



## Continued strong production in Q2 December 2015 drives further debt reduction and an increase in FY16 guidance

Key results for Q2 December 2015 quarter:

- Gwalia (WA) gold production of 63,533 ounces (135,921 ounces for H1 FY16)
- Simberi (PNG) gold production of 28,379 ounces (57,918 ounces for H1 FY16)
- Total gold production of 91,912 ounces (202,951 ounces for H1 FY16)
- Closing cash balance of approx. A\$100 million after total principal and interest payments on US\$ debt of A\$58 million (details below)

Simberi produced 107,553 ounces of gold for calendar 2015, and its quarterly production has comfortably exceeded the target 100,000 ounce per annum run rate for the third consecutive quarter (refer table on next page). Mined grade for the quarter averaged 1.22 g/t Au, consistent with the Ore Reserve grade of 1.3 g/t Au<sup>1</sup>. Ore milled was 832 kt for the quarter. Simberi production guidance for FY16 has been refined to between 100,000 and 110,000 ounces due to the above-target production in the first half.

As anticipated in the mine schedule, mining at Gwalia moved through lower grade stopes during the quarter, resulting in a lower mined grade for the quarter of 7.9 g/t Au, compared with the Ore Reserve grade of 9.4 g/t Au<sup>1</sup>. The lower grade was largely offset by an increase in ore milled to 267 kt for the quarter. Due to higher than anticipated production in the first half, production guidance has been increased for FY16 to between 245,000 and 260,000 ounces (refer table on next page).

The Company maintained strong cash generation for the quarter with a closing balance of approximately A\$100 million<sup>2</sup> at the end of the December 2015 quarter, after total principal and interest payments against US denominated debt during the quarter of US\$42 million<sup>3</sup> (A\$58 million). As explained more fully below, these payments comprised the repurchase of US Senior Secured Notes,

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

<sup>2</sup> Financial information unaudited, cash balance excludes A\$1.5 million restricted cash

<sup>3</sup> The US\$42 million comprised Red Kite principal repayment US\$30M and interest US\$1M, Note repurchase US\$3M and biannual interest US\$8M

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a biannual interest payment on the Notes, and Red Kite interest and principal repayments. The Company has reduced its US\$ denominated debt by US\$109 million (comprising US\$70 million reduction of the Notes and US\$39 million reduction of Red Kite) in the seven months from June to December 2015.

Following the first US\$9 million quarterly amortisation payment against the Red Kite debt facility in the September 2015 quarter, a further US\$30 million principal was repaid on the Red Kite facility during the December 2015 quarter (including the US\$20 million prepayment announced at the Annual General Meeting in November 2015, and a US\$10 million prepayment at the end of December 2015), effectively paying in advance the scheduled US\$9 million quarterly repayments due in the December 2015 and March and June 2016 quarters<sup>4</sup>. The balance of the Red Kite facility at the end of the December quarter was US\$36 million.

During the December quarter, the Company repurchased US\$3 million in aggregate principal of its US Senior Secured Notes at a 4% discount to par value. St Barbara has now repurchased a cumulative US\$70 million (28%) in aggregate principal of the original US\$250 million of Notes issued by St Barbara in March 2013. US\$180 million of the Notes remain on issue at the date of this announcement.

Details of the December 2015 quarter production are set out in the table below. The Company will issue its full December 2015 quarterly report later in January 2016, including production costs and cash flow details, an update on drilling results at Gwalia, and FY16 guidance for All-In Sustaining Costs will be confirmed.

Production Summary Consolidated		Q3 Mar FY15	Q4 Jun FY15	Year FY15	Q1 Sep FY16	Q2 Dec FY16	H1 FY16	Guidance FY16
<b>Production</b>								
Gwalia	oz	76,954	57,208	248,142	72,388	63,533	135,921	245 to 260 koz <i>(previously 230 to 250 koz<sup>5</sup>)</i>
King of the Hills	oz	11,836	15,014	49,677	9,112	- <sup>6</sup>	9,112	9 koz <sup>7</sup>
Simberi	oz	22,498	27,137	79,568	29,539	28,379	57,918	100 to 110 koz <i>(previously 90 to 110 koz<sup>8</sup>)</i>
<b>Consolidated</b>	oz	<b>111,288</b>	<b>99,359</b>	<b>377,387</b>	<b>111,039</b>	<b>91,912</b>	<b>202,951</b>	<b>354 to 379 koz</b> <i>(previously 329 to 369 koz)</i>
<b>Mined Grade</b>								
Gwalia	g/t Au	9.7	8.6	8.9	9.7	7.9	8.8	Reserve grade <sup>9</sup> 9.4
Simberi	g/t Au	1.38	1.28	1.23	1.22	1.22	1.22	1.3

4 'Advance payments' are made in multiples of US\$5 million, and do not exactly equate to scheduled quarterly instalments of US\$9.375 million

5 FY16 guidance for Gwalia revised in the September 2015 quarterly report (released on 20 October 2015)

6 King of the Hills ceased mining in April 2015 and ceased processing in September 2015. It was sold to Saracen in October 2015 (refer ASX announcement 16 October 2015)

7 Stockpiled as at 30 June 2015

8 FY16 guidance for Simberi issued in the June 2015 quarterly report (released on 21 July 2015)

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