OCEANAGOLD

OceanaGold Corporation

Delivering on Sustainable Growth

2009
First Quarter Results

April 30, 2009

www.oceanagold.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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.

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

HIGHLIGHTS

- Achieved EBITDA (earnings before interest, taxes, depreciation and amortization and excluding unrealised gain/loss on undesignated hedges) of $31.0 million for the quarter

- Sold 81,093 ounces of gold during the first quarter, an 8% increase over the previous quarter, and the fourth consecutive quarter of increased gold sales

- Reduced cash costs for the fourth consecutive quarter to $279 per ounce

- Increased cash operating margin by 21% to $403 per ounce compared to Q4 2008

- Subsequent to quarter end, announced the discovery of additional high grade gold mineralization at the Frasers Underground mine. The new structure is open in two directions.

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

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

OVERVIEW

Results from Operations

OceanaGold exceeded the Q4 2008 gold sales to achieve a new gold sales record totaling 81,093 ounces. Compared to the first quarter in 2008, gold production increased 20% due to above operating design levels at all mine operations.

Operating cash costs for the quarter were $279 per ounce. Increased ounces of production and declining commodity costs resulted in lower cash costs in New Zealand Dollar (NZD) terms. A weaker New Zealand dollar also contributed to the lower U.S. Dollar (USD) cash costs reported.

The majority of OGC's consumable costs declined in real NZD terms. Diesel, the largest contributor to cash costs declined a further 20% compared to Q4 2008. Electricity, another key consumable, was also slightly lower during the quarter. This was the second straight quarter of below average power costs as hydro dams remained at above average levels in New Zealand.

The improved operational performance and declining commodity costs increased the cash operating margin for the quarter by 21% over the previous quarter to $403 per ounce.

The weaker NZD also contributed to the lower USD cash costs reported. The NZD weakened against the USD averaging approximately $0.535 for the period. This compares to an average foreign exchange rate of $0.782 during the same period in 2008.

Cash flow from operating activities was $23 million, 15% higher than the previous quarter.

Didipio Gold – Copper Project

The Didipio project was put on care and maintenance in December 2008 and the Company continues to maintain the project site offices and accommodation camp for maintenance and site security personnel. Current activities are directed to maintaining all community and environmental commitments. Community activities during the quarter focused on maintaining the Memorandum of Agreement (MOA) with the Didipio community and progressing the community hall construction. Work also continues on the Didipio Barangay development plan, a community based clean water project and the education & scholarship programmes.

The Company recently commenced internal studies to re-examine the scope and capital requirements for the project. This review is expected to provide updated modeling to reflect the recent effects of dramatic commodity and labour cost deflation currently evident across global capital markets.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q/E Mar 31 2009**	**Q/E Dec 31 2008**	**Q/E Mar 31 2008**
Gold Sales (Ounces)	81,093	74,816	67,724
	USD	**USD**	**USD**
Average Price Received ($ per ounce)	682	640	919
Cash Operating Cost ($ per ounce)	279	307	496
Cash Operating Margin ($ per ounce)	**403**	**333**	**423**
Non-Cash Cost ($ per ounce)	165	171	209
Total Operating Cost ($ per ounce)	444	478	705
Total Cash Operating Cost ($ per tonne processed)	12.99	13.48	20.24

Combined Operating Statistics	**Q/E Mar 31 2009**	**Q/E Dec 31 2008**	**Q/E Mar 31 2008**
Gold produced (ounces)	84,037	75,418	62,835
Total Ore Mined (tonnes)	1,488,861	1,559,806	1,488,052
Ore Mined grade (grams/tonne)	2.34	1.83	1.59
Total Waste Mined (tonnes) - incl pre-strip	14,350,542	12,780,037	13,504,873
Total Material Mined (tonnes) – incl pre-strip	15,839,403	14,339,843	14,992,925
Total Material Moved (tonnes)	16,684,835	14,845,544	15,397,035
Mill Feed (dry milled tonnes)	1,743,030	1,691,511	1,660,765
Mill Feed Grade (grams/tonne)	1.90	1.68	1.58
Recovery (%)	81.5%	80.8%	74.2%

Combined Financial Results	**Q/E Mar 31 2009 $'000**	**Q/E Dec 31 2008 $'000**	**Q/E Mar 31 2008 $'000**
EBITDA (excluding unrealized gain/(loss) on hedges)	31,032	24,294	21,690
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	10,639	1,917	3,783
Reported EBITDA (including unrealized gain/(loss) on hedges)	28,767	2,376	349
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	9,054	(13,426)	(11,156)

PRODUCTION

Production for the first quarter of 2009 totaled 84,037 gold ounces representing a company record for quarterly gold production. Total gold sales for the quarter were 81,093 ounces; also a record and the fourth consecutive quarter of increased gold sales.

Strong quarterly production resulted from higher grade ore in the Macraes open pit and Frasers Underground mine, in addition to above-design throughput at the processing plant.

Total combined cash operating costs were $279 per ounce for the quarter. This was lower than expected due to a steep decline in most consumable costs, above budget production and a weaker NZD.

Cash flow generated from operations for the quarter was $23.0 million.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes operations (open-cut and underground) incurred two lost time injuries (LTIs) in the first quarter. Corrective actions in both cases have been taken to address possible causes for these LTIs and for further improvement to safety at the mine site.

Production from the Macraes Goldfield was 66,366 gold ounces, a 26% improvement compared to Q4 2008. Higher grades from the open pit and underground operations along with improved rock haulage rates were the main contributors to this stronger performance.

Total material moved at Macraes Goldfield (open pit and underground) was 13.0 million tonnes compared to 11.2 million tonnes for Q4 2008. This was a result of reduced weather related delays and improved operator efficiency.

Ore tonnes mined were greater than budgeted resulting in additional higher grade material being stored on the Run Of Mine pad for processing in future quarters.

Mining and development continued to operate to plan at the Frasers Underground mine. Favourable ground conditions in Panel 2 have resulted in less dilution than expected, contributing to the mining and processing of higher grades. A main underground double sump and pumping station were also commissioned by the end of the quarter.

The Processing Plant operated above plan during the quarter with mill feed of 1.43 million tonnes processed compared to 1.37 million tonnes in Q4 2008. Additionally, mill feed grade was 20% higher in the first quarter compared to Q4 2008. This was due to higher grade ore mined from the open pit and the Panel 2 area of the Frasers Underground.

Macraes process plant recoveries were 81.7% for the quarter and were in line with expectations. This was slightly higher than recoveries for Q4 2008 and represented more than a 12% improvement on the same period of 2008. This is the third consecutive quarter that recoveries have achieved plan.

Reefton Goldfield (New Zealand)

There were four LTIs in the first quarter compared to one during the same period last year. This is an area that is receiving additional attention for improvement by Reefton mine management, particularly given the extensive use of contractors at this site.

Total material moved for the quarter at Reefton was 3.62 million tonnes compared to 3.65 million tonnes in Q4 2008. This was slightly ahead of expectations, and has increased ore stockpiles.

Gold production from Reefton concentrate was 17,671 gold ounces, and slightly below plan for the first quarter. This was due to a conscious decision to process more Macraes concentrate through the autoclave.

Meanwhile, the processing plant at Reefton continues to produce concentrate at 20-25% above design specification. This excess Reefton concentrate will be stored and processed through the pressure oxidation circuit in 2010.

In relation to Reefton, total material through the mill was 312,902 tonnes and 25% above design throughput capacity. Mill feed grade was 2.52 g/t Au and slightly greater than expected for the second quarter in a row. Overall gold recovery for Reefton was slightly lower than the previous quarter at 80.7%. However, this was more than off-set by the higher grades.

Community Relations

OceanaGold Tours, a program which “opens the door” of modern mining to interested local residents and tourists in the Otago region of the South Island continues to expand. Visitor attendance increased 11% from the same period in 2008.

In conjunction with the mine tours, a school presentation has been developed which will be used for educational purposes, either in the classroom or at one of the many school mine site visits the Company hosts throughout the year.

During the quarter, walkways were extended in the ecologically enhanced wetland area that the Company has developed adjacent to the Macraes mine site. This also forms part of the walking track to the most recently commissioned art exhibit, “The Haast Eagle,” at the Heritage & Art Park.

At our Reefton operation, OceanaGold is successfully partnering with the Department of Conservation to protect native ground birds through predator/pest control. Discussions between OceanaGold and the Department have commenced to look at ways which the program can be expanded to further improve future sustainability. Also in the first quarter, a new Wildlife Management Reserve was established in the West Coast Region. The land earmarked to establish this new reserve was purchased from private interests by the Department of Conservation through a fund established by OceanaGold as part of the agreement when the Reefton mine was approved. The new wildlife reserve will protect a large area of fertile wetland containing the only known population of brown mudfish in the Greymouth area and is also a haven for a large number of forest and wetland bird species.

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	Q/E Mar 31 2009	Q/E Dec 31 2008	Q/E Mar 31 2008
Gold produced (ounces)	66,366	52,508	44,631
Total Ore Mined (tonnes)	1,151,078	1,207,149	1,145,044
Ore Mined grade (grams/tonne)	2.28	1.65	1.45
Total Waste Mined (tonnes) incl pre-strip	11,162,792	9,520,930	10,421,980
Total Material Mined (tonnes) incl pre-strip	12,313,870	10,728,079	11,567,024
Total Material Moved (tonnes)	13,064,311	11,199,726	11,951,876
Mill Feed (dry milled tonnes)	1,430,128	1,372,116	1,362,138
Mill Feed Grade (grams/tonne)	1.77	1.48	1.40
Recovery (%)	81.7%	80.4%	73.1%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	Q/E Mar 31 2009	Q/E Dec 31 2008	Q/E Mar 31 2008
Gold produced (ounces)	17,671	22,910	18,204
Total Ore Mined (tonnes)	337,783	352,657	343,008
Ore Mined grade (grams/tonne)	2.55	2.44	2.06
Total Waste Mined (tonnes) incl pre-strip	3,187,750	3,259,107	3,082,893
Total Material Mined (tonnes) incl pre-strip	3,525,533	3,611,764	3,425,901
Total Material Moved (tonnes)	3,620,524	3,645,818	3,445,159
Mill Feed (dry milled tonnes)	312,902	319,395	298,627
Mill Feed Grade (grams/tonne)	2.52	2.54	2.40
Recovery (%)	80.7%	82.5%	79.4%

DEVELOPMENT

Didipio Gold & Copper Project (Philippines)

Development at the Didipio Gold and Copper project in Luzon, Philippines was placed under care and maintenance in December 2008. The Company continues to maintain a reduced workforce at the project site. It also continued to fulfill all community and social commitments related to the project during this period.

During the quarter, 125,579 man hours were completed without a Lost Time Injury (LTI).

Site based work has been limited to care and maintenance activities furthering project environmental, safety and property security standards.

Community activities have concentrated on maintaining the Memorandum of Agreement with the Didipio community, progressing construction of the community hall, furthering the Didipio Barangay development plan, a community based clean water project and our educational scholarship commitments.

EXPLORATION

Total exploration expenditure for the quarter was $325,000.

New Zealand

Macraes Goldfield

A regional geochemical sampling program was conducted across the northern strike extension of the Hyde Macraes Shear Zone (HMSZ). This area of the goldfield has had a paucity of previous exploration work. A total of 1,429 samples were collected from Phase I of this programme, with results still being received. Analysis of these results is ongoing and infill sampling is planned.

Modeling and resource calculations were undertaken at the Coronation deposit located on the northern perimeter of the northernmost open pit in the goldfield.

At the Frasers Underground, an infill drilling programme continued targeting the recently announced Panel 2 Deeps area of the mine. This programme along with drilling focused on the down dip extension potential of Panel 2 and will continue throughout the year.

Reefton Goldfield

Exploration activities at Reefton were limited during the quarter but are planned to re-commence in Q2 starting with an in-pit RC drilling programme and a continuation of regional structural mapping and geochemical sampling.

Further analysis was undertaken during the quarter on the Blackwater project. A drill programme is being planned for H2 2009 that will test for continuity of the "Birthday Reef" structure that contained grades of 50-60 g/t over a width of 0.5m - 1.0m. This project is located along the main mineral trend and is south of the current Reefton operations. Blackwater was once the site of the richest underground mine in the Reefton Goldfield before mining stopped in 1951 due to a shaft collapse

Philippines

Exploration activities in the Philippines continued to meet work programme commitments at the various tenements held by the Company.

During the quarter, field work programmes were developed for exploration areas that are awaiting permit approval. Additionally, further analysis and modeling was undertaken on the assay results from drilling completed in 2008 at the Didipio project on near-mine prospects.

FINANCIAL SUMMARY

The table below provides selected financial data comparing Q1 2009 with Q4 2008 and Q1 2008.

STATEMENT OF OPERATIONS	**Q/E Mar 31 2009 $'000**	**Q/E Dec 31 2008 $'000**	**Q/E Mar 31 2008 $'000**
Gold sales	55,270	47,845	62,263
Cost of sales, excluding depreciation and amortization	(22,342)	(22,543)	(33,000)
General & Administration	(2,055)	(2,963)	(3,908)
Foreign Currency Exchange Gain/(Loss)	113	1,924	(3,697)
Other expense/income	46	31	32
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding gain/(loss) on undesignated hedges)	**31,032**	**24,294**	**21,690**
Depreciation and amortization	(13,473)	(12,872)	(14,204)
Net interest expense	(3,364)	(3,892)	(4,467)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	14,195	7,530	3,019
Tax on earnings / loss	(3,556)	(5,613)	764
Earnings after income tax and before gain/(loss) on undesignated hedges	**10,639**	**1,917**	**3,783**
Release from OCI of deferred unrealized gain/(loss) on designated hedges	-	-	157
Gain / (loss) on fair value of undesignated hedges	(2,265)	(21,919)	(21,498)
Tax on (gain)/loss on undesignated hedges	680	6,576	6,402
Net earnings/(loss)	**9,054**	**(13,426)**	**(11,156)**
Basic earnings/ (loss) per share	$0.06	($0.08)	($0.07)
Diluted earnings/ (loss) per share	$0.05	($0.08)	($0.07)
CASH FLOWS			
Cash flows from Operating Activities	22,963	19,918	19,732
Cash flows from Investing Activities	(11,570)	(20,649)	(31,938)
Cash flows from Financing Activities	(4,084)	(4,525)	(2,362)

BALANCE SHEET	**As at Mar 31 2009 $'000**	**As at Dec 31 2008 $'000**
Cash and cash equivalents	17,366	9,711
Other Current Assets	47,457	35,980
Non Current Assets	554,428	584,299
Total Assets	**619,251**	**629,990**
Current Liabilities	98,382	89,105
Non Current Liabilities	268,654	294,229
Total Liabilities	**367,036**	**383,334**
Total Shareholders' Equity	**252,215**	**246,656**

RESULTS OF OPERATIONS

The Company reported earnings before interest, tax, depreciation and amortization (EBITDA) and gains/losses on undesignated hedges in Q1 of $31.0 million compared with $21.7 million in Q1 last year. The results for the period were characterised by increased production at Macraes open pit and Frasers Underground mine supported by lower operating costs combined with favourable movement in the New Zealand dollar. Offsetting these increases was a decrease in the average gold price received by the Company as approximately 35% of production was delivered into out of the money hedges. This was in contrast to Q1 2008 when all production was sold into the spot market.

Cash costs per ounce in the first quarter were lower than Q4 2008 due to increased production and lower consumable costs. Cash costs per ounce for the period also decreased substantially compared to Q1 2008 as a result of lower operating costs (diesel, power and other consumables) combined with the benefit of a weakening New Zealand dollar.

Sales Revenue

Gold revenue of $55.3 million in Q1 exceeded the $47.8 million achieved in the prior quarter by 15.5% due to strong gold sales combined with an increase in the average gold price received. This contrasted with an 11.2% decrease when compared to Q1 2008 when the Company reported revenue of $62.3 million. This was due primarily to a portion of production being sold into fixed forward contracts, compared to gold produced in the comparative quarter (Q1 2008) then sold entirely into the spot market.

Gold sales volumes for Q1 2009 at 81,093 ounces were higher than both Q1 in 2008 and last quarter; by 19.7% and 8.4% respectively. This was due to increased production from the Macraes open pit mine, the commissioning of the Frasers Underground mine, stable month on month production and improved gold recoveries.

The average gold price received per ounce was $682, a small increase over $640 in the prior quarter and is reflective of the increased gold price over the period.

Undesignated Hedges Gains/Losses

Unrealised gains losses on the fair value of undesignated hedges are brought to account at the end of each reporting period and reflect changes in the spot gold price. In relation to these valuation adjustments, Q1 2009 reflected a loss of $2.3 million.

The derivative instruments used to manage the impact of movements in gold prices are summarised below under "Current and non-current derivative liabilities".

Operating Costs & Margins

Cash costs per ounce sold of $279 were $28 (9%) lower than Q4 2008 and $217 (44%) lower than the comparative period Q1 2008. This reflects the decline of input costs from the peaks experienced in the first half of 2008. In addition, the NZD has weakened, on average by more than 19% against the average USD during 2008 which has improved the cash cost per ounce in USD terms.

The increased margin resulted in earnings before interest, tax, depreciation & amortization (excluding undesignated hedge losses) of $31.0 million for the quarter, compared to $24.3 million in Q4 2008 and $21.7 million in Q1 2008.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a unit of production basis and these totaled $13.5 million for the quarter. These charges were slightly higher compared to Q4 2008 due to increased production levels.

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

Net Interest expense

The decrease in net interest expense is a result of the lower levels of net debt carried by OceanaGold for 2009 compared with 2008, as a project loan and financial leases were repaid.

A combination of lower interest rates, a weaker Australian and New Zealand dollar have also contributed to reducing the outstanding debt reported in USD terms.

Net earnings/(loss)

The company reported a net profit of $9.1 million in Q1 2009 compared with a net loss of $13.4 million in Q4 2008 and a net loss of $11.2 million in Q1 2008. The impact of non-cash charges for undesignated hedge gains and losses was influential between the periods. The value of the undesignated hedges is a non-cash accounting adjustment that is valued at the end of the reporting period. This does not affect cash flow in the reporting period but can have a significant influence on reported net earnings. As a result, EBITDA before undesignated hedge gains/losses is reported to measure operating performance on a consistent basis.

Net improvements in EBITDA for the period were primarily the result of higher gold production from the combined operations, increased average realised gold prices received since Q4 2008 and lower costs reflecting the lower prices for inputs.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash flows from operating activities for Q1 were $23.0 million an increase from Q4 2008 of approximately $3 million. The improvement was a reflection of the higher gold sales volumes and lower mining costs.

Investing Activities

Investing activities were comprised of expenditures for pre-stripping and sustaining capital for the New Zealand operations and a limited number of final payments due on equipment previously ordered for the Didipio Gold-Copper Project.

Cash used for investing activities totaled $11.6 million compared to $20.6 million and $31.9 million in Q4 2008 and Q1 2008 respectively.

Financing Activities

Financing cash outflows totaled $4.1 million being repayments of borrowings, and finance lease payments. These payments continue to decline with no further proceeds being redrawn from finance facilities during the quarter.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the quarter ended March 31, 2009, the Company earned a profit of $9.0 million. As at March 31, 2009 the current liabilities of the Company exceeded current assets by $33.6 million. Excluding the non-cash liabilities for hedge derivatives (which will be settled by delivery of future gold production), current assets exceed current liabilities by $25.8 million. The Company had cash on hand of $17.4 million at March 31, 2009.

Over the current 12 month period the Company is expected to generate sufficient free cash flow from operations to meet all of its debt obligations as they become due.

Capital commitments

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

Payments due by period as at March 31 2009			
$'000 Total	**$'000 < 1 year**	**$'000 1 - 2 years**	**$'000 2 - 3 years**
3,640	2,754	238	648

Financial position

Current Assets

Current assets have increased by $19.1 million since December 2008 primarily from increased cash balances ($7.6 million), increased inventories ($4.4 million) and an increase in future income tax assets ($6.5 million) largely representing a reclassification from non-current assets.

Non Current Assets

During the quarter non-current assets decreased from $584 million to $554 million. The USD appreciation has decreased the value of Property, Plant and Equipment and Mining Assets in USD terms and depreciation has exceeded the capital expenditure. In addition, future income tax assets decreased by $11.7 million due to reclassification to current assets and utilization of tax losses.

Current Liabilities

The increase of $9.3 million during the quarter largely reflects a $10.6 million increase in the current derivative liabilities which have been reclassified from non current liabilities.

Non Current Liabilities

Interest-bearing loans and borrowings decreased by $6.3 million during the quarter as a result of foreign exchange movements and a repayment of project debt. Liabilities reduced by $14.6 million largely as a result of derivatives reclassified to current liabilities.

Current and Non Current derivative liabilities

OceanaGold holds certain derivative instruments to manage the impact of movements in the spot gold price.

Current instruments held include undesignated forward gold sales contracts for 177,765 ounces (Dec 2008: 206,076 ounces) at NZ$773, undesignated gold put options for 146,142 ounces (Dec 2008: 199,496 ounces) with an average exercise price of NZ$1,000 and undesignated gold call options (sold) for 104,024 ounces (Dec 2008: 136,024 ounces) with an average exercise price of NZ$1,062.

A summary of OceanaGold's mark-to-market adjustment on derivatives is:

	Mar 31 2009 $'000	Dec 31 2008 $'000
Current Assets		
Gold put options	282	1,493
Non Current Assets		
Gold put options	1,093	1,997
Total Assets	**1,375**	**3,490**

	Mar 31 2009 $'000	Dec 31 2008 $'000
Current Liabilities		
Gold forward sales contracts	50,621	46,949
Gold call options (sold)	8,767	1,831
	59,388	**48,780**
Non Current Liabilities		
Gold forward sales contracts	37,814	45,708
Gold call options (sold)	27,695	34,358
	65,509	**80,066**
Total Liabilities	**124,897**	**128,846**

<u>Shareholders' Equity</u>

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

	Quarter ended Mar 31 2009 $'000
Total equity at beginning of financial period	**246,656**
Profit/(loss) after income tax	9,054
Movement in other comprehensive income	(3,504)
Movement in contributed surplus	9
Total equity at end of financial period	**252,215**

Shareholders' equity has increased to $252.2 million at year end primarily as a result of the profit earned for the quarter partially offset by currency translation differences reflected in other comprehensive income that arise from consolidation of foreign entities.

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 2008 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 (including exploration, evaluation and development expenditure) 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.

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 tangible 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 certain of the key assumptions.

Asset Impairment Evaluations

The carrying values of exploration, evaluation, development costs 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 average cost of borrowing.

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 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.

ESTIMATES, RISKS AND UNCERTAINTIES

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.

In addition, 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; 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.

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") or

New Zealand dollars ("NZD") 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 income. Differences arising from these foreign currency translations are recorded in shareholders' equity as a cumulative translation adjustment until they are realized by a reduction in the net investment.

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 income, with the exception of depreciation and amortization which is translated at the historical rate for the associated asset. Exchange gains and losses and currency translation adjustments are included in income.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There have been no material changes from the accounting policies of FY2008.

International Financial Reporting Standards (IFRS)

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being converged with International Financial Reporting Standards (IFRS) over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. This convergence initiative is in its early stages and at this time OceanaGold does not intend to early adopt IFRS. Accordingly, it would be premature to assess the impact of the initiative on the Company.

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 has 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.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended June 30, 2007 through to March 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.

	Mar 31 2009 $'000	**Dec 31 2008 $'000**	**Sep 30 2008 $'000**	**Jun 30 2008 $'000**	**Mar 31 2008 $'000**	**Dec 31 2007 $'000**	**Sep 30 2007 $'000**	**Jun 30 2007 $'000**
Gold sales	55,270	47,845	54,038	53,068	62,263	36,615	24,367	22,644
EBITDA (excluding undesignated gain/(loss) on hedges)	31,032	24,294	18,991	1,131	21,690	9,057	(8,522)	2,787
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	10,639	1,917	2,806	(12,051)	3,783	(5,880)	(16,169)	(4,066)
Net earnings/(loss)	9,054	(13,426)	(10,905)	(19,248)	(11,156)	(27,162)	(47,730)	16,510
Net earnings per share								
Basic	$0.06	($0.08)	($0.07)	($0.12)	($0.07)	($0.17)	($0.30)	$0.12
Diluted	$0.05	($0.08)	($0.07)	($0.12)	($0.07)	($0.17)	($0.30)	$0.11

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 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. Because 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/(loss) 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.

	Q/E Mar 31 2009 $'000	Q/E Dec 31 2008 $'000	Q/E Mar 31 2008 $'000
Cost of sales, excluding depreciation and amortization	22,342	22,543	33,000
Depreciation and amortization	13,473	12,872	14,204
Total cost of sales	35,815	35,415	47,204
Add sundry general & administration adjustment	304	411	739
Less selling costs	(92)	(96)	(126)
Total operating cost of sales	36,027	35,730	47,817
Gold Sales from operating mines (ounces)	81,093	74,816	67,724
Total Operating Cost ($ per ounce)	444	478	705
Less Non-Cash Cost ($ per ounce)	165	171	209
Cash Operating Cost ($ per ounce)	279	307	496

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, 2008. Based on that evaluation and review to March 31 2009, 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 those dates 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

As at December 31, 2008, the Chief Executive Officer and Chief Financial Officer evaluated the design and effectiveness of the Company's internal control over financial reporting. Based on that evaluation and review to March 31 2009, the Chief Executive Officer and the Chief Financial Officer concluded that the design of internal control over financial reporting was effective as at those dates to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

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