



**OCEANA**GOLD

*Unlocking Embedded Value*

# 2010 Third Quarter Results Conference Call Presentation

October 29, 2010

# Cautionary Note

OceanaGold Corporation

## Cautionary Notes

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## Cautionary Notes regarding Technical Information

This presentation includes disclosure of scientific and technical information, as well as information in relation to the calculation of reserves and resources, with respect to OGC's mineral projects. OGC's disclosure of mineral reserve and mineral resource information is governed by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM ("CIM Standards"). The disclosure of mineral reserve and mineral resource information relating to OGC's properties is based on the reporting requirements of the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("JORC Code").

CIM definitions of the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", are substantially similar to the JORC Code corresponding definitions of the terms "ore reserve", "proved ore reserve", "probable ore reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource", respectively. Estimates of mineral resources and mineral reserves prepared in accordance with the JORC Code would not be materially different if prepared in accordance with the CIM definitions applicable under NI 43-101.

There can be no assurance that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The estimates of Mineral Reserves for New Zealand were prepared by, or under the supervision of R. Redden, whilst the Mineral Reserves for the Philippines were prepared by, or under the supervision of J. Wyche. The estimates of Mineral Resources were prepared by, or under the supervision of J. G. Moore. J. G. Moore, R. Redden and J. Wyche are Members of the Australian Institute of Mining and Metallurgy and are the Qualified Persons, as defined by NI 43-101. J. G. Moore, R. Redden and J. Wyche have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which they are undertaking, to qualify as Competent Persons as defined in the JORC Code. J. G. Moore and R. Redden are full-time employees of OGC, whilst J. Wyche is a full-time employee of Australian Mine Design and Development Pty Ltd.

For further information regarding OGC's properties, reference should be made to the following NI 43-101 technical reports have been filed and are available at [sedar.com](http://sedar.com) under the OGC's name: (a) "Technical Report for the Macraes Project located in the Province of Otago, New Zealand" dated February 12, 2010, prepared by R. Redden and J. G. Moore, both of Oceana Gold (New Zealand) Limited; (b) "Independent Technical Report for the Reefton Project located in the Province of Westland, New Zealand" dated May 9, 2007, prepared by J. S. McIntyre, I. R. White and R. S. Frew of Behre Dolbear Australia Pty Limited, B. L. Gossage of RSG Global Pty Limited and R. R. Penter of GHD Limited; and (c) "Independent Technical Report for the Didipio Gold-Copper Project located in Luzon, Philippines" dated June 23, 2008, prepared by A. van der Heyden of Hellman and Schofield Proprietary Limited, J. Wyche of Australian Mine Design and Development Proprietary Limited and J. McIntyre of Behre Dolbear Australia Pty Limited. Each of the authors of the Technical Reports is a "qualified person" for the purposes of NI 43-101.

This presentation uses the terms "measured", "indicated" and "inferred" resources. U.S. persons are advised that while such terms are recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize them. "Inferred Resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resources will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred resources may not form the basis of feasibility or other economic studies. U.S. persons are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. U.S. persons are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.

# Unlocking Embedded Value – Q3 Highlights

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- Reported net earnings after tax of \$13.7 million
- Generated cash margin of \$664/oz
- 67,672 ounces of gold sold at cash costs of \$568/oz
- Announced further down-dip extensions of mineralisation at Frasers underground
- Announced the results of the re-optimisation study for the Didipio Project
- Successfully closed a \$115 million equity raising on October 20th

# Q3 2010 Operational Summary

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- Safety Improved – 2 Lost Time Injuries (LTIs) [ 4 LTIs in Q3 2009]
  - Q3 Gold production at 68,763 oz was 1.8% higher than Q2
    - 20% increase in production from Macraes goldfield due to higher grade and improved throughputs
    - Unusually wet conditions at Reefton during the quarter hampered mining rates and access to higher grade ore
  - NZ\$ costs remained stable with cash costs reported in US\$ increasing due to a weakening exchange rate
    - Cash cost guidance for FY2010 increased to \$555-\$585 / oz
    - Production guidance maintained at 270,000 – 290,000 oz (lower end of range)
  - Cash Operating margin grew 6% on Q2 and 82% on the same period in 2009
  - Completed the economic and technical re-optimisation study for Didipio
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# Operations – Macraes & Frasers

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## **Gold production of 49,732 ounces**

- Strong quarter from both open cut and underground operations
- 20% improvement in production over Q2

### Macraes Open Pit:

- Material movements were up substantially on Q2 due to better weather conditions and improved excavator availability
- Mill throughput was up 10% on Q2 primarily due to reducing spikes in ore hardness resulting in more consistent performance

### Frasers Underground:

- 14% increase in mining rates quarter on quarter
  - August set a record for ore tonnes mined and development meters advanced
  - New twin-boom jumbo drill was commissioned which will improve reliability and productivity for development advance
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## Gold production of 29,031 ounces

- One LTI compared to three during same period last year
  - Total material mined was flat quarter on quarter however ore mined was 14% lower than Q2
    - Unusually wet conditions on the west coast of the South Island resulted in poor access to the pit floor for extended periods resulting in a higher percentage of lower grade stockpiles being processed
  - Record quarter mill throughput of 467,000 tonnes
    - 51% increase on same period in 2009
    - Strong performance a result of continued optimisation including adjustments to grinding media mix and cyclone parameters
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# Development – Didipio Project

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- No LTIs during the quarter
  - In September, completed an economic and technical re-optimisation study for Didipio, a prelude to re-commencing construction
  - The study indicates a robust project with strong economics and a 20 year mine life
  - Capital to complete the project is estimated at \$140 million
  - Maintained strong company involvement supporting community based organisations focused in the areas of organisational and enterprise development as well as with health and education programs in the broader communities
  - Nominated for the “Best Forestry Program” by a mining company in the Philippines by the Department of Environment and Natural Resources
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# Exploration – Macraes Goldfield

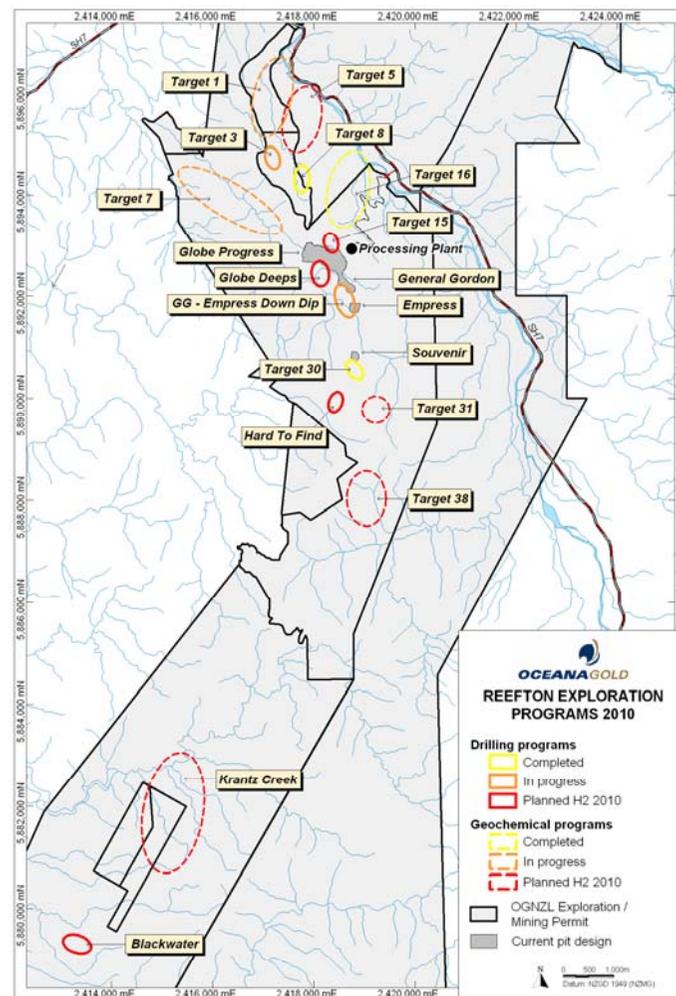
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- Surface drilling programs were completed at Coronation, Golden Bar and Macraes North areas with results pending
  - Extensive infill drilling program commenced at the historic Innes Mills deposit with a focus on examining the potential for a further stage of open pit development
  - Three programs at Frasers Underground focused on infill and step out drilling at: 1) the eastern down-dip extension; 2) Panel 2 Deeps; and 3) a program targeting the northern extensions of the deposit
  - The underground programs continue with an update to the resources/reserves to be released in Q1 2011
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# Exploration – Reefton Goldfield

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- Multiple programs ongoing throughout the goldfield
- Globe Deeps program testing for down-dip extensions to the main ore body and possible open-pit and underground mining targets
- Drill program continued to test targets to the immediate north west of the current mining area first identified earlier in the year
- Confirmatory diamond drilling commenced at the Blackwater underground mine targeting the inferred resource below the high-grade Birthday Reef structure
- An extensive regional geo-chemical sampling program continues with an objective to identify additional high priority drill targets



# Financial Summary

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# Q3 2010 Results

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- EBITDA (earnings before interest, taxes, depreciation and amortisation and excluding gains/losses on hedges) was \$42.6m for Q3 2010, up from \$39.2m in Q2 2010
  - Achieved Q3 2010 gold sales of 67,672 ounces, up on Q2 2010
  - The cash operating margin increased to \$664/oz for the quarter due primarily to the increase in gold price
  - Average gold price received \$1,232
  - Cash inflow from operations of \$37.6m for the quarter
  - Cash on hand of \$55.4m at September 30, 2010
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# Group Results Q3 2010

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	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>Q3 2009</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
Revenue	83.3	80.2	59.9
Operating Costs (inc Forex)	(40.7)	(41.0)	(35.5)
<b>EBITDA</b>	42.6	39.2	24.4
Dep'n & Amortisation	(17.8)	(18.5)	(18.2)
Net Interest	(3.8)	(3.7)	(3.9)
Sub Total	21.0	17.0	2.3
Fair Value of Hedges	-	-	17.0
Income Tax	(7.3)	(9.0)	(5.5)
<b>Net Earnings</b>	13.7	8.0	13.8

# YTD 2010 Results

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- YTD gold sales of 200,060 ounces (2009: 227,904 ounces)
  - Revenue increased 24% to \$212m compared to \$170m in 2009 - higher gold prices with all sales in Q2 and Q3 sold at spot
  - EBITDA (earnings before interest, taxes, depreciation and amortisation and excluding gains/losses on hedges) of \$90.3m an increase from \$77.9m – increased revenue offset by higher costs on certain inputs and a weaker USD
  - Cash inflow from operations was \$6.2m - includes a cost of \$71.8m to settle hedges
  - Higher revenue with all sales made into the spot gold market since Q2. Positive impact of \$56.5m for Q2 & Q3 over previous hedge position
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# Group Results YTD 2010

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	<b>YTD 2010</b>	<b>YTD 2009</b>
	<b>\$m</b>	<b>\$m</b>
Revenue	211.9	170.2
Operating Costs (inc Forex)	(121.7)	(92.3)
<b>EBITDA</b>	<b>90.3</b>	<b>77.9</b>
Dep'n & Amortisation	(53.9)	(47.1)
Net Interest	(11.3)	(10.6)
Sub Total	25.0	20.2
Fair Value of Hedges	16.2	64.4
Income Tax	(17.7)	(21.6)
<b>Net Earnings</b>	<b>23.5</b>	<b>63.0</b>

# Cash Flows 30 September 2010

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	<b>Q3 2010</b>	<b>YTD 2010</b>
	<b>\$m</b>	<b>\$m</b>
Opening cash balance	36.9	42.4
Cash flows before hedge settlement	37.6	78.0
Hedge settlement	-	(71.8)
Operating cash inflows	37.6	6.2
Capital expenditure	(36.1)	(75.5)
Net proceeds from share issue	2.3	81.8
Financing cash inflows/(outflows)	8.7	(0.2)
Forex effect	6.0	0.7
Net cash increase	18.5	13.0
Closing cash balance	55.4	55.4

# Outlook – Final Quarter

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- Improved gold production anticipated in the last quarter
  - Cash operating margins continue to expand
    - Generating solid free cash flow
  - New Zealand exploration programs continue to deliver positive results
  - Assembling management team for Didipio project development
  - Formulating execution plan for development of the Didipio Project
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