



# St Barbara LIMITED

St Barbara Limited ACN 009 165 066  
Level 14, 90 Collins Street, Melbourne VIC 3000  
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[www.stbarbara.com.au](http://www.stbarbara.com.au)



## Proposal for share consolidation and related capital management initiatives.

The Company is planning three capital management initiatives:

- A share consolidation of six existing shares for one new share, subject to shareholder approval;
- Establishing a voluntary share sale facility and top-up facility for small shareholders, free from transaction costs; and
- Following completion of the share sale and top up facilities, an unmarketable parcel share sale process will be conducted.

### Share Consolidation

St Barbara currently has in excess of 1.95 billion shares on issue, which is relatively large for a Company of our size with a market capitalisation of approximately \$700 million (based on 38 cents per share as at 3 September 2010).

Some potential international institutional investors are precluded by their charters or mandates from investing in stocks with share prices less than US\$1, and as a consequence are precluded from investing in stocks such as St Barbara for as long as our shares trade at prices less than US\$1.

The Directors believe that the proposed consolidation of the Company's shares, in the ratio of six current shares consolidated to one new share, will create a more efficient capital structure and share price for a listed entity of St Barbara's size and market capitalisation.

St Barbara will seek shareholder approval at the Annual General Meeting of Shareholders (AGM) scheduled for 18 November 2010, to consolidate the Company's shares on issue.

If approved, a six for one share consolidation would result in St Barbara having approximately 326 million shares on issue. The exact consolidation ratio is subject to finalisation prior to sending out the Notice of AGM in mid October.

### **Voluntary share sale facility and top-up facility**

The voluntary share sale and top up facilities will allow shareholders who hold shares with a total market value of less than \$2,000 at a date to be specified by the Company (**“Eligible Shareholders”**) the opportunity to either:

- a) sell all or part of their holding, or
- b) buy additional shares up to a total market value of \$5,000, inclusive of the market value of their existing holding.

Eligible Shareholders may only participate in either, but not both, of the share sale facility or the top up facility.

Transactions under either facility are free from brokerage charges and will be conducted on-market. The price for transactions under both facilities will be referenced to the market price on the date that the facilities close when the net difference between total share sale requests and total top up requests is transacted on market by a share broker appointed by the Company for this purpose.

No action is required at this time.

### **Unmarketable parcel share sale facility**

After completion of the voluntary share sale and top up facilities St Barbara will, following the Annual General Meeting, initiate an unmarketable parcel share sale facility.

In accordance with its Constitution, the Company intends to write to eligible shareholders holding less than \$500 market value of shares asking them to advise if they wish to retain their shares. The shares of those shareholders who do not advise that they wish to retain their shares by the date specified, will be sold by the Company and proceeds from the sale will be remitted to the shareholder free of all brokerage charges.

The unmarketable parcel share sale facility will provide shareholders with less than \$500 of shares a convenient way to sell their shares on-market and is designed to reduce the Company’s administration expenses by seeking to reduce the number of small shareholdings.

No action is required at this time.

The Company has engaged E.L. & C. Baillieu Stockbroking Limited to assist with these capital management initiatives and will release further details at the time of the release of the Notice of Annual General Meeting of Shareholders which is due to be sent out in mid October this year.



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**Tim Lehany**  
Managing Director & CEO

Further information about St Barbara Limited can be accessed via the website  
[www.stbarbara.com](http://www.stbarbara.com)