St Barbara Limited

ABN 36 009 165 066

Dear Shareholder

I am pleased to introduce myself to you as St Barbara's new Managing Director & CEO and outline my initial thoughts on the Company. We have two gold producing operations in historically significant gold producing areas with established treatment facilities and infrastructure in place; a young, vibrant workforce; and a good land bank with discovery potential.

At the time of considering an appointment to St Barbara, I was mindful of four key risks for the Company:

1. Completion and demonstration of mining operations at Gwalia. This has been **achieved** with all aspects of the mining and milling processes confirmed.
2. Removal of a share market overhang from the equity raising in July 2008. This was **resolved** in mid February 2009.
3. Mitigation of risks associated with the Convertible Notes potential early redemption date. This was **resolved** through the February 2009 equity raising of $75 million which provided the funds, in conjunction with our expected cash flows, to buy-back Convertible Notes at a discount or fund any potential early redemption.
4. Consistent and profitable operational performance and reliability. **Not resolved**. The Company needs to consistently achieve or outperform its published production forecasts, while tightly controlling costs. This has not yet been achieved but is a high priority for myself and the executive leadership group.

Three of the four risks have been resolved and the fourth is a key focus.

The executive leadership group has embarked on an extensive strategic and operational planning review to optimise the profitability of operations, strengthen our operational capabilities and explore medium term growth options. Specialist expertise has been engaged to assist us in the work. The Company will provide guidance to investors in relation to 2010 fiscal year production forecasts and future plans following completion of the strategic and operational review. This is anticipated to take place late July/early August.

The March 2009 Quarterly Report shows that some parts of our business did not perform to expectations. I understand the importance of the operating issues and have already commenced some new operational initiatives to address these. Some aspects have already been resolved, others will take more time.

I look forward to the challenges and opportunities that lie ahead as we work to achieve the potential of our operations.

Yours sincerely

Tim Lehany
Managing Director & CEO

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Quarterly Report
For three months ended 31 March 2009

St Barbara Limited

Building a Reliable Gold Production Platform

Production Summary

- Combined gold production for Leonora and Southern Cross Operations was 59,889 ounces for the March 2009 Quarter.
- Cash operating costs for the operations was A$995 per ounce. Gold revenue averaged A$1,375 (US$913) per ounce.

Strategic and Operational Review

- Mr Tim Lehany commenced in March as Managing Director and a key priority for him has been to commence a strategic and operational review.
- The review focuses on strategic opportunities, as well as strengthening the operational capability to deliver against business plans at both operations.
- Foremost among the operational initiatives are
  - A rigorous new process for financial and technical evaluation of open pit opportunities.
  - Strengthened operations planning processes and improved controls over plan execution.

Operations – Leonora

- Leonora gold production was 21,420 ounces for the Quarter. Gold production of 14,495 ounces was derived from Gwalia Deeps, which was less than planned.
- Lower than expected production resulted in the high unit costs of A$ 1,027 per ounce.
- Leonora Operations were impacted by the high cost of Trump open pit ore and less than expected ore from stoping on 1050 level at Gwalia Deeps.
- The full mining sequence from development to paste fill has now been successfully completed at Gwalia Deeps, confirming mine planning parameters. However production growth for the next year remains constrained by development advance rates until multiple stoping fronts are established.
- Encouraging results from underground drilling in the Gwalia South West Branch indicate potential for new reserves to be accessed from established development.

Operations – Southern Cross

- Southern Cross gold production was 38,469 ounces in the Quarter at a cash operating cost of A$977 per ounce.
- Marvel Loch Underground ore production for the Quarter of 251,970 tonnes @ 3.8 grams per tonne (g/t) gold was in line with expectations and the December 08 Quarter.
- Southern Cross Operations experienced better than expected mill performance in March following substantial maintenance work undertaken earlier in the Quarter.

Exploration

- Significant results from Edward's Find at Southern Cross included 4m @ 49.0 g/t from 104m, 2m @ 45g/t from 49m, and 5m @ 11.6 g/t from 41m.

Safety

- St Barbara's Classified Injury Frequency Rate has fallen by 35% in the current financial year to 8.2, and is less than the WA Gold Industry 2007-2008 average of 10.8.

Finance

- Cash at bank as at 31 March 2009 was A$84.5 million, including cash of A$23.4 million to secure a bank guarantee facility.
- Interest bearing liabilities including Convertible Notes as at 31 March 2009 totalled $96.3 million.
- The Company has no gold or currency hedging in place.

Corporate

- At the end of February 2009, the Company raised A$75 million net of fees to enable the buy-back and/or to fund the early redemption risk associated with Convertible Notes issued by the Company.
- During March, the Company bought back A$22.5 million face value of Convertible Notes at 94 cents in the dollar.

Outlook for Second Half of Financial Year 2009

- St Barbara now expects production for the second half of the 2009 financial year to be 130,000 to 135,000 ounces at a cash operating cost of A$830 to A$850 per ounce. The Company will provide guidance to investors in relation to 2010 fiscal year production forecasts and future plans following completion of the strategic and operational review. This is anticipated to take place in late July/early August 2009.

Tim Lehany
Managing Director & CEO
23 April 2009

Operations

Gold Production Summary

Gold production totalled 59,889 ounces of gold.

Gold Production	March Qtr 09		Dec Qtr 08		Sep Qtr 08	
	Ounces	A$/oz	Ounces	A$/oz	Ounces	A$/oz
Southern Cross	**38,469**	**977**	**40,289**	**777**	**36,717**	**862**
Gwalia	14,495	871	17,093	534		
Trump	6,925	1,354	10,216	1,366		
Leonora	**21,420**	**1,027**	**27,309**	**819**		
Total	**59,889**	**995**	**67,598**	**794**	**36,717**	**862**

Leonora Operations

Production Summary		Mar Qtr 09	Dec Qtr 08
Underground Ore Mined	t	102,433	71,297
Grade	g/t	4.8	6.9
Open Pit Ore Mined	t	143,321	156,102
Grade	g/t	1.0	1.6
Ore Milled	t	304,096	343,079
Grade	g/t	2.4	2.6
Recovery	%	93%	94%
Gold Production	**oz**	**21,420**	**27,309**

Gold production for the Quarter of 21,420 ounces, was sourced from Gwalia Deeps, West Lode in the Gwalia Intermediates and the Trump open pit.

The full mining cycle from development, through mining to paste fill has now been undertaken at Gwalia Deeps on the 1050 Level and has confirmed the operational design. Ground conditions have been sound.

Production for the Quarter was lower than expected due to delays in accessing and mining the current Gwalia Deeps production stopes on the 1010 and 1050 levels. In addition, some mining dilution was encountered in West Lode in the Gwalia Intermediates and Trump open pit material delivered lower than expected grades.

As a consequence of reduced production and the high cost nature of Trump open pit ore, cash operating costs were disappointingly high. As part of the operational review, the process for evaluating open pit opportunities has already been revamped to include a rigorous technical and financial analysis.

Mining of the Trump open pit ceased at the end of January 2009 with stockpiles largely processed by the end of the Quarter. Mining of West Lode stopes in the Gwalia Intermediates is scheduled to be completed during the June Quarter.

The first completed stope mined in Gwalia Deeps on the 1050 level recorded a positive reconciliation with respect to tonnes and grade.

Grade control drilling of individual stopes is expected to generate variations in grade relative to the reserve model that will average out the reserve grade (9g/t) over the life of mine. Unit cash costs will also vary on a quarterly basis according to grade and tonnes mined.

The paste fill plant and underground reticulation system was commissioned during the Quarter and the first stope on the 1050 level was successfully filled.

The new gas fired power station is fully operational.

Development

The Hoover Decline - the main decline for the long term Gwalia mine - was at 1,145 metres below surface (mbs) as at 31 March 2009. Development progress in the Hoover was slowed by the scheduled development of a ventilation rise due for completion in April. The Barden Decline will be used to access ore production stopes for the remainder of the 2009 calendar year and was at 1115 mbs in line with mine plan forecasts. The Barden Decline will be developed to break through to the Hoover decline during the June Quarter.

The Gwalia Deeps mine including the current position of the Hoover and Barden Declines is shown in Figure 1 attached. Figure 2 shows mined stopes and planned sources of ore for the June 2009 Quarter.

Mill Operations

Mill throughput was as scheduled. In the first week of March the mill campaign reverted to a one week on/one week off cycle to match the ore supply from the underground mine. This reflects the design parameters used in the Feasibility Study, which contemplated a part-time milling operation.

Metallurgical recovery averaged 93% and reflects the treatment of some sulphide rich ores from the Trump pit earlier in the Quarter. Recoveries for Gwalia Deeps ore was 95% and was in line with expectations.

Cash Operating Costs	Mar Qtr 09	Dec Qtr 08
Gold Production (ounces)	21,420	27,309
Costs per ounce		
Mining	666	656
Processing	330	264
Site Services	73	74
Stripping and ore inventory adjustments	(77)	(188)
	992	806
By product credits	(4)	(8)
Third party refining and transport costs	1	1
Royalties	36	20
Total Cash Operating Costs	**1,025**	**819**

Cash operating costs are based on production using the principles set out in the Gold Institute production cost standard.

The "stripping and ore inventory adjustments" represents underground development expenditure deferred and to be written back against future production.

Outlook for Leonora Operations

Forecast Production

Gold production from Leonora Operations for the June Half is forecast to be 50,000-54,000 ounces of gold at a cash operating cost per ounce of A$710 – A$720.

Forecast production for the June half year depends on achieving the planned stope sequence. The commencement of one high grade stope scheduled for June, accounts for approximately 45% of the Quarter's production. Any delays in the stoping cycle have the potential to defer production into the following Quarter and impact negatively on unit costs for the Quarter.

The mining evaluation of Tower Hill is anticipated to be completed during the June 2009 Quarter.

Extensional Drilling near current development

Underground drilling at Gwalia has focused on opportunities to establish new working areas in the South West Branch in proximity to current development.

The area targeted lies outside of existing reserves and projects downwards from the base of old workings. Encouraging intersections have been returned, including 5.9m @ 11.5g/t from 1051mbs, and 4.9m @ 11.6g/t from 1045mbs (true width).

Results suggest the presence of a south-easterly plunging high-grade lode that can be readily accessed from existing development. The results are being modeled and further drilling is scheduled to test depth-extensions to this trend which, if proven, may provide some production scheduling flexibility. A diagram showing the target area is shown as Figure 3 attached.

Life of Mine Plan

Now operations have commenced, the original feasibility study is being developed into a life of mine plan which will feed into the strategic and operational review.

Production in the near term is from the South Gwalia Series lode down to about 1200mbs. South Gwalia Series is primarily accessed from the Barden Decline and has an average Reserve grade of 6 to 7g/t.

The majority of the Gwalia Deeps Reserves are contained in the higher grade South West Branch lode below 1200 mbs, which averages approximately 10 grams per tonne.

Attached as Figure 4 is a chart for Gwalia Deeps showing ounces of gold per vertical metre, and the lode sources of ore, based on the Reserve model.

Underground development and drilling has determined that the dolerite dyke that intersects the ore body from 1,100 to 1,250mbs appears to be narrower than initially modeled and therefore is potentially less of an adverse influence on mining. Underground geotechnical conditions have not presented any problems.

Gwalia Deeps continues to operate on a single stoping front. Ramp up of production is progressing, but will take time until there are more working faces available. As the mining sequence is established over the next two years, multiple stoping fronts will become available. Development on 1075 and 1100 levels is now complete.

During calendar years 2009 and 2010 there remains a substantial development requirement for the Hoover Decline and associated lateral development on the deeper levels. These capital works are required to ensure the mine has the full five working faces required to provide for operational flexibility and continuous ore production.

Southern Cross Operations

Gold production for the Quarter was 38,469 ounces at a cash operating cost of A$977 per ounce. Cash operating costs were higher than the previous Quarter due to mill maintenance costs and high open pit mining unit costs due to lower grades.

Mining Operations

The Marvel Loch Underground mine continues to be the mainstay of Southern Cross Operations. Marvel Loch Underground ore production of 251,970 tonnes at 3.8 g/t gold for the Quarter performed to expectations, matching the performance of the December Quarter. Next Quarter, underground production will predominantly be from Exhibition, Undaunted, Sherwood and New Lodes.

Production Summary		Mar Qtr 09	Dec Qtr 08
Underground Ore Mined	t	251,970	251,170
Grade	g/t	3.8	3.9
Open Pit Ore Mined	t	230,566	249,286
Grade	g/t	1.2	1.6
Ore Milled	t	550,666	555,319
Grade	g/t	2.4	2.6
Recovery	%	91%	89%
Gold Production	**oz**	**38,469**	**40,289**

Open pit production came from Norton, Pakistani, Kurrajong and Grand National. The Grand National and Pakistani pits were completed during the Quarter and the Kurrajong pit was started. Mining of the higher grade Mercury pit that was scheduled to take place during the Quarter was delayed pending receipt of metallurgical results, which in turn resulted in lower grade ore being mined from other open pits.

Mill Operations

Further repair work on the crushing circuit and to the leach tanks continued early in the Quarter impacting the overall throughput for January and February. Throughput for March exceeded expectations. Other work is planned for the early part of the June Quarter in line with planned capital expenditure for the year. This work is aimed at further enhancing the reliability of the processing plant and improving its performance. Ongoing planned maintenance will then be more effective in ensuring the reliability of the plant.

Cash Operating Costs	Mar Qtr 09	Dec Qtr 08	Sep Qtr 08
Gold Production (ounces)	38,469	40,289	36,717
Costs per ounce			
Mining	500	446	541
Processing	312	279	274
Site Services	30	41	50
Stripping and ore inventory adjustments	105	(17)	(17)
	947	749	848
By product credits	(8)	(5)	(7)
Third party refining and transport costs	2	2	1
Royalties	36	31	20
Total Cash Operating Costs	**977**	**777**	**862**

The "stripping and ore inventory adjustments" represents mainly the carrying costs of ore stockpiles processed during the Quarter.

Outlook

Gold production from Southern Cross Operations for the June Half is forecast to be 80,000 to 82,000 ounces of gold, at a cash operating cost of A$940 to A$950 per ounce.

Ore sources to complement Marvel Loch Underground ore for the June 2009 Quarter include Mercury and other small pits; all of which have been rigorously evaluated as part of the new operational review processes.

Potential additional medium term sources of ore, at varying stages of evaluation, include Nevoria, Jaccoletti and Edward's Find.

Consolidated Production Outlook

St Barbara now expects a gold production range of 130,000 to 135,000 ounces at a cash cost of A$830 to A$850 per ounce for the second half. The Company will provide guidance to investors in relation to 2010 fiscal year production forecasts and future plans following completion of the strategic and operational review. This is anticipated to take place in late July/early August.

Exploration

Exploration activities during the Quarter focussed on identifying potential sources of ore to complement ore from Gwalia and Marvel Loch.

Leonora

A mineral mapping program has commenced at Leonora to define alteration patterns associated with large ore systems. Significant alteration haloes are evident around some known deposits, and some encouraging trends are emerging in regional areas. The study will be used to define and prioritise targets for testing in the next financial year.

Southern Cross

Edward's Find

Infill and extensional drilling commenced to test the open pit potential at Edward's Find, 15 kilometres southwest of Marvel Loch. Edward's Find previously operated as an underground mine, producing 500,000t @ 8.3g/t for 149,000 ounces.

Drilling is focused on enhancing the open pit inferred resource of 500,000t @ 3.1 g/t for 50,000 ounces established by St Barbara in the previous Quarter. Results from infill drilling have included high-grade intersections of 4m @ 49.0 g/t from 104m, 2m @ 45g/t from 49m and 5m @ 11.6 g/t from 41m. An intersection of 14m @ 1.9 g/t from 35m was returned from an historically poorly tested position immediately east of the modeled resource. The result highlights the potential to upgrade the resource through definition of parallel lode positions.

Outlook

As previously advised, the exploration budget for the current year was reduced to approximately A$16 million. The majority of the budget was spent in the first six months to allow for resource modelling, reserve estimates and detailed mine planning to support operational planning for the coming fiscal year.

Safety and Environment

The safety performance of the operations has continued to improve with a further reduction in the 12 months rolling Classified Injury Frequency Rate (i.e. Comprising Long Term Injury Frequency Rate and Disabling Frequency Rate) to 8.2 as at 31 March 2009. This rate is less than the last available rate for Western Australia gold industry average for the 2008 financial year of 10.8. The Company is targeting a minimum 30% reduction for the fiscal year and is on track to achieve this.

The Company is participating in a combined gold industry forum under the auspices of the Minerals Council of Australia with the objective of having the industry classified as Energy Intensive Trade Exposed (EITE) and therefore eligible for EITE assistance under the proposed Carbon Pollution Reduction Scheme legislation.

Strategic and Operational Review

Under the new Managing Director a strategic and operational review has been commissioned with a focus on how best to achieve the potential of the operations, by delivering profitable production as planned. The key targets of the review are:

- Evaluating strategic opportunities available to the Company.
- Determination of optimum sustainable production profiles for each operation.
- Ensuring costs are contained and production delivers profitable ounces.
- Strengthening the operational capability to deliver against business plans.
- The priorities and size of exploration activities required to deliver resources for the operations.
- Considering growth opportunities

As part of the operational review several new initiatives have already commenced. These include

- A new rigorous technical and financial evaluation process for the evaluation of open pit opportunities.
- Strengthened operations planning processes and improved controls over plan execution

The Company anticipates updating investors on the outcome of the review in late July/early August 2009

Corporate

The Company undertook an equity placement in February, to provide funds to either buy back Convertible Notes at a discount, and/or to fund the potential early redemption of Convertible Notes on 4 June 2010.

The placement raised A$75 million after costs through the issue of 189,600,000 shares at 41 cents per share.

In March, the Company bought back A$22.5 million in face value of Convertible Notes by way of a tender offer buy-back, at a cost of A$21.15 million including accrued interest. The buy-back was at 94 cents in the dollar, representing a discount of 8.4% including accrued interest. The cashflow saving in interest as a result of the buy-back amounts to A$2.7 million up to the early redemption date.

These actions reduced St Barbara's liabilities and strengthened the Company's balance sheet.

The remaining placement funds will be used to fund any further on market buy-back of Convertible Notes and early redemptions of Convertible Notes on 4 June 2010.

As previously advised, Mr Tim Lehany commenced as Managing Director and CEO on 2 March 2009. Mr Martin Reed was appointed Chief Operating Officer on 12 January 2009.

Financials

Gold shipped in the Quarter of 53,883 ounces was sold at an average gold price of A$1,375 (US$913) per ounce. The Company remains unhedged.

Cash at bank totaled A$84.5 million as at 31 March 2009, which included A$23.4 million as security for bank guarantees primarily relating to environmental performance bonds.

Total interest bearing liabilities at 31 March 2009 comprise convertible notes (A$77.1M), an asset finance facility (A$18.2m) and other finance lease liabilities (A$1.0M)

Forecast capital expenditure for the 2009 fiscal year remains at between A$125 and A$132 million.

Share Capital

Shares on issue at 31 March 2009	1,493,932,950
Options on issue as at 31 March 2009	4,750,000
Unlisted options are exercisable at various prices between A$0.118 and A$0.549 up to 23 December 2011	
Convertible Notes on issue	A$ 77,100,000

Convertible Notes are convertible at A$0.67 per share, are convertible at any time, have an 8% coupon and expire 4 June 2012.

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

Information as at 31 March 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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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

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Exchange Rate
A$ amounts converted at A$1:
- at 31/03/09 .... US$0.6873
- for Quarter average .... US$0.6640

Figure 1. Gwalia Deeps and location of Hoover and Barden Declines

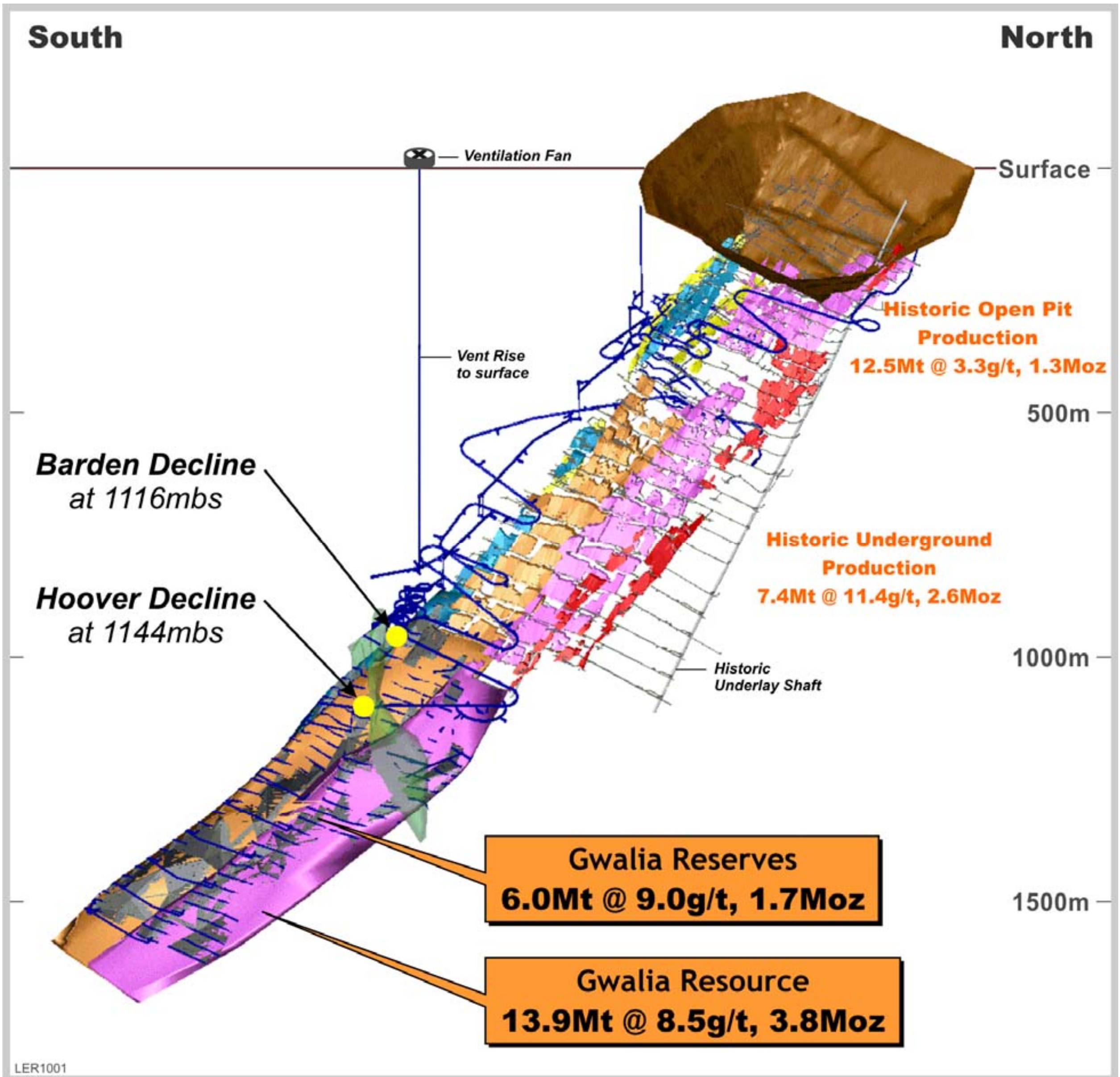


Figure 2. **Gwalia Deeps mined stopes and planned sources of ore for the June 2009 Quarter.**

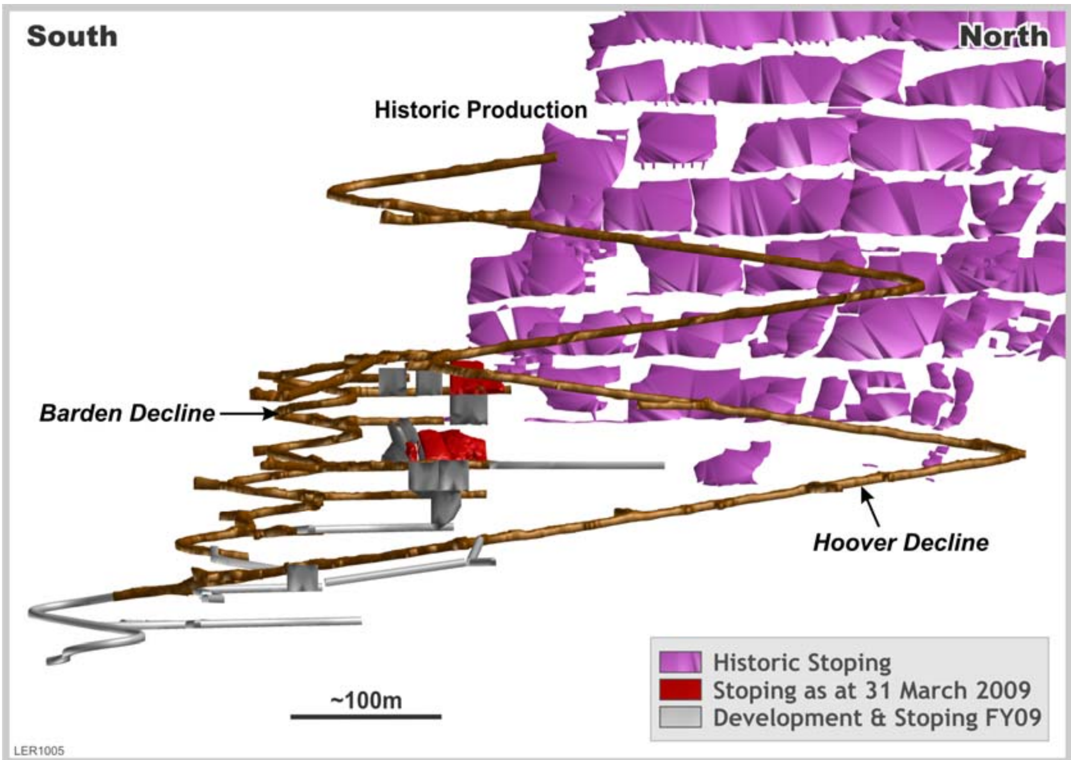


Figure 3. **Gwalia Deeps target area for extension to reserves**

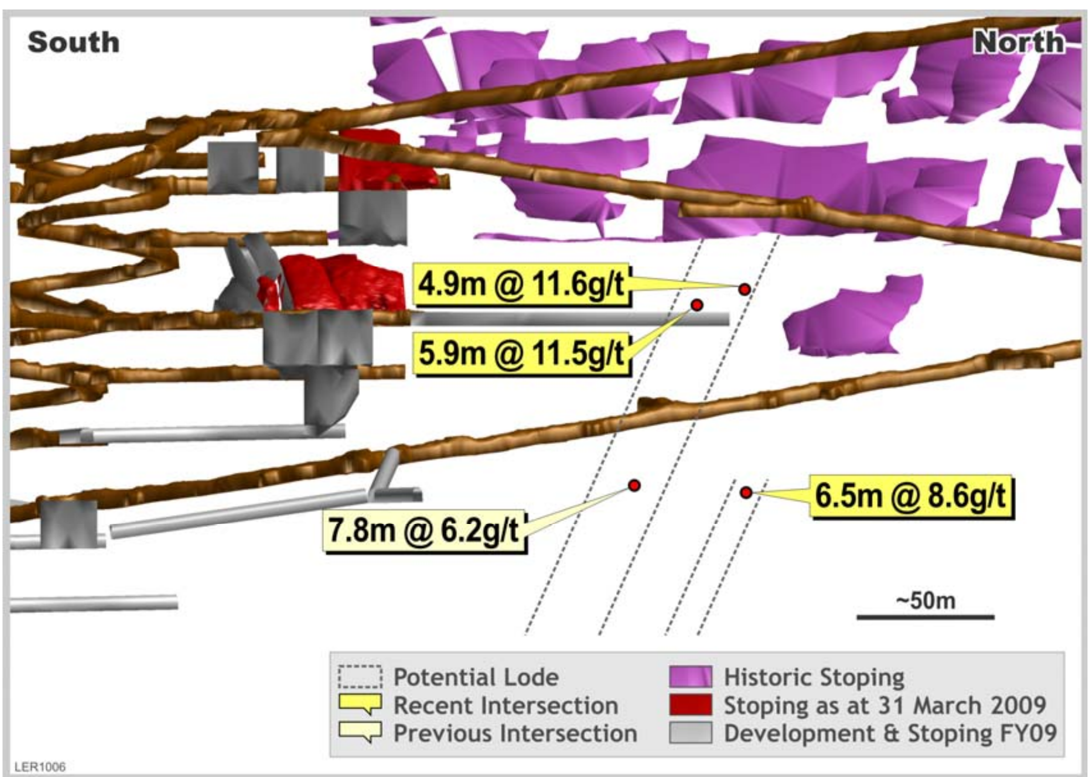
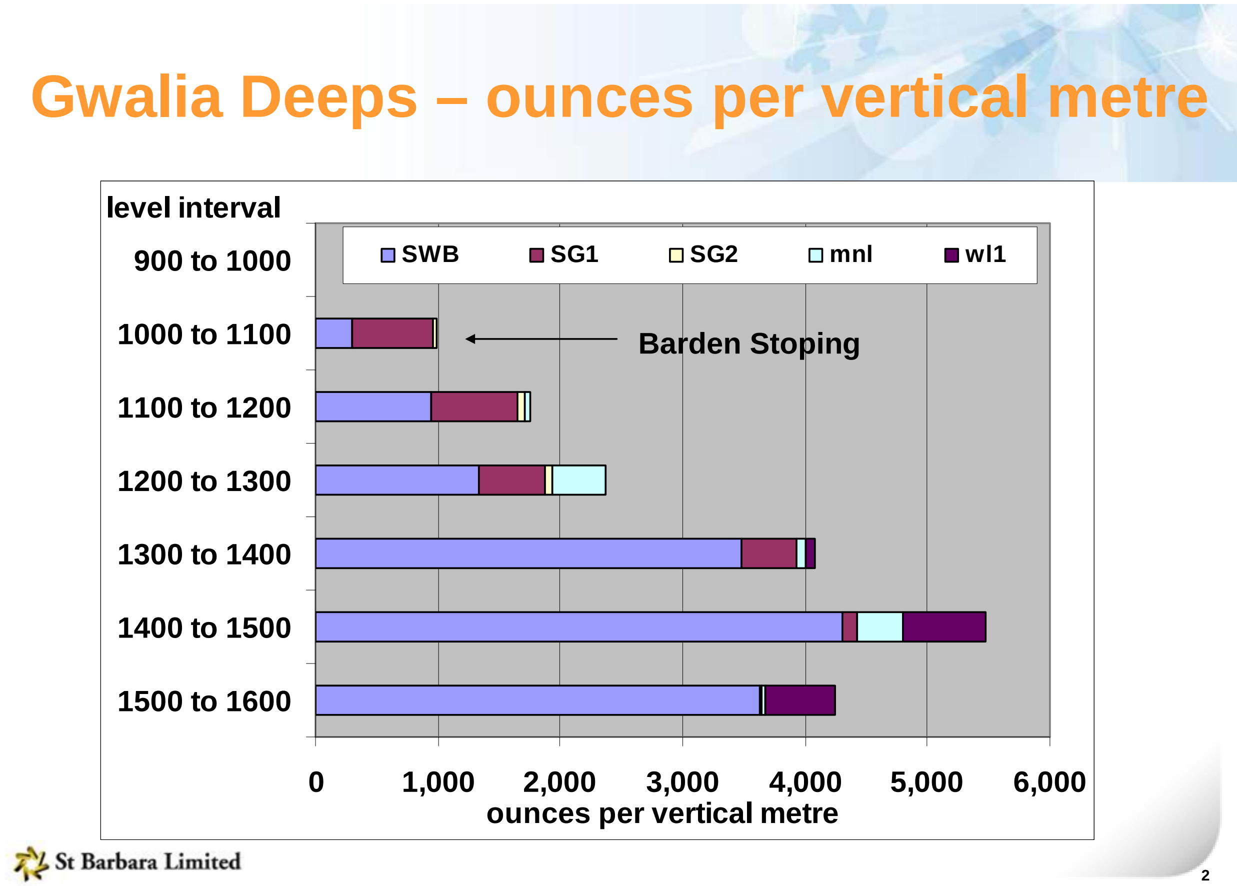


Figure 4



Legend - **SWB**: South West Branch **SG1**: South Gwalia Series 1 **SG2**: South Gwalia Series 2 **mnl**: Main Lode **wl1**: West Lode

Table 1: Significant Gold Intersections

Hole No	North	East	Dip/Azi	Vertical Depth	Mineralised Intersection		
					From m	Length m	Gold g/t
LEONORA							
Gwalia							
UGD1086	6253	8582		1051		5.9	11.5
UGD1091	6281	8644		1087		2.1	28.3
UGD1087	6270	8573		1045		4.9	11.6
UGD1094	6271	8667		1119		6.5	8.6
SOUTHERN CROSS							
Edwards Find							
EDRC0149	6504973	726533	-60/250		104.0	4.0	49.0
EDRC0174	6505322	726381	-51/250		49.0	2.0	45.0
EDRC0143	6504941	726502	-61/248		41.0	5.0	11.6
EDRC0157	6504847	726596	-61/248		92.0	12.0	3.9
EDRC0141	6504950	726531	-61/248		75.0	3.0	15.1
EDRC0145	6505013	726520	-61/248		70.0	10.0	3.8
EDRC0150	6505051	726516	-50/248		82.0	7.0	5.0
					50.0	8.0	2.4
EDRC0165	6505022	726555	-61/250		35.0	14.0	1.9

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.