



St Barbara LIMITED

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Production Guidance Update 6 months to 31 December 2010

In the September 2010 Quarterly Report, gold production guidance for the first half to 31 December 2010 was in the range of 130,000 to 140,000 ounces. The Company now expects gold production for the first half to be between 120,000 to 125,000 ounces.

While Southern Cross will deliver its expected first half gold production, the Gwalia mine at Leonora will report lower than expected gold production for the December quarter.

The shortfall is due in part to a number of minor operational issues encountered during the first half which have been resolved. In addition, the first production mining from the Ore Reserve in upper South West Branch at the northern end of the lode in November and December reported lower gold grade and production than expected.

Localised grade variation to Ore Reserve for small volumes of ore on this scale is not unusual at the Gwalia Mine. Over the life of the project so far, gold production has reconciled well to the Ore Reserve and is expected to continue to do so. As a consequence of the lower forecast gold production for the first half, Gwalia cash operating costs per ounce are expected to be proportionately higher.

Full year production for St Barbara is now likely to fall at the lower end of the FY11 production guidance range (265,000 to 295,000 ounces), while full year cash operating costs at Gwalia are forecast to be towards the upper end of guidance (\$630-\$680 per ounce). Further details and commentary will be included in the December 2010 Quarterly Report due for release in the third week of January 2011.

Notwithstanding the lower production from Gwalia, based on unaudited management accounts to November 2010, the Company anticipates achieving NPAT guidance for the first half.

Tim Lehany
Managing Director and Chief Executive Officer
21 December 2010