



St Barbara net-cash position increasing ahead of further US\$20 million buy back of Senior Secured Notes

St Barbara Limited will repurchase an additional US\$20 million in aggregate principal of its US 144A Senior Secured Notes, effective 20 January 2017. The repurchase will be achieved via a notice of redemption administered by the Trustee.

The Notes will be repurchased at a 3.3% premium to par value, being the optional redemption price from mid October 2016 under the Notes agreement. The Note repurchase will reduce future interest expense by approximately A\$2.4 million per annum. The net payment for the repurchase is anticipated to amount to approximately US\$21 million (~A\$28 million¹), consisting of principal repayment, premium and accrued interest. The Note repurchase will be funded from US dollar cash reserves generated from US dollar gold sales.

Immediately following this repurchase, the Company's net-cash² position is anticipated to exceed A\$40 million, comprising an aggregate gross cash balance of approximately A\$70 million, and US\$20 million (~A\$27 million¹) of US Notes remaining on issue at that time. The remaining US Notes are anticipated to be repurchased later in Q3 March 2017.

St Barbara's MD and CEO, Bob Vassie, said "With our low All-In Sustaining Cost³, which was A\$935 per ounce last quarter, we are still generating significant cash flows, despite the recently weakening gold price. Our free cash flow yield is the highest in our peer group⁴. We also have 50,000 ounces of gold forward contracts to be delivered between January and June 2017 at US\$1,338 per ounce (~A\$1,808 per ounce¹). We are now in a strong net-cash position and expect to be debt free next quarter, and we are well positioned to take advantage of value-accretive opportunities as they may arise."

1 Translated at indicative A\$1.00 = US\$0.74

2 Non-IFRS measure, equivalent to cash and cash equivalents less current and non-current interest bearing borrowings

3 Non-IFRS measure, refer Q1 September Quarterly Report released 19 October 2016 for details

4 Source: Bell Potter 'Bells Gold Tracker' 12 December 2016 (with permission), peer group = ASX listed gold companies with market cap > A\$500M

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