



MEDIA RELEASE

28 July 2011

OCEANAGOLD ON TRACK TO DELIVER GROWTH

(MELBOURNE) OceanaGold Corporation (**ASX: OGC, TSX: OGC, NZX: OGC**) (the "Company") has significantly enhanced the economics of its Didipio Project in The Philippines which is on schedule to commission in Q4 2012.

In its Second Quarter 2011 Results released today, OceanaGold confirmed the start of construction activities at Didipio and substantial increases to the Project's gold and copper reserves resulting in forecast gold production of 100,000 ounces per annum over a mine life of at least 16 years.

Exploration success was also achieved at the Company's Reefion operation in New Zealand where early stage diamond drilling at the Big River prospect returned several significant high grade results.

Revenue for the second quarter was \$94.8 million, ahead of the prior quarter and previous year. 61,335 ounces of gold was sold at an average price of US\$1,546 per ounce. Revenue for half year 2011 reached \$185.6 million, significantly ahead of half year 2010 result of \$128.5 million.

EBITDA (earnings before interest, taxes, depreciation and amortisation) was \$33 million for the second quarter and \$77 million for half year 2011, a 62% increase on the \$47.6 million EBITDA recorded for Half Year 2010.

Cash flow from operations was \$29.2 million for the second quarter and \$76.3 million for half year 2011, another improvement on the half year 2010 result. Process plant throughputs as well as recoveries of 83.5% for the second quarter also were strong and bettered the previous quarter.

Cash costs in US Dollars continued to see pressure due to the weakness in the US dollar and higher inputs, but this has been partly offset by the continued strength in the gold price. As a result, the Company updated its production guidance for the year and this is discussed in detail in the Management Discussion and Analysis released today.

OceanaGold Managing Director & CEO, Mick Wilkes, commented, "Didipio's construction and commissioning scheduled for Q4 2012 is fundamental to OceanaGold's growth strategy and with gold and copper prices continuing to strengthen, we are well placed to optimise the outstanding economics of this world class gold and copper project."

He went on to say, "Our exploration program in New Zealand is also delivering consistent and exciting results that show great promise for further mine life extensions and potential new organic growth projects."

Other highlights from the OceanaGold 2011 Second Quarter Results include:

- Sold 61,335 ounces of gold at cash operating costs of \$921 per ounce.

- Posted a cash operating margin of \$625 per ounce for the Quarter and \$670 per ounce for Half Year 2011, a 62% increase on the Half Year 2010 figure of \$414 per ounce.
- Produced 61,988 ounces of gold for the Quarter and 127,659 ounces of gold for Half Year 2011.
- Committed \$1.87 million in exploration expenditure to several programs across the Macraes and Reefton operations and appointed a Philippines based Exploration Manager to lead the Company's exploration program in that region.

Conference Call / Webcast

The Company will host a conference call / webcast to discuss the Q2 2011 Financial Results. The call will take place at 7.30am on Friday 29 July (Melbourne time) / 5.30pm on Thursday 28 July (Toronto time). Details are available on the OceanaGold website at www.oceanagold.com.

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About OceanaGold

OceanaGold Corporation is a significant Asia Pacific 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 produces approximately 270,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Project in northern Luzon, Philippines where construction activities are now underway.

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

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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

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