OCEANAGOLD

OceanaGold Corporation

Unlocking Embedded Value

2009
Full Year Results

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Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2009

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This Management Discussion & Analysis contains "forward-looking statements and information" within the meaning of applicable securities laws which may include, but is not limited to, statements with respect to the future financial and operating performance of the Company, its subsidiaries and affiliated companies, its mining projects, the future price of gold, the estimation of mineral reserves and mineral resources, the realisation of mineral reserve and resource estimates, costs of production, estimates of initial capital, sustaining capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of the development of new mines, costs and timing of future exploration, requirements for additional capital, governmental regulation of mining operations and exploration operations, timing and receipt of approvals, consents and permits under applicable mineral legislation, environmental risks, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or may be identified by statements to the effect that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries and/or its affiliated companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, future prices of gold; general business, economic, competitive, political and social uncertainties; the actual results of current production, development and/or exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of the United States dollar relative to the Canadian dollar, the Australian dollar, the Philippines Peso or the New Zealand dollar; changes in project parameters as plans continue to be refined; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability or insurrection or war; labour force availability and turnover; delays in obtaining financing or governmental approvals or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risk Factors" contained in the Company's Annual Information Form in respect of its fiscal year-ended December 31, 2008, which is available on SEDAR at www.sedar.com under the Company's name. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements and information contained herein are made as of the date of this Management Discussion & Analysis and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein.

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Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2009

HIGHLIGHTS

- Achieved record annual gold sales of 300,044 ounces.
- Cash operating costs of $411/oz, a 23% improvement on FY2008.
- EBITDA (earnings before interest, taxes, depreciation and amortization and excluding unrealized gains/losses on undesignated hedges) was $28.2 million for the fourth quarter and $106.2 million for FY2009. ***
- Achieved cash flow from operations of $29.2 million in Q4 bringing the total for FY2009 to $94.2 million.
- Announced an increase of 876,000oz to New Zealand mineral reserves during the fourth quarter and in a January release subsequent to year end.
- The optimisation study of the Didipio Gold-Copper Project is nearing completion and will be subjected to an independent technical review.

* All statistics are compared to the corresponding 2008 period unless otherwise stated.

** OceanaGold has adopted USD as its presentation currency and all numbers in this document are expressed in USD unless otherwise stated.

*** EBITDA is a non GAAP measure. Refer page 19 for explanation of non GAAP measures.

OVERVIEW

Results from Operations

OceanaGold achieved record annual gold sales for FY2009 totaling 300,044 ounces. 72,140 ounces were sold during the fourth quarter.

Gold sales for FY2009 reflect a 14% increase on the previous year’s sales of 264,124 ounces. Improved operational efficiencies combined with higher grades from the Macraes open pit; increased ore tonnes from the Frasers underground mine; and improved mill feed grades at Reefton contributed to the record year.

Cash costs for the quarter were $485/oz and $411/oz for FY 2009. Cash costs in US dollar terms progressively increased throughout the year driven by the New Zealand dollar (NZD) strengthening by 25% against the US dollar (USD). Over 2009, the NZD:USD rate traded from a low of $0.49 in Q1 2009 to a high of $0.75 in Q4 2009 closing the year at $0.71.

Despite a strengthening NZD, cash operating margins remained robust due to a strengthening USD gold price. The cash operating margin for the fourth quarter was $442/oz resulting in a FY2009 margin of $379/oz. This was a 30% increase on FY2008.

The Company’s FY2009 gold sales of 300,044 oz at cash costs of $411/oz exceeded the original market guidance set in early 2009 of 280,000-300,000 oz at cash costs of $425-$475/oz and is in line with upgraded guidance re-set in October 2009. The three NZ mines provided stable performance throughout the year and this consistency has continued into 2010.

Staffing turnover was down significantly in 2009 compared to the previous year when the mining boom in Western Australia attracted experienced mining staff from New Zealand. The stabilization of the New Zealand workforce along with a continued focus on process improvement resulted in the improved efficiencies and increased rock movements at both of the open pit operations. The Frasers underground mine demonstrated quarter on quarter mining rate improvements during the year while dilution was in line or below expectation. This strong performance is expected to continue in 2010 with improved planned mining rates from the underground operation.

Input costs have also normalized after the commodity boom in 2008 pushed up the cost of key consumables such as diesel, reagents and grinding media. Power costs in New Zealand were much improved from the previous year with ample rains in the South Island ensuring the hydro reservoirs were well stocked resulting in electricity rates coming in below budget.

The Company reported a net profit of $54.5 million in 2009, compared with a net loss of $54.7 million in 2008. Earnings before interest, taxes, depreciation and amortisation (excluding gains/losses on hedges) for the quarter were strong at $28.2 million bringing total EBITDA (excluding gains/losses on hedges) for FY2009 to $106.2 million. This was a 61% increase on FY2008 EBITDA of $66.1 million.

Didipio Gold – Copper Project

The Didipio project remained on care and maintenance during the quarter. The Company is nearing completion of the internal study of the project design and capital cost. This study is currently subject to an external independent technical review.

Site accommodation and office facilities continue to be maintained for personnel to provide site security, maintenance, environmental management and community relations.

The company continues to fulfill all community commitments and was active with a number of initiatives during the quarter and throughout the year. Key areas of focus involved community health and education initiatives. The Company was also active in providing ongoing financial support to a local community development association for priority projects identified in the local area.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q4 Dec 31 2009**	**Q3 Sep 30 2009**	**Q4 Dec 31 2008**	**Year 2009**	**Year 2008**	**Year 2007**
Gold Sales (Ounces)	72,140	71,492	74,816	300,044	264,124	177,722
	USD	USD	USD	USD	USD	USD
Average Price Received ($ per ounce)	927	838	640	790	822	697
Cash Operating Cost ($ per ounce)	485	473	307	411	532	556
Cash Operating Margin ($ per ounce)	**442**	**365**	**333**	**379**	**290**	**141**
Non-Cash Cost ($ per ounce)	265	249	171	219	190	190
Total Operating Cost ($ per ounce)	750	722	478	630	722	746
Total Cash Operating Cost ($ per tonne processed)	19.90	19.83	13.48	17.84	20.80	13.50

Combined Operating Statistics	**Q4 Dec 31 2009**	**Q3 Sep 30 2009**	**Q4 Dec 31 2008**	**Year 2009**	**Year 2008**	**Year 2007**
Gold produced (ounces)	72,094	70,020	75,418	300,391	259,812	183,209
Total Ore Mined (tonnes)	2,222,661	1,521,202	1,559,806	6,258,806	5,629,135	4,680,384
Ore Mined grade (grams/tonne)	1.40	1.71	1.83	1.85	1.69	1.41
Total Waste Mined (tonnes) - incl pre-strip	15,239,910	16,437,702	12,780,037	61,087,834	52,726,488	55,748,837
Mill Feed (dry milled tonnes)	1,757,515	1,705,948	1,691,511	6,913,713	6,737,962	6,166,485
Mill Feed Grade (grams/tonne)	1.59	1.59	1.68	1.68	1.52	1.20
Recovery (%)	79.7%	78.3%	80.8%	80.0%	79.1%	77.5%

Combined Financial Results	**Q4 Dec 31 2009 $'000**	**Q3 Sep 30 2009 $'000**	**Q4 Dec 31 2008 $'000**	**Year 2009 $'000**	**Year 2008 $'000**	**Year 2007 $'000**
EBITDA (excluding unrealized gain/(loss) on hedges)	28,237	24,425	24,294	106,178	66,109	8,724
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges	(4,151)	1,859	1,917	13,743	(3,545)	(25,461)
Reported EBITDA (including unrealized gain/(loss) on hedges)	22,087	41,484	2,376	164,419	(7,022)	(53,529)
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	(8,456)	13,800	(13,426)	54,512	(54,735)	(69,039)

PRODUCTION

Production for the fourth quarter of 2009 was 72,094 ounces resulting in total production of 300,391 ounces for the full year ended December 31, 2009. Total gold sales for the quarter were 72,140 ounces and 300,044 ounces for the full year ended December 31, 2009.

The total combined operating cash costs were $485/oz for the quarter and $411/oz for the full year ended December 31, 2009. The FY2009 cash costs were 23% lower than the $532/oz achieved in FY2008 due to higher gold production from a higher grade ore processed, improved operational efficiencies and lower input costs in FY2009.

Cash flow generated from the operations for the fourth quarter was $29.2 million bringing the total for FY 2009 to $94.2 million.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes Goldfield operations (open-pit and underground) incurred no lost time injuries (LTI) during the quarter, however the operations incurred four LTIs during the year, resulting in an increased lost time frequency rate of 0.61 (per 200,000 man hours) compared to 0.15 in 2008. A safety improvement plan for 2010 was formulated during the quarter and includes a continuation of formal job safety analyses for non-routine tasks, introduction of the PASS safety system and development of critical safety standards.

Production from the Macraes Goldfield for the quarter was 47,470 gold ounces for a total of 213,049 gold ounces for the year. Production for the quarter was 1% less than the third quarter due to a slightly lower mill head grade. The FY2009 gold production increased 16% compared to FY2008 and was attributable to an overall higher feed grade and increased tonnes from the combined Macraes open pit and Frasers underground operation.

Ore and waste mined totaled 13.28 million tonnes for the fourth quarter and 53.41 million tonnes for the year. The yearly movement was up 20% compared to 2008, partially due to lower labour turnover than the previous year and enhanced truck/equipment utilization. The Golden Bar road realignment was completed ahead of schedule, opening the Frasers East Waste Stack to full capacity during the fourth quarter and will result in improved rock haulage efficiencies throughout 2010.

At the Frasers underground mine, mining continued in the Panel 2C area, with another quarterly record of 235,437 tonnes of ore mined. The total ore mined for the year was 905,674 tonnes. Combined with record development metres of 1,675m which was a 13% increase on the previous quarter, the Frasers underground mine was ahead of plan for both the quarter and the year. The Panel 2C stoping block was completed during the quarter and commencement of the Panel 2D block has seen slight structural issues in the hanging wall causing slightly higher dilution and lower grades. These conditions are expected to improve as the stopes are retreated. Diamond drilling from the exploration drive platform continued during the quarter.

The processing plant operated to plan for the quarter with mill feed of 1.41 million tonnes compared to 1.40 million tonnes in the previous quarter. The throughput for 2009 was 5.64 million tonnes compared to 5.55 million tonnes in 2008. Mill feed grade for the quarter was 1.33 grams per tonne, slightly lower than the Q3 2009 head grade of 1.38 grams per tonne. The overall feed grade through the mill for FY 2009 was 1.47 g/t, a 12% improvement on 2008 and reflective of higher grades out of the open pit and increased ore mined from the Frasers underground mine.

Macraes process plant recoveries were 78.9% for the fourth quarter, up on the previous quarter's recovery of 77.6%. FY2009 recoveries were 79.6% compared to 78.6% in 2008. Process improvements implemented during the quarter included increased electrowinning efficiency and modifications to the classification cyclones to increase capacity. Process recoveries are a key area of focus for continued improvements heading into 2010.

Reefton Goldfield (New Zealand)

Two LTIs occurred in the fourth quarter compared to nil during the same period last year. Overall for the year Reefton had ten LTIs compared to five in 2008. Reefton's health and safety performance is a major focus requiring significant improvement. In December, all activities on site were shut down so that three separate meetings could be held with all shift crews and personnel. The PASS safety system will be introduced in Q1 2010 along with further development of safety systems and additional safety training.

Total material mined was 4.18 million tonnes for the fourth quarter, a significant increase over the 3.22 million tonnes in the previous period. Implementation of a shorter haul ramp to the waste rock stack along with slightly better weather conditions and digger availabilities were the main drivers to improved movements. Total material mined for FY2009 was

13.93 million tonnes. The full year total was slightly ahead of 2008 and in line with expectations.

The process plant continues to operate above design with 347,316 tonnes processed for the quarter resulting in 1.28 million tonnes processed for FY2009. Flotation concentrate produced during the quarter was below budget but was offset by improved recoveries and higher grades and resulted in savings associated with reduced costs for transportation. The mill head grade of 2.62 g/t was slightly higher than the previous quarter with the FY2009 head grade reporting in at 2.60 g/t and 5% higher than FY2008.

The higher head grade and further improvement to the tonnes processed resulted in a record production year for the mine. Production for the year was 87,342 ounces, a 15% increase on FY2008.

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	Q4 Dec 31 2009	Q3 Sep 30 2009	Q4 Dec 31 2008	Year 2009	Year 2008	Year 2007
Gold produced (ounces)	47,470	48,065	52,508	213,049	183,680	145,312
Total Ore Mined (tonnes)	1,828,827	1,148,017	1,207,149	4,833,671	4,322,001	3,796,184
Ore Mined grade (grams/tonne)	1.18	1.47	1.65	1.67	1.52	1.22
Total Waste Mined (tonnes) incl pre-strip	11,454,630	13,591,306	9,520,930	48,578,180	40,339,489	43,752,396
Mill Feed (dry milled tonnes)	1,410,198	1,396,186	1,372,116	5,635,537	5,545,008	5,564,873
Mill Feed Grade (grams/tonne)	1.33	1.38	1.48	1.47	1.31	1.05
Recovery (%)	78.9%	77.6%	80.4%	79.6%	78.6%	77.5%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	Q4 Dec 31 2009	Q3 Sep 30 2009	Q4 Dec 31 2008	2009	2008	2007
Gold produced (ounces)	24,624	21,955	22,910	87,342	76,132	37,897
Total Ore Mined (tonnes)	393,834	373,185	352,657	1,425,135	1,307,134	884,200
Ore Mined grade (grams/tonne)	2.42	2.45	2.44	2.46	2.24	2.24
Total Waste Mined (tonnes) incl pre-strip	3,785,280	2,846,396	3,259,107	12,509,654	12,386,999	11,996,441
Mill Feed (dry milled tonnes)	347,316	309,762	319,395	1,278,176	1,192,954	601,612
Mill Feed Grade (grams/tonne)	2.62	2.55	2.54	2.60	2.47	2.60
Recovery (%)	82.8%	81.5%	82.5%	81.5%	81.8%	77.1%

DEVELOPMENT

Didipio Gold - Copper Project (Philippines)

Development at the Didipio Gold and Copper project in Luzon province, Philippines, remains under care and maintenance. Although the Company maintains a reduced workforce at the project site it continued to fulfill all of its community and social commitments related to the project during the period. The project optimization study has been completed and internal and external reviews are being conducted during Q1 2010.

During the quarter 147,931 man hours were completed with zero Lost Time Injuries (LTI). Site based work has been limited to care and maintenance focused activities primarily in the areas of environmental, safety and security of property at the project.

Community activities during the quarter focused on the continued financial support provided to the local Didipio community through a Memorandum of Agreement (MOA) with the Didipio Community Development Association Inc. (DCDAI). The local Didipio community hall constructed with the assistance of funds from OceanaGold Philippines was inaugurated in December.

Three medical missions were held in local communities throughout the provinces of Nueva Viscaya and Quirino. These missions were held in partnership with municipal health units, municipal and provincial government agencies and a number of Red Cross volunteers. More than 1,000 patients were treated for various medical, optical and dental needs. OceanaGold Philippines continues to provide access to health services and medicine to these areas and is a key part of the Company’s commitment to the local communities where it operates.

EXPLORATION

Exploration expenditure for the fourth quarter totalled $1.9 million. FY2009 expenditure totalled $3.2 million.

New Zealand

The Comany has reported gold reserves of 1.9moz in New Zealand. The mineral trend at the Macraes goldfield is up to 28km in length. At the Reefton goldfield the Company has, in addition to the current mine operations, 30km of mineral tenements. This provides considerable scope for brownfields exploration.

Macraes Goldfield

Drilling activities at Macraes increased measurably as the brownfields exploration program ramped up. Significant focus was put on the historic Round Hill deposit with parallel campaigns of twin (completed) and step-out drilling aimed at growing the overall resource. By the end of 2009 5,524m of drilling had been completed on both programs. The results of the twinning campaign demonstrated minimal grade bias from previous wet RC drilling on the deposit and that the original resource estimate was sound. Both programs utilized diamond core drilling through the mineralization.

At the Frasers underground mine there were two key areas of focus during the quarter. A diamond drill program targeting a down-dip eastern and north eastern extension of the Panel 2 resource commenced from an exploration drive. 2,297m have been completed to date with mineralization being encountered in the majority of drill holes.

The second program is a surface drill program which is the deepest in the history of Macraes, projected to reach up to 1000m from surface. This program of six holes commenced in Q4 at 200m intervals down-dip from the previous. The program is designed to demonstrate further mineralization (Panel 3) down-dip from Panel 2. Most of the pre-collar work has been completed with two diamond drills approaching the expected mineralized zone by the end of 2009.

A sterilization drilling program was also completed in preparation for future proposed infrastructure. This 2,300m program was successful with no significant mineralization being encountered.

To the north of the current mining area, soil sampling geochemistry has continued on the Macraes North area with 2,643 primary samples collected during the year.

Reefton Goldfield

Detailed structural mapping of the Globe Progress open pit earlier in 2009 greatly advanced the understanding of the ore body within the Reefton goldfield. In order to accelerate the Reefton exploration program, the exploration team was expanded during Q4 2009. Since then, data compilation, followed by a structural / geochemical review over the mine lease is nearing completion and has generated a number of near mine targets. These are being ranked and the most prospective targets will be drilled during 2010. The structural / geochemical review will then be rolled out over the remaining Reefton exploration area.

Two diamond drill holes were completed to test deeper extensions of a high grade shoot beneath the Empress open pit. The assay results have not yet been received.

An eleven hole, reverse circulation drilling program has also been completed to infill and extend a high grade shoot within the Souvenir open pit. The assay results received to-date indicates that mineralisation is strengthening with depth. Further drilling is indicated.

Philippines

The Didipio project, under the FTAA, incorporates some 215 square kilometers of surface rights and has reported gold reserves of 1.6moz. During 2009, 6 additional prospective exploration tenements were granted.

Exploration activities in the Philippines continued primarily with field community relations activities, including presentations to the community for various permit locations. Field sampling activities on the six Didipio Regional Exploration Permits were completed with samples sent for assaying and results expected early in 2010. The outcome of the analyses will define the next steps for exploration activities in the permitted areas.

Australia

The Group has an 18.8% interest in the Junction Reefs Joint Venture which holds exploration leases near Orange in New South Wales.

FINANCIAL SUMMARY

The table below provides selected financial data comparing Q4 2009 with Q3 2009 and Q4 2008 together with the last three years.

STATEMENT OF OPERATIONS	Q4 Dec 31 2009 $'000	Q3 Sep 30 2009 $'000	Q4 Dec 31 2008 $'000	Year 2009 $'000	Year 2008 $'000	Year 2007 $'000
Gold sales	66,849	59,928	47,845	237,057	217,214	104,395
Cost of sales, excluding depreciation and amortization	(34,540)	(32,972)	(22,543)	(121,310)	(138,154)	(81,669)
General & Administration	(3,682)	(2,512)	(2,963)	(9,179)	(15,338)	(11,632)
Foreign Currency Exchange Gain/(Loss)	(18)	35	1,924	(24)	2,254	(2,661)
Other income (expense)	(372)	(54)	31	(366)	133	291
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding gain/(loss) on undesignated hedges)	**28,237**	**24,425**	**24,294**	**106,178**	**66,109**	**8,724**
Depreciation and amortization	(19,106)	(18,199)	(12,872)	(66,181)	(50,547)	(28,790)
Net interest expense	(3,750)	(3,938)	(3,892)	(14,389)	(18,056)	(12,702)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	**5,381**	**2,288**	**7,530**	**25,608**	**(2,494)**	**(32,768)**
Tax on earnings / loss	(9,532)	(429)	(5,613)	(11,865)	(1,051)	7,307
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	**(4,151)**	**1,859**	**1,917**	**13,743**	**(3,545)**	**(25,461)**
Release from OCI of deferred unrealized gain/(loss) on designated hedges	-	-	-	-	279	(16,407)
Gain / (loss) on fair value of undesignated hedges	(6,150)	17,059	(21,919)	58,241	(73,408)	(45,847)
Tax on (gain)/loss on undesignated hedges	1,845	(5,118)	6,576	(17,472)	21,939	18,676
Net earnings/(loss)	**(8,456)**	**13,800**	**(13,426)**	**54,512**	**(54,735)**	**(69,039)**
Basic earnings/ (loss) per share	($0.05)	$0.08	($0.08)	$0.32	($0.34)	($0.47)
Diluted earnings/ (loss) per share	($0.05)	$0.07	($0.08)	$0.29	($0.34)	($0.47)
CASH FLOW						
Cash flows from Operating Activities	29,175	21,647	19,918	94,183	47,725	10,675
Cash flows from Investing Activities	(20,951)	(20,572)	(20,649)	(71,013)	(108,316)	(118,675)
Cash flows from Financing Activities	(7,241)	15,456	(4,525)	2,933	(49,134)	140,756

BALANCE SHEET	As at Dec 31 2009 $'000	As at Dec 31 2008 $'000	As at Dec 31 2007 $'000
Cash and cash equivalents	42,423	9,711	119,837
Other Current Assets	39,038	35,980	35,401
Non Current Assets	706,245	584,299	652,704
Total Assets	**787,706**	**629,990**	**807,942**
Current Liabilities	185,061	89,105	78,095
Non Current Liabilities	210,032	294,229	375,682
Total Liabilities	**395,093**	**383,334**	**453,777**
Total Shareholders' Equity	**392,613**	**246,656**	**354,165**

RESULTS OF OPERATIONS

Net earnings/(loss)

The Company reported a net profit of $54.5 million in 2009, compared with a net loss of $54.7 million in 2008. The Q4 net loss of $8.5 million is after a tax expense of $9.5 million on operations (before the impact of hedges). This tax expense includes a $4.9 million write off of tax losses in the Canadian holding company due primarily to uncertainty of recovery.

The impact of non-cash charges for marked to market gains and losses on hedges are significant between the periods. This does not affect cash flow in the reporting period but can have a significant impact on reported net earnings. As a result, earnings before interest, tax, depreciation and amortisation excluding gains/losses on undesignated hedges (EBITDA) and earnings before interest and tax (EBIT) before undesignated hedge gains/losses are reported as measures of operating performance on a consistent and comparable basis.

The Company reported EBITDA in 2009 of $106.2 million compared with $66.1 million in the prior year. EBITDA before gains/losses on undesignated hedges in Q4 of 2009 was $28.2 million compared to $24.4 million in Q3 2009. The results for the year were characterised by increased revenue from higher gold prices and production, compared to the prior year, and supported by lower operating costs year on year. Comparing the prior quarter, gold sales volumes increased 0.9% and costs in USD increased as the NZD strengthened.

The EBIT before fair value adjustment of hedges was $25.6 million for the year compared to a loss of $2.5 million in 2008.

Across the year, USD costs increased due to the exchange rate impact and higher maintenance costs which were offset, in part, by lower operating costs for diesel and power compared to the prior year.

Sales Revenue

Gold revenue in 2009 of $237.1 million was a 9.1% increase due to increased sales volumes offset in part by a lower average price received, which was attributable to delivery into forward gold contracts. Sales revenue for the quarter of $66.8 million increased 11.5% when compared to Q3 2009 when the Company reported revenue of $59.9 million. This increase reflects additional ounces combined with a higher gold price.

Gold sales volumes for 2009 of 300,044 ounces were 13.6% higher than 2008 (264,124 ounces) and a record production for the New Zealand operation.

The average gold price received in the quarter increased to US$927 per ounce. The Company delivered 31% of its production for the quarter and 35% for the year into “out of the money” hedges. For the full year the average gold price decreased marginally and was US$790 compared to US$822 in 2008 when nine months sales were sold into the spot market.

Undesignated Hedges Gains/Losses

Unrealised gains and losses calculated as a fair value adjustment of the Company’s undesignated hedges are brought to account at the end of each reporting period and reflect changes in the spot gold price. This also includes the adjustments made to take account of the delivery of gold into the hedge book as the derivative liability was released. These valuation adjustments as at December 31, 2009, reflect a profit for FY2009 of $58.2 million and a loss of $6.2 million in Q4 2009.

The derivative instruments held by the Company at year end are summarised below under “Current Derivative Liabilities”.

Operating Costs & Margins

Cash costs per ounce sold were $411 for the year and 22.7% lower compared to 2008 ($532). This partly reflects the decline of many input costs from the peaks experienced in mid 2008. In US$ terms the cost reductions have been offset by a strengthening NZD which increased 25% during 2009 over the year.

The cash margin of $442 per ounce resulted in earnings before interest, tax, depreciation & amortization (excluding undesignated hedge gains/losses) of $28.2 million for the quarter, compared to $24.4 million in Q3 2009 and $24.3 million in Q4 2008. This margin was boosted by the increased gold price in Q4.

The cash margin for the year of $379 was a 30.7% increase over 2008 and gave rise to the EBITDA before gain/loss on undesignated hedges of $106.2 million for 2009.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a unit of production basis and total $66.2 million for the year ($50.5 million in FY2008). These charges were higher in USD when compared to the prior year, in part due to the strengthening NZD and also combined with an additional allocation of deferred costs attributable to an increase in ore mined. Ore mined was 11.2% higher than the prior year and 46.1% higher in Q4 when compared to Q3 2009.

The depreciation and amortization charges include amortization of mine development and deferred waste stripping costs and depreciation on equipment.

Net Interest expense

The net interest expense of $14.4 million compares to $18.1 million for 2008 and reflects lower interest rates and lower net debt due to principal repayments on a project loan and leases.

Net interest for the fourth quarter is marginally lower than the third quarter 2009 and the fourth quarter 2008 as the lower rates and debt has been offset to some extent by the strengthening NZD.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash flows from operating activities increased to $94.2 million compared to $47.7 million in 2008. The increase was driven by higher gold revenue and lower costs.

Q4 2009 operating cash flows were 34% higher at $29.2 million compared to $21.6 million in Q3 2009.

Investing Activities

Investing activities were comprised of expenditures for pre-stripping and sustaining capital for the New Zealand operations and capitalised holding costs associated with the Didipio Gold - Copper Project.

Cash used for investing activities in 2009 totaled $71.0 million compared to $108.3 million in 2008. The majority of this expenditure was for the New Zealand operations and includes $59.2 million for pre-strip and mine development. 2008 included development expenditure on the Didipio project before suspension.

Cash outflows for investing in Q4 was $20.9 million compared to $20.6 million in Q3 2009.

Financing Activities

Finance inflows for FY2009 were $2.9 million including a equity placement in July that contributed $19.6 million. Out flows included loan repayments of $9.0 million and lease payments of $7.6 million.

Cash out flows in Q4 were $7.2 million which included higher loan repayments compared to the Q3 2009 outflows of $4.1 million.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the year ended December 31, 2009, the Company earned a profit of $54.5 million. As at December 31, 2009 the current liabilities of the Company exceeded current assets by $103.6 million. Excluding the non-cash hedge derivative liabilities (which will be settled by delivery of future gold production by December 2010), the shortfall of assets is $13.7 million. Current liabilities include $48.7 million of convertible notes with a call option held by the note holders, for repayment in December 2010. The company has cash on hand of $42.4m and cash flow projections indicate sufficient funds to meet all operating obligations for at least 12 months. However a funding shortfall was forecast to arise if all convertible note call options were exercised by the note holders, prior to completion of the committed equity raising described below.

On February 19, 2010 the Company announced that it has secured, through the issue of 27,099,132 Subscription Receipts in Canada and 10,949,648 CHESS Depository Interests (CDI's) in Australia, an equity raising of C$78 million (before costs) at a price equivalent to C$2.05 per share. The Subscription Receipts will be converted to common shares and the CDI's will be issued, on shareholder approval, at an Extraordinary General Meeting to be held on March 25, 2010. The proceeds from the Subscription Receipts will be held in escrow until the Release Conditions (which include shareholder approval) have been met. The company expects these conditions will be met by 31 March 2010.

Commitments

OceanaGold's operating lease commitments as at December 31, 2009 are as follows:

	2009 **$'000**
Within 1 year	4,560
Within 1 to 2 years	3,623
Within 2 to 3 years	3,284
Within 3 to 4 years	2,990
Within 4 to 5 years	1,961
More than five years	49
	16,467

Commitments (continued)

OceanaGold's capital lease commitments as at December 31, 2009 are as follows:

	2009 $'000
Within 1 year	11,075
Within 1 to 2 years	20,216
Within 2 to 3 years	3,768
Within 3 to 4 years	6,832
Within 4 to 5 years	2,082
More than five years	-
	43,973

OceanaGold's capital commitments as at December 31, 2009 are as follows:

	2009 $'000
Within 1 year	267
> 1 year	-
	267

Financial position

Current Assets

Current assets have increased by $35.8 during 2009 primarily from an increase in cash on hand of $32.7 million (including the equity placement), and an increase of $3.4 million in inventory.

Non-Current Assets

During 2009 non-current assets increased from $584.3 million to $706.2 million. The NZD appreciation has increased the value of Property, Plant and Equipment and Mining Assets in USD terms and depreciation was less than capital expenditure. In addition, future income tax assets decreased by $22.4 million largely due to utilization of tax losses in the New Zealand operations. Inventories increased $14.4 million in the form of low grade stock piles.

Current Liabilities

Current liabilities increased $96.0 million during 2009 reflecting a $41.1 million increase in the value of derivatives. In addition, $48.7 million for convertible notes are classified as current as there is a call option, in the hands of the note holders in December 2010.

Non-Current Liabilities

Non-current liabilities decreased by $84.2 million during 2009, primarily as a result of derivative liabilities and convertible notes being reclassified to current liabilities. This was offset in part by the weakening of the US dollar which increased liabilities in USD terms.

Current derivative liabilities

OceanaGold holds certain derivative instruments that were intended to manage the impact of movements in the spot gold price. Currently instruments held include undesignated forward gold sales contracts for 99,840 ounces (2008: 206,076 ounces) at NZ$773, undesignated gold put options for 82,080 ounces (2008: 199,496 ounces) with an average exercise price of NZ$1,000 and undesignated gold call options (sold) for 104,024 ounces (2008: 136,024 ounces) with an average exercise price of NZ$1,062. A summary of OceanaGold's marked to market adjustment on derivatives is:

	Dec 31 2009 $'000	Dec 31 2008 $'000
Current Assets		
Gold put options	141	1,493
Non Current Assets		
Gold put options	-	1,997
Total Assets	**141**	**3,490**

	Dec 31 2009 $'000	Dec 31 2008 $'000
Current Liabilities		
Gold forward sales contracts	54,557	46,949
Gold call options	35,318	1,831
	89,875	**48,780**
Non Current Liabilities		
Gold forward sales contracts	-	45,708
Gold call options	-	34,358
	-	**80,066**
Total Liabilities	**89,875**	**128,846**

Shareholders' Equity

A summary of the movement in shareholders' equity is set out below:

	Year Ended Dec 31 2009 $'000
Total equity at beginning of financial period	**246,656**
Profit/(loss) after income tax	54,512
Movement in other comprehensive income	72,712
Movement in contributed surplus	(1,207)
Equity raising	19,940
Total equity at end of financial period	**392,613**

Shareholders' equity has increased to $392.6 million at year end primarily as a result of the profit earned for the year, funds obtained from an equity raising and gains from currency translation differences reflected in Other Comprehensive Income that arises from the translation of entities with a functional currency other than USD.

Capital Resources

As at December 31, 2009, the share and securities summary

Shares outstanding	185,880,075
Options outstanding	5,637,259

As at December 31, 2008, the share and securities summary

Shares outstanding	161,634,849
Options outstanding	4,019,988
Corporate options *	30,321,702

* Lapsed January 1, 2009

As at February 25, 2010 share and securities summary

Shares outstanding	185,880,075
Options outstanding	5,637,259

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The accounting policies that involve significant management judgment and estimates are discussed in this section. For a complete list of the significant accounting policies, reference should be made to Note 1 of the 2009 audited consolidated financial statements of OceanaGold Corporation.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active work is continuing.

Accumulated costs in relation to an abandoned area are written off to the Statement of Operations in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Mining Properties in Production or Under Development

Expenditure relating to mining properties in production and development are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs, including the estimated future capital costs over the life of the area of interest, is provided on the production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

Costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations are included in the costs of inventory in the period in which they are incurred, except when the charges represent a betterment to the mineral property. Charges represent a betterment to the mineral property when the stripping activity provides access to reserves that will be produced in future periods that would not have been accessible without the stripping activity. When charges are deferred in relation to a betterment, the charges are amortized over the reserve in the betterment accessed by the stripping activity using the units of production method.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount, the excess is written off to the Statement of Operations.

Asset Retirement Obligations

OceanaGold recognises the fair value of future asset retirement obligations as a liability in the period in which it incurs a legal obligation associated with the retirement of long-lived assets that results from the acquisition, construction, development and/or normal use of the assets. OceanaGold concurrently recognises a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset.

The key assumptions on which the fair value of the asset retirement obligations are based include the estimated future cash flow, the timing of those cash flows and the credit-adjusted risk-free rate or rates on which the estimated cash flows have been discounted. Subsequent to the initial measurement, the liability is accreted over time through periodic charges to earnings. The amount of the liability is subject to re-measurement at each reporting period if there has been a change to the key assumptions.

Asset Impairment Evaluations

The carrying values of exploration, evaluation, mining properties in production or under development and plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the undiscounted future cash flows from these assets, the assets are written down to the fair value of the future cash flows based on OceanaGold's discount rate of the asset.

Derivative Financial Instruments /Hedge Accounting

The consolidated entity benefits from the use of derivative financial instruments to manage commodity price and foreign currency exposures.

Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently re-measured at their fair values at each reporting date.

The fair value of gold hedging instruments is calculated by discounting the future value of the hedge contract at the appropriate prevailing quoted market rates at the reporting date. The fair value of forward exchange contracts is calculated by reference to current forward exchange rate for contracts with similar maturity profiles.

Certain derivative instruments do not qualify for hedge accounting or have not been accounted for as fair value or cash flow hedges. Changes in the fair value of these derivative instruments are recognised immediately in the statement of operations. The company does not have any designated hedges.

Stock Option Pricing Model

Stock options granted to employees or external parties are measured by reference to the fair value at grant date and are recognised as an expense in equal installments over the vesting period and credited to the contributed surplus account. The expense is determined using an option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradable nature of the option, the current price and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Income Tax

The Group follows the liability method of income tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is provided to the extent that it is more likely than not that those future income tax assets will not be realised.

Foreign Currency Translation

The consolidated financial statements are expressed in United States dollars (“USD”) and have been translated to USD using the current rate method described below. The controlled entities of OceanaGold have either Australian dollars (“AUD”), New Zealand dollars (“NZD”) or United States Dollars (“USD”) as their functional currency.

OceanaGold employs the current rate method of translation for its self-sustaining operations. Under this method, all assets and liabilities are translated at the period end rates and all revenue and expense items are translated at the average exchange rates for recognition in the statement of operations. Differences arising from these foreign currency translations are recorded in shareholders’ equity as a cumulative translation adjustment.

OceanaGold employs the temporal method of translation for its integrated operations. Under this method, monetary assets and liabilities are translated at the period end rates and all other assets and liabilities are translated at applicable historical exchange rates. Revenue and expense items are translated at the rate of exchange in effect at the date the transactions are recognized in the statement of operations, with the exception of depreciation and amortization which is translated at the historical rate for the associated asset. Exchange gains and losses on currency translation adjustments are included in the statement of operations.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. Significant areas where management’s judgment is applied include ore reserve and resource determinations, exploration and evaluation assets, mine development costs, plant and equipment lives, contingent liabilities, current tax provisions and future tax balances and asset retirement obligations. Actual results may differ from those estimates.

RISKS AND UNCERTAINTIES

This document contains some forward looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by those forward looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; procurement of required capital equipment and operating parts and supplies; equipment failures; unexpected geological conditions; political risks arising from operating in certain developing countries; inability to enforce legal rights; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; operating performance of current operations; ability to secure long term financing and capital, water management, environmental and safety risks; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies including tax and trade laws and policies; ability to maintain and further improve labour relations and other development and operating risks.

For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company’s website.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There have been no material changes from the accounting policies of FY2009.

Adoption of new accounting policies

Mining Exploration Costs

On March 27, 2009, the Emerging Issues Committee of the CICA approved an abstract EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties in particular and on impairment of long-lived assets in general. The Company applied this new abstract for the year ended December 31, 2008 and there was no significant impact on its financial statements as a result of applying this abstract as our existing policy complied.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC-173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to fiscal periods ending on or after January 12, 2009. The application of this EIC had no material effect on the consolidated financial statements.

CICA 3064 Goodwill and Intangible Assets

The CICA has issued Handbook Section 3064 "Goodwill and Intangible assets" which may affect the financial disclosure and results of the Company. This Section applies to annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008 and the Company adopted the requirements commencing in the quarter ended March 31, 2009. Section 3064 establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The application of this EIC had no effect on the consolidated financial statements.

Amendment to Financial Instruments – Disclosures ("Section 3862")

During 2009, CICA Handbook Section 3862, "Financial Instruments – Disclosures" ("Section 3862"), was amended to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company has disclosed this in the financial statements.

Accounting policies effective for future periods

International Financial Reporting Standards ("IFRS")

The Canadian Institute of Chartered Accountant's (CICA's) Accounting Standards Board announced that publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011.

OceanaGold Corporation has commenced transition planning and conversion to IFRS, including assessment of the impact on its accounting systems and financial statements. The conversion project scope includes review of project structure and governance, resources, analyses of key GAAP differences, policies and implementation plan. The status of elements of the conversion project is as follows:

Project Structure and Governance

A steering committee and implementation team has been identified and management will update the audit committee on a quarterly basis.

Assessment and Diagnostic

An initial diagnostic of key areas for which adjustments will be required and accounting policy choices available upon adoption of IFRS has been undertaken in 2009. This review phase will address the impact on accounting, information technology, internal controls and disclosure.

Design, Planning, Valuation and Solution Development

An impact analysis will be performed and draft financial statements and disclosures will be prepared with an implementation plan. During this phase the impacts will be reliably quantified with judgements based relative to January 2010 for the purpose of having comparative reporting to support the conversion from January 1, 2011. Accounting policy choices and first time adoption exemption alternatives will be analysed as part of this process.

Implementation

Implementation of the required changes necessary for IFRS compliance will include approval of accounting adjustments, policies and exemptions (as applicable).

A high–level diagnostic assessment phase was conducted in the fourth quarter of 2009. At this stage the impact on the financial position and future results of the conversion has not been reliably determined so no indication or estimate is available at this time.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582, "Business Combinations" replaces section 1581, "Business Combinations", and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – “Business Combinations”. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Sections 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling interests", together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Section 1602 "Non-Controlling interests" establishes standards for accounting for non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27 – “Consolidated and Separate Financial Statements” and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended March 31, 2008 through to Decemeber 31, 2009. This information has been derived from our unaudited consolidated financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of our financial position and results of operations for those periods.

	Dec 31 2009 $'000	Sep 30 2009 $'000	Jun 30 2009 $'000	Mar 31 2009 $'000	Dec 31 2008 $'000	Sep 30 2008 $'000	Jun 30 2008 $'000	Mar 31 2008 $'000
Gold sales	66,849	59,928	55,010	55,270	47,845	54,038	53,068	62,263
EBITDA (excluding undesignated gain/(loss) on hedges)	28,237	24,425	22,484	31,032	24,294	18,991	1,131	21,690
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	(4,151)	1,859	5,397	10,639	1,917	2,806	(12,051)	3,783
Net earnings/(loss)	(8,456)	13,800	40,114	9,054	(13,426)	(10,905)	(19,248)	(11,156)
Net earnings per share								
Basic	($0.05)	$0.08	$0.25	$0.06	($0.08)	($0.07)	($0.12)	($0.07)
Diluted	($0.05)	$0.07	$0.21	$0.05	($0.08)	($0.07)	($0.12)	($0.07)

The most significant factors causing variation in the results are the commissioning of both the Reefton open pit and Frasers underground mines, the variability in the grade of ore mined from the Macraes open pit mine and variability of cash cost of sales due to the timing of waste stripping activities. The volatility of the gold price has a significant impact both in terms of its influence upon gold sales revenue and its impact upon undesignated gains/(losses) on hedges. Adding to the variation are the large movements in foreign exchange rates between the USD and the NZD.

As noted in the December 2008 MD&A an adjustment in the fourth quarter 2008 to the pre-stripping account is reflected in the "December 2008" quarter above. If the adjustment is updated to the quarter to which it relates there is an equal and offsetting effect increasing Q2 2008 EBITDA by $4.9 million, earnings after tax and net earnings by $3.4 million and earnings per share by $0.02. This is considered a timing difference and therefore not significant with the details and analysis provided above.

NON-GAAP MEASURES

Throughout this document, we have provided measures prepared according to Canadian generally accepted accounting principles ("GAAP"), as well as some non-GAAP performance measures. As non-GAAP performance measures do not have any standardized meaning prescribed by GAAP, they are unlikely to be comparable to similar measures presented by other companies.

We provide these non-GAAP measures as they are used by some investors to evaluate OceanaGold's performance. Accordingly, such non-GAAP measures are intended to provide additional information and should not be considered in isolation, or a substitute for measures of performance in accordance with GAAP.

Earnings before interest, tax, depreciation and amortization (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to net earnings/(losses) is provided on page 10.

Cash and non cash costs per ounce are other such non-GAAP measures and a reconciliation of these measures to cost of sales, including depreciation and amortization, is provided on the next page.

	Q4 Dec 31 2009 $'000	Q3 Sep 30 2009 $'000	Q4 Dec 31 2008 $'000	Year 2009 $'000	Year 2008 $'000	Year 2007 $'000
Cost of sales, excluding depreciation and amortisation	34,540	32,972	22,543	121,310	138,154	81,669
Depreciation and amortisation	19,106	18,199	12,872	66,181	50,547	28,790
Total cost of sales	53,646	51,171	35,415	187,491	188,701	110,459
Add operating general & administration	431	850	411	2,000	2,479	1,516
Less selling costs	25	(429)	(96)	(607)	(459)	(312)
Total operating cost of sales	54,102	51,592	35,730	188,884	190,721	111,663
Gold Sales from operating mines (ounces)	72,140	71,492	74,816	300,044	264,124	149,682
Total Operating Cost ($ per ounce)	750	722	478	630	722	746
Less Non-Cash Cost ($ per ounce)	265	249	171	219	190	190
Cash Operating Cost ($ per ounce)	485	473	307	411	532	556

ADDITIONAL INFORMATION

Additional information referring to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com and the Company's website at www.oceanagold.com.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2009. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at December 31 2009 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's of the internal controls over financial reporting and disclosure controls and procedures as of December 31, 2009.

Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved

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