



## MEDIA RELEASE

25 July 2013

### OCEANAGOLD ANNOUNCES SECOND QUARTER 2013 RESULTS

*(All references in US Dollars)*

(MELBOURNE) OceanaGold Corporation (**ASX: OGC, TSX: OGC, NZX: OGC**) (the "Company") today released its second quarter 2013 results for the quarter ended June 30, 2013. Details of the consolidated financial statements and the Management Discussion and Analysis (MD&A) are available on the Company's website at [www.oceanagold.com](http://www.oceanagold.com)

#### Key highlights include:

- Total Company gold production of 68,353 ounces and copper production of 5,710 tonnes in the second quarter of 2013.
- Total Company gold sales of 70,706 at cash costs net of by-product credits of \$682 per ounce.
- Revenue of \$131.2 million for the second quarter of 2013.
- Commercial production at Didipio declared effective April 1, 2013.
- Utilising the World Gold Council (WGC) standard for calculating All-In Sustaining Costs (AISC), the Company provided estimated AISC for the group of \$930 – \$1,080 per ounce for 2013.
- The Company reviewed the carrying value of its assets and as a result of the significant decline in the gold price and reduction in the mine schedule at Reefton, a pre-tax impairment charge of \$85.5 million has been recognised.

Overall, the Company produced 68,353 ounces of gold and 5,710 tonnes of copper in the second quarter. Gold production was higher compared to the first quarter on account of increased production from Didipio and Reefton.

The Company's total cash costs net of by-product copper credits were \$682 per ounce on gold sales of 70,706 ounces. At Didipio, cash costs on a by-product basis were negative \$586 per ounce on gold sales of 11,086 ounces and copper sales of 5,073 tonnes. In New Zealand, cash costs were \$918 per ounce on gold sales of 59,620 ounces.

The Company declared commercial production at Didipio effective April 1, 2013. Didipio has successfully ramped up to commercial production rates in just over three months from commencement of first ore through the mills in December 2012. During the quarter, Didipio produced 13,676 ounces of gold and 5,710 tonnes of copper and in the first half of the year the mine has produced 20,553 ounces of gold and 9,373 tonnes of copper.

In New Zealand, production was higher quarter on quarter at Reefton due to additional tonnage mined, higher grade ore processed and better recoveries. At Macraes, second quarter production was lower than in the previous quarter as expected, due to the adjustments made to the mine schedule following the pit wall movement reported in January. Additionally, the mine experienced severe rain and snow in mid-June that hampered mining operations. The Company expects production in New Zealand to progressively increase over the remainder of the year with the fourth quarter being the strongest quarter in 2013.

OceanaGold reported EBITDA (earnings before interest, taxes, depreciation and amortisation excluding gain/(loss) on undesignated hedges and impairment charge) of \$42.5 million and a net loss of \$70.5 million for the quarter. The net loss reflects a pre-tax, non-cash impairment charge of \$85.5 million, which is primarily attributable to the significant decline in the gold price and resultant reduction in mine schedule at Reefton.

The Company has been conducting a company-wide review of its operations to identify efficiencies and reduce costs. As reported in June, the final cutback at Reefton has been put on hold and as a result, the mine will transition into a care and maintenance phase mid-year 2015 unless there is a material improvement in the gold price. The Company has also deferred pre-stripping on the Frasers 6 cutback at Macraes. Operating expenditure over the next 18 months will be reduced by approximately \$100 million and will include savings generated from deferring the final cutbacks at Reefton and Macraes, plus other operating and capital savings. The company-wide review is ongoing to identify additional opportunities to improve cash flow from operations.

OceanaGold Managing Director and CEO, Mick Wilkes said, " Like the rest of the gold mining industry, the Company is currently faced with tougher economic realities that require a proactive approach to ensure a healthy business plan. We are committed to preserving shareholder value and we will continue to operate based on this premise. To date, we have reduced our operating budgets by \$100 million over the next 18 months and continue to look for additional opportunities to optimise our business. Didipio will continue to drive down our cash cost per ounce whilst increasing our production profile. With cash flows increasing over the next few years and with significant cost reductions at our New Zealand operations, the Company is well positioned for the new economic environment in the gold industry."

### **Conference Call / Webcast**

The Company will host a conference call / webcast to discuss the results at 7:30am on Friday 26 July 2013 (Melbourne, Australia time) / 5:30pm on Thursday 25 July (Toronto, Canada time). Details are available on the home page of the OceanaGold website at [www.oceanagold.com](http://www.oceanagold.com)

### **Webcast Participants**

To register, please copy and paste the link below into your browser:

<http://event.on24.com/r.htm?e=652642&s=1&k=24FBB937C932BA5969CFB3BC96D24CD3>

### **Teleconference Participants (required for those who wish to ask questions)**

Local (toll free) dial in numbers are:

Australia: 1 800 148 052

New Zealand: 0 800 441 017

Canada & North America: 1 888 390 0546

All other countries (toll): + 1 416 764 8688

### **Playback of Webcast**

If you are unable to attend the call, a recording will be available for viewing on the Company's website from 10:30am on Friday 26 July (Melbourne, Australia time) / 8:30pm on Thursday 25 July (Toronto, Canada time).

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For further information please contact:

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### **About OceanaGold**

OceanaGold Corporation is a significant multinational gold producer with projects located on the South Island of New Zealand and in the Philippines. The Company's assets encompass New Zealand's largest gold mining operation at the Macraes goldfield in Otago which is made up of the Macraes Open Pit and the Frasers Underground mines. Additionally on the west coast of the South Island, the Company operates the Reefton Open Pit mine. The Company's Didipio Mine in northern Luzon, Philippines commenced commercial production on 1 April 2013 and is expected to produce 100,000 ounces of gold and 14,000 tonnes of copper per year on average over an estimated 16 year mine life. OceanaGold expects to produce 285,000 to 325,000 ounces of gold in FY2013 from the New Zealand and Philippines operations combined.

OceanaGold is listed on the Toronto, Australian and New Zealand stock exchanges under the symbol OGC.

**Cautionary Statement**

Statements in this release may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements such as production forecasts are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's most recent Annual Information Form prepared and filed with securities regulators which is available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's name. There are no assurances the Company can fulfil such forward-looking statements and, subject to applicable securities laws, the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking statements. The information contained in this release is not investment or financial product advice.

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