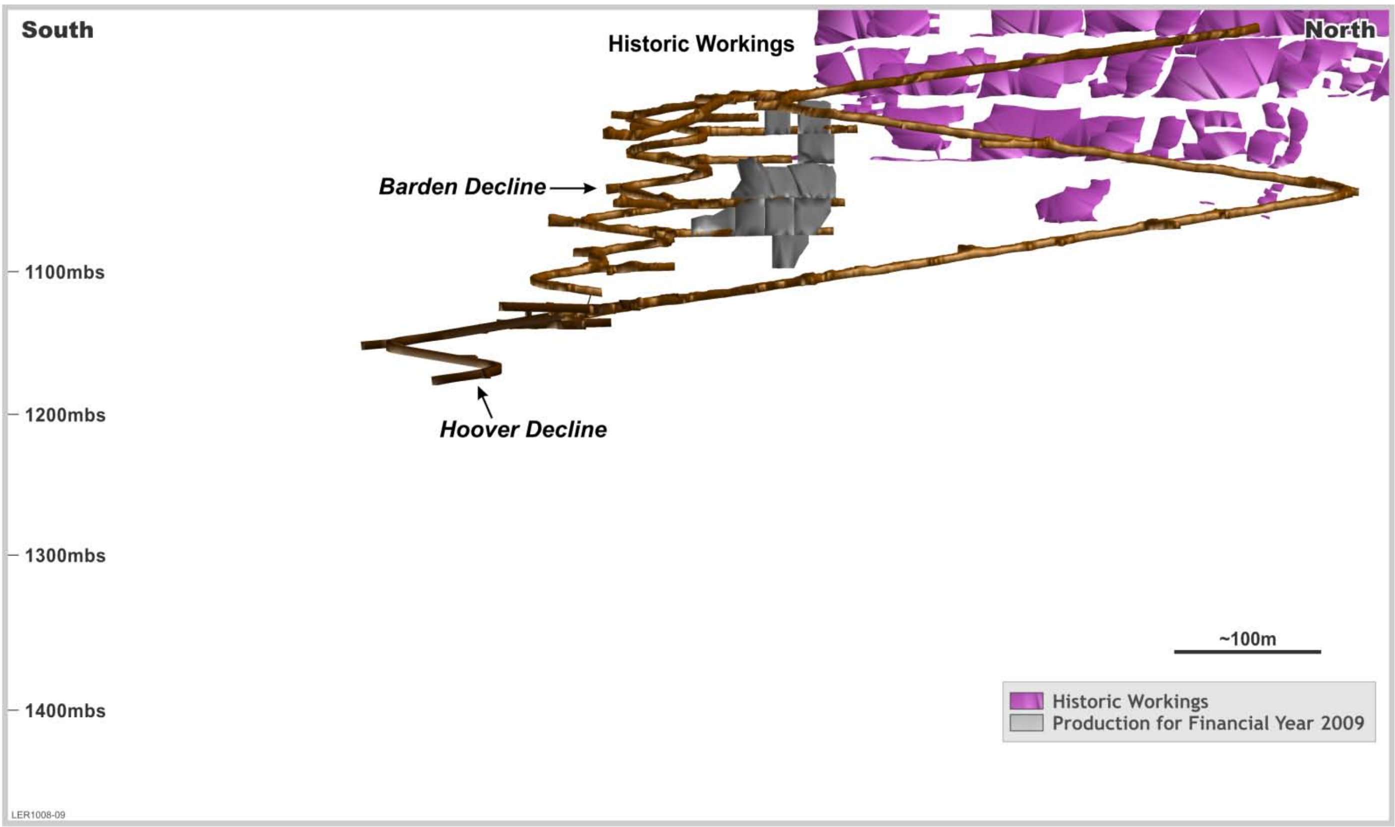

Figure 2. Gwalia Deeps and location of Hoover and Barden Declines

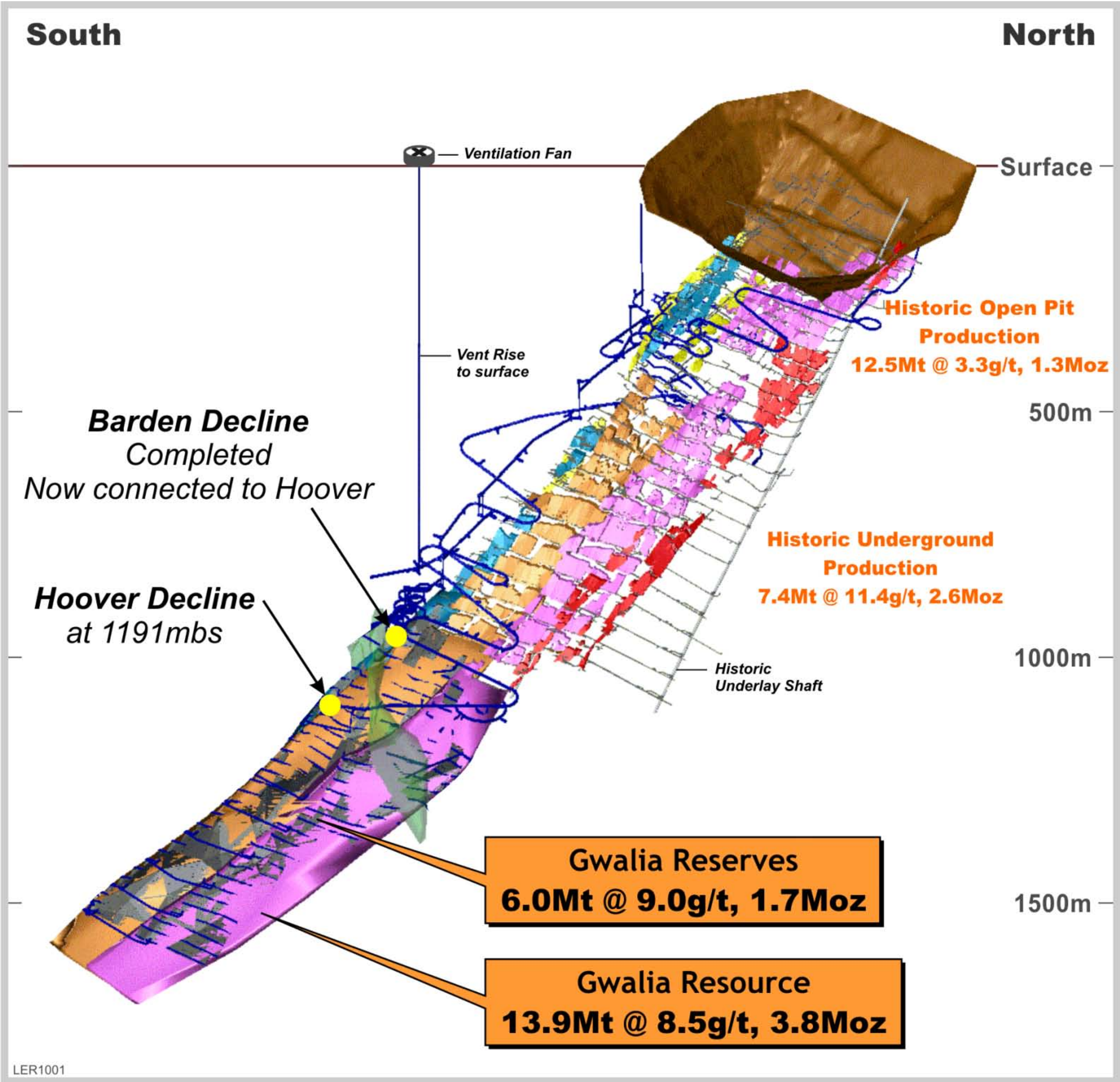

Figure 3 Hoover Decline and Production Stopes Fiscal Year 2010

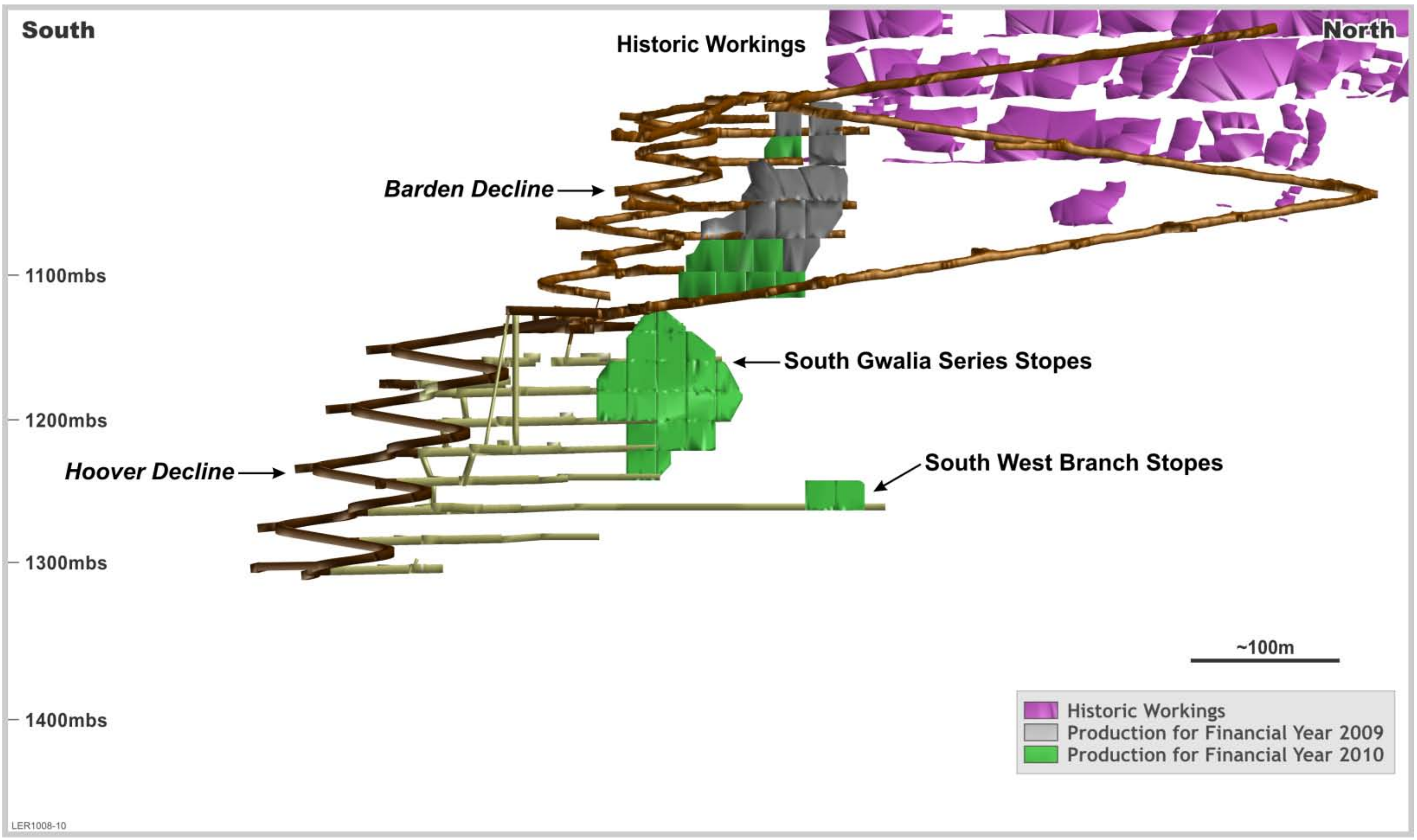

Figure 4 **Marvel Loch Underground Ore Lodes**

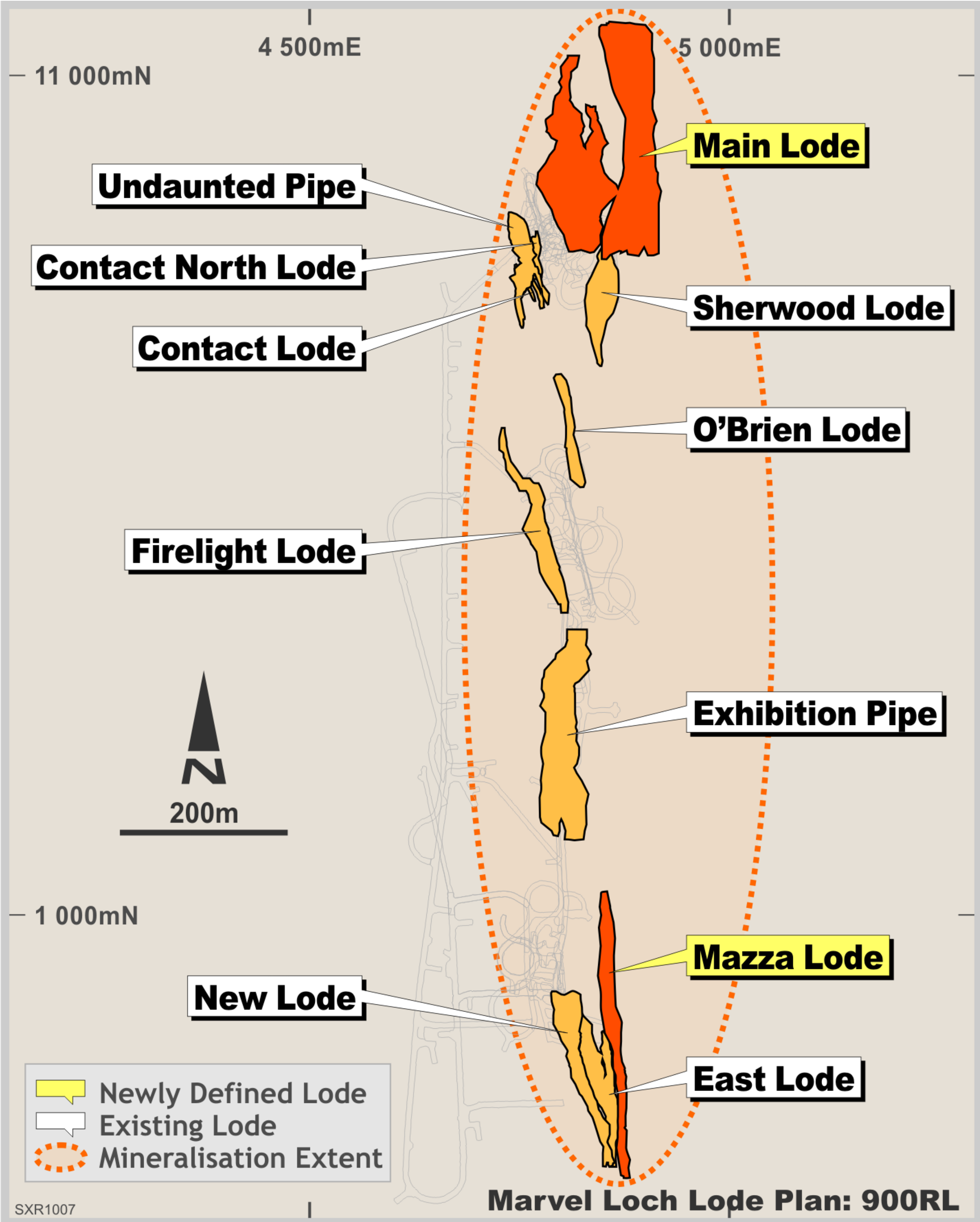

Table 1: Significant Gold Intersection

Hole No	North	East	Dip/Azi	Vertical Depth	Mineralised Intersection		
					From m	Length m	Gold g/t
SOUTHERN CROSS							
Edwards Find							
EDRC0183	6505028	726569	-60/251		53	11	4.7

Mineralised intersection lengths quoted for Edward's Find are downhole and calculated based on cut-off grades of 0.6g/t with no top-cut applied. Mineralised intersection lengths quoted for Gwalia quoted are true width and calculated on a cut-off grade of 3g/t,. The UGD1091intersection is from the Main Lode to which a top cut of 50g/t applied. The remaining Gwalia intersections are from the South-West Branch for which a top cut of 100g/t is applied.

Competent Person Statement
Significant gold intersections and geological interpretations contained in this report have been compiled by Dr Adrian McArthur. Dr McArthur is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of the company. Dr McArthur 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 as defined in the 2004 edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Dr McArthur consents to the inclusion in the report of the matters based on their information in the form and context in which they appear.

References to ore reserves presented in this document have been produced in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves, December 2004 (JORC Code) by Mr Peter Fairfield. Mr Fairfield is a Member of the Australasian Institute of Mining and Metallurgy and is a full time employee of St Barbara. Mr Fairfield 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 as defined in the JORC Code. Mr Fairfield consents to the inclusion in this document of the matters based on his information in the form and context in which it appears.