



## MEDIA RELEASE

29 July 2010

### **OCEANAGOLD POSTS STRONG HALF YEAR PRODUCTION AND EXPLORATION RESULT**

(MELBOURNE) OceanaGold Corporation (ASX: OGC, TSX: OGC, NZX: OGC) (the "Company") increased Second Quarter gold production to 67,541 ounces, bringing total Half Year production to 132,832 ounces.

In its Second Quarter and Half Year 2010 Results released today, the Company announced a 226% increase to its quarter on quarter cash operating margin to US\$627 per ounce. This significant increase is due to closing out of the gold hedgebook in March 2010 resulting in the Company now selling 100% of its gold production into the spot market.

Other highlights of the Second Quarter and Half Year Results include:

- ❖ Sold 67,347 ounces of gold during the quarter, an increase of 3.5% on First Quarter 2010, bringing the half year gold sales total to 132,388 ounces.
- ❖ Posted EBITDA (earnings before interest, taxes, depreciation and amortisation and excluding unrealised gains/losses on undesignated hedges) of \$39.2 million for the Second Quarter.
- ❖ Achieved significant improvement on process recoveries to 84% across the New Zealand operations compared with 80.4% for the same period last year.
- ❖ Announced down-dip extensions to gold mineralisation at the General Gordon, Empress and Souvenir open pits at the Reefton mine (New Zealand) in April.
- ❖ Announced the discovery from a surface drilling program down-dip from Panel 2 at the Frasers underground mine (New Zealand) in May.
- ❖ Continued to evaluate various strategic and funding options for the Company's Didipio Gold and Copper project in the Philippines, with good progress made during the quarter. Mine design optimisation studies are nearing the final stages of completion.

OceanaGold ranks behind Newcrest and Lihir as the third largest fully unhedged Australasian-based gold producer. The Company expects to produce 270,000 – 290,000 ounces of gold in FY2010.

During the quarter, OceanaGold's exploration program continued to deliver promising results at both the Reefton and Macraes goldfields on the South Island of New Zealand. Drill results from Reefton announced in April outlined the continuation of mineralization below the current planned pit floors leading to an expectation that the pit shells are likely to be expanded. A follow-up drill program commenced in April. At the Frasers underground mine, a new discovery of mineralization down-dip from Panel 2 was announced in May. This was followed up with results from a second program earlier this month that demonstrated good continuity of mineralization between Panel 2 and the new discovery.

OceanaGold CEO, Paul Bibby, said the Company's Second Quarter and Half Year Results demonstrated a solid outcome with the expectation of further production increases in the second half of the year.

Mr. Bibby commented, "This was the first quarter in the Company's history where OceanaGold has been hedge free and 100% exposed to the spot market. This has significantly increased our ability to strengthen the balance sheet and has provided the flexibility to direct investment back into the business as demonstrated by the recent announcement to increase the exploration budget at Reefton."

"With forecast increased gold production in Quarters Three and Four 2010, OceanaGold is on track to further strengthen the business and unlock value within the Company."

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### **About OceanaGold**

OceanaGold Corporation is a significant Pacific Rim 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. OceanaGold is 100% unhedged and produces between 270,000 – 300,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Gold-Copper Project in northern Luzon, Philippines.

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 are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including, 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 Annual Information Form prepared and filed with securities regulators in respect of its most recently completed financial year. 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. It is also noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.

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