OceanaGold Corporation

2010
Third Quarter

Pictured: "Haast Eagle" sculpture at the Macraes Heritage and Art Park

OCEANAGOLD

Unlocking Embedded Value

October 28, 2010
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 settlement and cancellation of the Company's hedging facilities, the early redemption of the Company's convertible notes, 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, 2009, which is available on SEDAR at 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. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. 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. All forward-looking statements and information made herein are qualified by this cautionary statement.

This Management Discussion & Analysis may use the terms "Measured", "Indicated" and "Inferred" Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise 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. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable.

This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The securities have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The securities may be offered and sold solely in "offshore transactions" in reliance on Regulation S under the Securities Act.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended September 30, 2010

HIGHLIGHTS

- Sold 67,672 ounces of gold during the quarter, bringing the YTD total to 200,060 ounces
- Reported net earnings after income tax of $13.7 million for the third quarter
- EBITDA (earnings before interest, taxes, depreciation and amortisation) was $42.6 million for the third quarter*
- Announced the successful closing of a C$115.5 million equity raising on October 20, 2010
- Announced the results of the re-optimisation study for the Didipio gold-copper project in the Philippines
- Appointment of Project Director - Philippines

All statistics are compared to the corresponding 2009 period unless otherwise stated.

OceanaGold has adopted USD as its presentation currency and all numbers in this document are expressed in USD unless otherwise stated.

* EBITDA is a non GAAP measure. Refer to page 19 for explanation of non GAAP measures.

OVERVIEW

Results from Operations

OceanaGold recorded quarterly gold sales for Q3 2010 of 67,672 ounces at cash costs of $568 per ounce. Sales for the year to date ended September 30 were 200,060 ounces at an average cash cost of $561 per ounce.

Although sales for the quarter slightly exceeded the previous period, unusually wet conditions at Reefton hampered mining rates and access to higher grade ore in the open pits with total ounces sold being slightly lower than plan. Both the Macraes open cut and Frasers underground operations showed strong improvements over the previous quarter. Mining and milling rates were both stronger, resulting in higher grade ore processed through the mill and a 20% increase in production when compared to Q2. The strong performance at Macraes and Frasers offset some of the weather related challenges encountered at Reefton and demonstrated once again the benefit of having multiple operations.

Cash costs for the quarter of $568/oz brought the cash costs year to date to $561/oz. Lower ounces from Reefton negatively affected unit cash costs for the quarter but the main contributor to higher costs has been the weakening U.S. dollar and stronger NZ$ denominated input costs.

Cash operating margins continue to expand quarter on quarter as a result of the higher spot gold price and the unhedged position. Operating margins rose 6% over the previous quarter but were up 82% when compared to the same period last year, predominantly as a result of all gold production now being sold at spot compared to 2009 when approximately, one third of production was delivered and sold into an “out of the money” hedgebook.

EBITDA was up 9% on the previous quarter due to higher spot gold prices received, at $42.6 million.

Didipio Gold – Copper Project

The Didipio Gold and Copper project in Luzon province, Philippines remained under care and maintenance during the quarter with a small workforce at the project site.

The Company announced in September the completion of the internal economic and technical re-optimisation study for the project. The new study addresses a review of mining method, scheduling, process plant layout and infrastructure requirements and associated capital costs to recommence construction and complete the project.

Subsequent to the quarter end, a Project Director was appointed to oversee all aspects of construction and project management for the project. Additionally, on October 5th, the Company announced a C$115.5 million bought deal private placement financing with the majority of the proceeds to be allocated towards completion of construction of the Didipio project.

FY 2010 Production Guidance

Production guidance of 270,000 – 290,000 ounces is maintained with the expectation for FY2010 production to fall in the lower end of the range.

Cash cost guidance of US$455 – US$495 per ounce has been increased to US$555 – US$585 per ounce due to the weakening US Dollar (US$). Costs in NZ$ remain relatively stable.

Cash operating margins continue to be strong and increased to $664 in Q3.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q3 Sep 30 2010**	**Q2 Jun 30 2010**	**Q3 Sep 30 2009**	**YTD Sep 30 2010**	**YTD Sep 30 2009**
Gold Sales (Ounces)	67,672	67,347	71,492	200,060	227,904
	USD	USD	USD	USD	USD
Average Price Received ($ per ounce)	1,232	1,191	838	1,059	747
Cash Operating Cost ($ per ounce)	568	564	473	561	388
Cash Operating Margin ($ per ounce)	**664**	**627**	**365**	**498**	**359**
Non-Cash Cost ($ per ounce)	266	277	249	271	204
Total Operating Cost ($ per ounce)	834	841	722	832	592
Total Cash Operating Cost ($ per tonne processed)	19.76	21.86	19.83	21.10	17.13

Combined Operating Statistics	**Q3 Sep 30 2010**	**Q2 Jun 30 2010**	**Q3 Sep 30 2009**	**YTD Sep 30 2010**	**YTD Sep 30 2009**
Gold produced (ounces)	68,763	67,541	70,020	201,595	228,297
Total Ore Mined (tonnes)	1,807,007	1,872,020	1,521,202	5,751,117	4,036,145
Ore Mined grade (grams/tonne)	1.46	1.38	1.71	1.43	2.10
Total Waste Mined (tonnes) - incl pre-strip	16,663,727	13,405,239	16,437,702	48,609,037	45,847,924
Mill Feed (dry milled tonnes)	1,944,344	1,737,669	1,705,948	5,317,671	5,156,198
Mill Feed Grade (grams/tonne)	1.33	1.41	1.59	1.42	1.71
Recovery (%)	82.4%	84.0%	78.3%	82.8%	80.1%

Combined Financial Results	**Q3 Sep 30 2010 $'000**	**Q2 Jun 30 2010 $'000**	**Q3 Sep 30 2009 $'000**	**YTD Sep 30 2010 $'000**	**YTD Sep 30 2009 $'000**
EBITDA (excluding unrealised gain on hedges)	42,608	39,169	24,425	90,256	77,941
Earnings after income tax and before undesignated gain/(loss) on hedges (net of tax)	13,683	7,968	1,859	12,105	17,894
Reported EBITDA (including unrealised gain/(loss) on hedges)	42,608	39,155	41,484	106,471	142,332
Reported earnings/(loss) after income tax (including unrealised gain/(loss) on hedges)	13,683	7,958	13,800	23,456	62,968

PRODUCTION

Gold production for the third quarter of 2010 was 68,763 ounces, an increase on Q2, though wet conditions at Reefton somewhat hampered overall production for the quarter. Total production for the year is 201,595 ounces.

Year to date cash costs are $561/oz which is higher than expected and pre-dominantly on account of the ongoing weakness in the US$. Since June this year, the US$ has declined approximately 10% against the NZ$.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes operations (open-pit and underground) incurred one lost time injury (LTI) during the quarter compared to one during the same period last year.

Production from the Macraes Goldfield for the quarter was 49,733 gold ounces, 20% higher than the previous quarter driven by strong performance at the mill with increased processing throughputs and mining movements both in the open cut and underground.

Total material mined at Macraes was 14.6 million tonnes, an increase of 27% on the previous quarter. The stronger mining performance was driven by good weather conditions as well as improved excavator availability. This will be further enhanced by the commissioning of a new HITACHI EX3600 excavator at the end of the quarter. The new excavator is expected to further improve reliability of the excavator fleet.

At the Frasers underground mine total ore mined for the quarter was 241,000 tonnes, a 14% increase on the previous quarter. On July 1st, the Company transitioned to owner-mining replacing contract mining which had been in place since the mine commissioned in January 2008. The transition has gone to plan with 98% of employees transferring over to the Company. In August, a monthly production record for ore tonnes mined and development advance was achieved. A new twin-boom jumbo drill was also commissioned during the quarter which will improve reliability and productivity for development advance.

Mill throughput during the quarter improved to 1.48 million tonnes compared to 1.34 million tonnes in the previous quarter. This was mainly due to the use of blended ore stockpiles that have helped minimise spikes in ore hardness allowing for more consistent mill performance and less re-circulating loads. Process plant recoveries at Macraes were 82.3%, slightly down on the previous quarter at 83.9%, but in-line with expectations.

Reefton Goldfield (New Zealand)

One LTI occurred in the third quarter compared to three during the same period last year. The introduction of the Positive Attitude Safety System (PASS) during the first half of the year has reinforced the priority for safety across the workforce.

Total material mined was flat during the quarter with ore mined down 14%. Wet conditions on the west coast of the South Island of New Zealand resulted in poor access to the pit floor due to flooding during the quarter consequently the mining fleet was deployed to mine waste during this period. This resulted in average mined ore grades being lower at 1.95 g/t compared to 2.27 g/t achieved in the previous quarter. Lower grade stockpiles were utilised in place of the run of mine ore in a mill feed grade of 1.51 g/t, significantly lower than previous periods.

The lower average ore grades processed through the mill was partially offset by another record quarter with throughputs of 467,000 tonnes. This was a 17% increase on the previous quarter’s performance and a 51% increase in throughput compared to the same period last year. The increase in mill throughput is primarily the result of optimisation of the milling circuit and specifically the grinding media which resulted in more efficient grinding and lower re-circulating loads. Flotation recoveries continue to be strong at 88.6% with overall recoveries of 82.7% which was slightly lower compared to the previous quarter but in-line with expectations.

Gold production attributable to Reefton was 19,031 ounces, 7,000 ounces lower than Q2 2010. This reflects the lower mill feed grade on account of the higher proportions of lower grade stockpiles processed during the quarter. More favourable seasonal conditions are expected in Q4 which combined with strong mill throughputs is expected to result in a production rate more in line with Q2 performance.

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	**Q3 Sep 30 2010**	**Q2 Jun 30 2010**	**Q3 Sep 30 2009**	**YTD Sep 30 2010**	**YTD Sep 30 2009**
Gold produced (ounces)	49,732	41,504	48,065	135,401	165,579
Total Ore Mined (tonnes)	1,484,108	1,497,042	1,148,017	4,704,609	3,004,844
Ore Mined grade (grams/tonne)	1.35	1.16	1.47	1.24	1.96
Total Waste Mined (tonnes) incl pre-strip	13,179,718	10,027,271	13,591,306	37,238,219	37,123,550
Mill Feed (dry milled tonnes)	1,476,665	1,336,605	1,396,186	4,103,208	4,225,338
Mill Feed Grade (grams/tonne)	1.27	1.16	1.38	1.24	1.52
Recovery (%)	82.3%	83.9%	77.6%	82.5%	79.9%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	**Q3 Sep 30 2010**	**Q2 Jun 30 2010**	**Q3 Sep 30 2009**	**YTD Sep 30 2010**	**YTD Sep 30 2009**
Gold produced (ounces)	19,031	26,037	21,955	66,194	62,718
Total Ore Mined (tonnes)	322,899	374,978	373,185	1,046,508	1,031,301
Ore Mined grade (grams/tonne)	1.95	2.27	2.45	2.29	2.48
Total Waste Mined (tonnes) incl pre-strip	3,484,009	3,377,968	2,846,396	11,370,818	8,724,374
Mill Feed (dry milled tonnes)	467,679	401,064	309,762	1,214,463	930,860
Mill Feed Grade (grams/tonne)	1.51	2.25	2.55	2.02	2.59
Recovery (%)	82.7%	84.3%	81.5%	83.7%	81.1%

DEVELOPMENT

Didipio Gold - Copper Project (The Philippines)

The Didipio Gold and Copper project in Luzon province, Philippines remains under care and maintenance with a reduced workforce at the project site.

In September, the Company announced the completion of the internal economic and technical re-optimisation study. The study addresses a review of the mining method, scheduling, process plant layout and infrastructure requirements and associated capital to recommence construction and complete the project.

The study outlines a project with a 20 year mine life operating at 2.5 Mtpa for the first six years as an open cut and includes the transition to a 1.2 Mtpa underground operation in year 6. Production will average 71,000 ounces of gold and 32 million pounds of copper over the first 6 years (at a gold cash cost, after copper credits of -$340/oz) and then move to 67,000 ounces of gold and 12 million pounds of copper for Years 7-20.

Capital expenditure to complete the construction and commissioning (including contingency) is estimated at $140 million, with construction over 15-21 months from the date of recommencement.

A NI 43-101 technical report on the re-optimised project will be released in the fourth quarter.

No lost time injuries (LTI) were recorded during the quarter.

OceanaGold continues to maintain robust programs for community partnerships and the environment at the project and surrounding areas.

Community initiatives during the quarter focused on building partnerships to promote community based organisations in the areas of organisational and enterprise development. Education and health continue to be one of the most important components of the company's social development programs as the company received recognition from partner institutions such as the Department of Education and the Municipal Rural Health Unit for its contribution to these areas.

One of the latest initiatives in the areas of health and education is the participation of the company in the "Essential Health Program for Filipino Children". This program addresses high impact childhood diseases by using schools and day care centers as venues for health promotion and behavioral change. During the program launch in September 2010 at Didipio, the Company provided essential health packs for more than 500 children and sponsored a dental mission that treated 100 students.

For the second year in a row, the Company has been nominated for the "Best Forestry Program" by a mining company in the Philippines in recognition for its reforestation and rehabilitation efforts within the Didipio project. As of this quarter, the Company has established over 100 hectares of reforestation plantations within the project area. Additionally, the Company has recently added the propagation of local medicinal plants and various vegetable crops as part of its FAITH Garden program.

EXPLORATION

Exploration expenditure for the third quarter totalled $3.6 million bringing the year to date total to $7.3 million.

New Zealand

Macraes Goldfield

3,600 metres of underground drilling was completed at Frasers Underground which was spread across three programs focusing on the eastern-down dip extension, Panel 2 Deeps (P2 Deeps) and the Kempe rise drilling program on the northern fringes of the deposit.

The P2 Deeps (announced July 12) exploration has continued. 12 holes were drilled in the campaign with intersections of ore in the range 2.53g/t to 7.11g/t. The area under current drilling is directly to the south of the current P2 Deeps reserve area. Resource modeling of this area is underway and is likely to see further extensions to the reserves.

Further initial results from a down-dip exploration drive drilling program were received (announced July 21). The first 20 holes were tabled with the best hangingwall shear intersections of ore up to 5.55g/t.

In addition, a new sub parallel mineralised zone not contiguous with the current Panel 2 Deeps structure was intersected and returned good grades and widths from a number of holes. Some of the more significant intercepts of ore are up to 7.98g/t.

Two underground drill rigs are currently testing for extensions at depth and to the north of the already identified mineralised zones. Additionally, further infill drilling is expected to continue to upgrade the resource to Measured and Indicated categories. Resource modeling has commenced on the first zone of results immediately adjacent to the existing Panel 2 Reserve.

On the surface at the Macraes open cut, drilling programs were completed at Coronation, Golden Bar and Macraes North. An extensive infill drilling program also commenced at the historic Innes Mills deposit. This program is focusing on examining the potential for a further open pit stage development.

During the quarter a 4,700 meter surface drilling program at the Coronation deposit extended the known resources down-dip and improved the confidence with some of the resource to Measured and Indicated.

Reefton Goldfield

A number of exploration programs were ongoing at the Reefton Goldfield during the quarter. The total exploration resource group at Reefton is now at full complement and includes drilling contractors for 5 operating drill rigs.

Two diamond and one reverse circulation drill rigs were operating at Globe Deeps and completed 7,600 meters of drilling during the quarter. This program is targeting further down dip extensions of the main Globe-Progress ore-body, testing for both open pit and underground mining targets. The program is testing beyond the extent of known historic underground workings with mineralisation consistent with current open pit styles being intersected to date.

A helicopter assisted drilling program continued during the quarter on a target to the north west of the current mining activities. This was the second phase of the program on this target.

At the historic Blackwater underground mine, diamond drilling commenced on a new program targeting the current inferred resource below the historic Birthday Reef which was mined as a high-grade narrow veined quartz reef until the early 1950’s. This program is expected to be completed early in 2011.

Sampling programs using backpack mounted drill rigs have delivered positive results with more than 750 samples from targets up to 8m beneath the cover obtained in often challenging terrain. This completes phase 1 of the geo-chemical sampling campaign with results now being analysed to provide information to generate high priority drilling targets. Phase 2 of the geo-chemical sampling program has now commenced on targets identified through the winter by the regional mapping teams. Geo-chemical lines (testing) is underway in the historic Big River field where there were a number of high-grade underground mines operating between 1870 and 1950. The sampling to date has also identified two areas of particular interest where in-fill samples will be reviewed for potential drilling targets early in 2011.

The Philippines

During the third quarter, further exploration review over prospects within the area defined under Didipio Financial Technical Assistance Agreement was undertaken. New mapping and sampling data warrant further groundwork of these areas to identify drill targets.

FINANCIAL SUMMARY

The table below provides selected financial data comparing Q3 2010 with Q2 2010 and Q3 2009 together with year to date September 2010 compared to year to date September 2009.

STATEMENT OF OPERATIONS	Q3 Sep 30 2010 $'000	Q2 Jun 30 2010 $'000	Q3 Sep 30 2009 $'000	YTD Sep 30 2010 $'000	YTD Sep 30 2009 $'000
Gold sales	83,344	80,218	59,928	211,861	170,208
Cost of sales, excluding depreciation and amortisation	(37,847)	(37,560)	(32,972)	(110,770)	(86,770)
General & Administration	(3,309)	(3,132)	(2,512)	(10,821)	(5,497)
Foreign Currency Exchange Gain/(Loss)	639	49	34	572	(6)
Other income/(expense)	(219)	(406)	(54)	(586)	6
Earnings before interest, tax, depreciation & amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	**42,608**	**39,169**	**24,424**	**90,256**	**77,941**
Depreciation and amortisation	(17,832)	(18,531)	(18,199)	(53,935)	(47,075)
Net interest expense	(3,846)	(3,706)	(3,937)	(11,342)	(10,639)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	**20,930**	**16,932**	**2,288**	**24,979**	**20,227**
Tax on earnings / loss	(7,247)	(8,964)	(429)	(12,874)	(2,333)
Earnings after income tax and before gain/(loss) on undesignated hedges	**13,683**	**7,968**	**1,859**	**(12,105)**	**17,894**
Gain / (loss) on fair value of undesignated hedges	-	(14)	17,059	16,216	64,391
Tax on (gain)/loss on undesignated hedges	-	4	(5,118)	(4,865)	(19,317)
Net earnings/(loss)	**13,683**	**7,958**	**13,800**	**23,456**	**62,968**
Basic earnings/ (loss) per share	$0.06	$0.03	$0.08	$0.11	$0.38
Diluted earnings/ (loss) per share	$0.06	$0.03	$0.07	$0.11	$0.33
CASH FLOWS					
Cash flows from Operating Activities	37,627	(21,174)	21,648	6,193	65,008
Cash flows from Investing Activities	(36,131)	(21,236)	(20,572)	(75,462)	(50,063)
Cash flows from Financing Activities	11,001	(4,200)	15,456	81,582	10,173

BALANCE SHEET	As at Sep 30 2010 $'000	As at Dec 31 2009 $'000
Cash and cash equivalents	55,396	42,423
Other Current Assets	38,039	39,038
Non Current Assets	753,351	706,245
Total Assets	**846,786**	**787,706**
Current Liabilities	111,028	185,061
Non Current Liabilities	214,777	210,032
Total Liabilities	**325,805**	**395,093**
Total Shareholders' Equity	**520,981**	**392,613**

RESULTS OF OPERATIONS

Net Earnings

The Company reported a net profit of $13.7 million in the third quarter compared to a net profit of $7.9 million in Q2 2010. Total production of 68,763 ozs was 1.8% higher than Q2 2010 although 1.8% lower for the comparative period in 2009. Revenue has increased by 3.9% over Q2 2010 and is a result of price increases with all sales being made into the gold spot market after the hedge book was closed out with effect from March 31, 2010. The average gold price received was $1,232 compared to $1,191 in Q2. The year to date average gold price is $1,059.

The impact of non-cash charges for marked to market gains and losses on hedges have in the past been significant. Consequently, EBITDA (earnings before interest, tax, depreciation and amortisation excluding gains/losses on undesignated hedges) and EBIT (earnings before interest and tax before undesignated hedge gains/losses) are reported as measures of operating performance on a consistent and comparable basis.

The Company reported EBITDA before gains/losses on undesignated hedges of $42.6 million compared with $39.2 million in Q2 2010. This strong operating result has been achieved by higher gold revenue from increased gold prices. The year to date EBITDA before gains/losses on undesignated hedges is $90.2 million.

The earnings before income tax is a profit of $20.9 million compared to a Q2 2010 profit of $16.9 million. Improvement is a direct function of the increased sales revenue as costs have been relatively stable over the period.

Sales Revenue

Gold revenue of $83.3 million was a 3.9% increase over Q2 2010 due to a small increase in sales volumes combined with a 3.4% increase in the average price received. All sales were at spot prices after close out of the hedge book in March 2010. Gold sales year to date 2010 were 24.5 % above 2009 due to higher gold sales prices and only one quarter of hedged sales.

Gold sales volumes for Q3 2010 of 67,672 ounces were slightly higher compared to Q2 2010 which were 67,347 ounces.

Undesignated Hedges Gains/Losses

Undesignated hedge gains and losses calculated as a fair value adjustment of the Company's undesignated hedges have previously been brought to account at the end of each reporting period, and reflected changes in the spot gold price. This also includes adjustments made to take account of gold deliveries into the hedge book, as the derivative liability was released. These valuation adjustments, year to date to September 30, 2010, reflect a gain of $16.2 million which is attributable to Q1 2010 prior to when the hedge book was closed out.

Using proceeds from the share placement in March, all forward and call derivative instruments were settled. The Company's current policy is to be unhedged with all gold production sold into the market at spot rates.

Operating Costs & Margins

Cash costs per ounce sold were $568 in Q3, slightly higher than the previous quarter. NZD costs were relatively stable over the quarter. In comparison to the prior year cash unit costs are higher in USD terms due to both an exchange rate impact and lower production volumes.

The cash margin of $664 per ounce resulted in earnings before interest, tax, depreciation & amortisation (excluding undesignated hedge gains/losses) of $42.6 million for the quarter, compared to $39.2 million in Q2 2010.

Depreciation and Amortisation

Depreciation and amortisation charges are calculated on a unit of production basis and total $17.8 million for the quarter. These charges were slightly lower than Q2 2010.

Depreciation and amortisation charges include amortisation of mine development, deferred waste stripping costs and depreciation on equipment.

Net Interest expense

The net interest expense of $3.8 million is consistent with Q2 2010. Year to date interest expense is $11.3m and is associated with a project loan, convertible notes and finance leases.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash flows from operating activities increased to be a net inflow of $37.6 million compared to $21.2 million outflow in Q2 2010. This net outflow in Q2 included a payment of $56.7 million to settle the balance of hedge contracts. The strong inflow reflects significant benefit from higher average gold prices being experienced from spot gold sales.

Investing Activities

Investing activities were comprised of expenditures for pre-stripping and sustaining capital at the New Zealand operations, plus some capitalised holding costs associated with the Didipio Gold - Copper Project.

Cash used for investing activities totaled $36.1 million compared to $21.2 million and $20.6 million in Q2 2010 and Q3 2009 respectively. The increase reflects the acquisition of a new excavator at the Macraes open pit and underground mining equipment (after transition to owner mining at the Frasers underground mine).

Financing Activities

Finance inflows were $11.0 million representing lease financing for new equipment, including an excavator and underground mining equipment, offset by lease payments. The year to date cash inflow of $81.6m includes the equity placement in March that raised $79.5 million net of costs.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the quarter ended September 30, 2010, the Company earned a net profit of $13.7 million. As at that date, the current liabilities of the Company exceeded current assets by $17.6 million. Current liabilities include $53.8 million of convertible notes. Cash flow projections for the near term indicate sufficient funds will be generated to meet all operating obligations at the current forecast gold price.

On October 6, 2010 the Company announced that it has secured, through Private Placement commitments for 12,023,360 Special Warrants at C$3.50 for proceeds of C$42.1m (before costs) and 20,976,640 CHESS Depository Interests (CDI's) at A$3.54 for proceeds of A$74.3 million (before costs). Proceeds were settled on October 20, 2010.

Commitments

OceanaGold's capital commitments as at September 30, 2010 are as follows:

	Sep 30 2010 $'000
Within 1 year	12,722

These commitments include equipment associated with a move to owner mining at the Frasers underground mine in addition to orders for long lead time mining equipment. Certain of these commitments are expected to be serviced with lease contracts.

During the period the company entered into capital lease commitments for $10.3 million to fund the acquisition of primarily mobile mining equipment. There have been no other material changes in the capital and operating lease commitments as disclosed in the December 31, 2009 audited financial statements. Additions to leases have been to a certain extent, offset by payments on leases with the strengthening NZD increasing the lease liability in USD.

Financial position

Current Assets

Current assets have increased by $26.9 million since Q2 primarily due to an increase in cash of $18.5 million generated from operations and an increase in inventory of $5.8 million.

Non-Current Assets

At the end of the quarter, non-current assets were $753.4 million compared to $664.5 million at June 2010. The expenditure on Property, Plant and Equipment, Mining Assets and non-current inventories was higher than depreciation and amortisation due to additional leased equipment and an increase in asset values due to the weakening USD dollar. Future income tax assets decreased by $2.4 million largely due to utilisation of tax losses.

Current Liabilities

Current liabilities increased $29.3 million during the quarter. This reflects some increases in leases for new equipment and the disclosure as current for lease residuals on the truck fleet in July 2011. In addition the liability for convertible notes and lease liabilities has increased as the NZD and AUD has strengthened against the USD.

Non-Current Liabilities

Non-current liabilities are $214.8 million at September 30 2010 and have increased by $20.8 million since June 30, 2010. This is due to an increase in future tax liabilities of $10.9 million combined with the translation impact from a weakening US dollar.

Derivative Assets / Liabilities

OceanaGold settled derivative instruments in relation to 74,880 ounces under forward gold sales contracts and 78,018 ounces under gold put options at the end of March 2010.

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

	Sep 30 2010 $'000	Dec 31 2009 $'000
Current Assets		
Gold put options	1	141
Total Assets	**1**	**141**

	Sep 30 2010 $'000	Dec 31 2009 $'000
Current Liabilities		
Gold forward sales contracts	-	54,557
Gold call options	-	35,318
Total Liabilities	**-**	**89,875**

Shareholders' Equity

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

	Quarter Ended Sep 30 2010 $'000
Total equity at beginning of financial period	**455,316**
Profit/(loss) after income tax	13,683
Movement in other comprehensive income	49,945
Movement in contributed surplus	(281)
Equity raising (net of costs)	2,318
Total equity at end of financial period	**520,981**

Shareholders' equity has increased to $521 million at quarter end primarily as a result of the profit earned for the quarter, and gains from currency translation differences reflected in Other Comprehensive Income that arises from the translation of entities with a functional currency other than USD. The USD depreciated significantly against the AUD and NZD during the quarter.

Capital Resources

As at September 30, 2010, the share and securities summary was:

Shares outstanding	228,897,612
Options outstanding	4,560,151

As at December 31, 2009, the share and securities summary was:

Shares outstanding	185,880,075
Options outstanding	5,637,259

As at October 28, 2010 share and securities summary is:

Shares outstanding	249,874,252
Options outstanding	4,560,151
Special Warrants	12,023,360

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 2009 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 and development 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.

Costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations are included in the costs of inventory in the period in which they are incurred, except when the charges represent a betterment to the mineral property. Charges represent a betterment to the mineral property when the stripping activity provides access to reserves that will be produced in future periods that would not have been accessible without the stripping activity. When charges are deferred in relation to a betterment, the charges are amortised over the reserve in the betterment accessed by the stripping activity using the units of production method.

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 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 the key assumptions.

Asset Impairment Evaluations

The carrying values of exploration, evaluation, mining properties in production or under development 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 discount rate of the asset.

Derivative Financial Instruments /Hedge Accounting

The consolidated entity can use derivative financial instruments to manage commodity price and foreign currency exposures from time to time.

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 the 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.

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”), New Zealand dollars (“NZD”) or United States dollars (“USD”) 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 the statement of operations. Differences arising from these foreign currency translations are recorded in shareholders’ equity as a cumulative translation adjustment.

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 recognised in the statement of operations, with the exception of depreciation and amortisation which is translated at the historical rate for the associated asset. Exchange gains and losses on currency translation adjustments are included in the statement of operations.

ACCOUNTING ESTIMATES

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.

RISKS AND UNCERTAINTIES

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; ability to secure long term financing and capital, water management, 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.

For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company’s website.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There have been no material changes from the accounting policies of FY2009.

Adoption of new accounting policies

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582, "Business Combinations" replaces section 1581, "Business Combinations", and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – "Business Combinations". The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Sections 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling interests", together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Section 1602 "Non-Controlling interests" establishes standards for accounting for non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27 – "Consolidated and Separate Financial Statements" and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Accounting policies effective for future periods

International Financial Reporting Standards ("IFRS")

The Canadian Institute of Chartered Accountant's (CICA's) Accounting Standards Board announced that publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. At the effective date, the balance sheet as at January 1, 2010 will require conversion to IFRS to establish opening balances which will form the basis for comparative information to be reported in 2011.

OceanaGold Corporation has continued to work on its transition to IFRS, including assessment of the impact on its accounting systems and financial statements. The conversion project includes review of project team, governance, resources, key CGAAP to IFRS differences, accounting policies and an implementation plan. The financial reporting impact of transitioning to IFRS is currently being evaluated and the quantitative impact has not been fully determined at the date of this report.

The following table summarises the key activities in the transition plan and the current status.

ACTIVITY	MILESTONES	STATUS
Financial reporting:		
• Complete diagnostic assessment of accounting and reporting differences between CGAAP and IFRS.	Diagnostic analysis prepared.	Preliminary assessment of accounting and reporting differences has been completed based on full GAAP diagnostic.
• Assess IFRS 1 elections, options and selection of IFRS accounting policies.	Management and audit committee approval for policy recommendations and IFRS elections 2nd half of 2010.	Decisions in relation to IFRS 1 elections and selection of IFRS accounting policies were reviewed by the audit committee in July 2010.
• Development of IFRS financial statement format, including disclosures.	Management and audit committee approval on IFRS consolidated financial statements during Q1 2011.	Preliminary drafting and consideration of disclosure issues are being assessed in the process of drafting IFRS reporting which has commenced in Q3.
• Quantification of effects of conversion.	Final quantification of conversion effects on 2010 comparative period Q4 2010	

ACTIVITY	MILESTONES	STATUS
Systems and processes: • Assessment of impact of changes to key systems and processes. • Documentation and testing of internal controls and disclosure controls over amended systems and processes.	Systems, processes and internal control documentation changes finalised Q4 2010. Evaluation and update of controls and processes in Q1 2011	Preliminary assessment of potential updates is underway. Based on work done to date the impact on IT systems is not expected to be significant.
Business: • Assessment of impacts on all aspects of the business, including contractual arrangements. • Communicate conversion plan and progress internally and externally. • Training staff and ensuring adequate financial reporting expertise is in place.	Contract analysis and impact to be completed by Q4 2010. Budgets and long term planning to incorporate outcomes of IFRS transition from Q4 2010.	Preliminary assessment of the impacts on other areas of the business is underway. Communication is ongoing.

First-time adoption of IFRS

IFRS 1 requires that an entity apply all standards effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 does provide certain mandatory and limited optional exemptions in specific areas of certain standards that will not require retrospective application of IFRS. The most significant exemptions which are expected to apply in preparation of the company's first consolidated financial statements under IFRS are summarised as follows:

Accounting Estimates
Accounting estimates applied in accordance with IFRS at the date of transition should be consistent with estimates in accordance with Canadian GAAP unless there is objective evidence that estimates were in error.

Business Combinations
IFRS allows guidance under IFRS 3R *Business Combinations* to be applied retrospectively or prospectively. OceanaGold expects adopt IFRS 3 prospectively.

***Asset Retirement Obligations* (ARO)**
IFRIC 1 requires changes in decommissioning liabilities to be included in the cost of the asset and depreciated. A first-time adopter has an option to a simplified approach to calculate and record the asset related to the ARO. OceanaGold's existing approach complies with recognition and measurement of decommissioning liabilities under IFRS, including recording the liability in the cost of the asset, by discounting the liability to the date when it first arose, and depreciating the asset to transition date. There will be no change on transition to IFRS.

Property, Plant and Equipment
There is an option to record property, plant and equipment at fair value on transition to IFRS. This fair value becomes the deemed cost of the asset for reporting under IFRS. OceanaGold is not planning to use this election and property, plant and equipment will continue to be recorded under the cost model, at the carrying amounts, on the date of transition to IFRS.

Cumulative translation differences
IAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires an entity to determine the translation differences in accordance with IFRS from the date on which a subsidiary was formed or acquired. IFRS 1 allows cumulative translation differences for all foreign operations to be deemed zero at the date of transition to IFRS, with future gains or losses on subsequent disposal of any foreign operations to exclude translation differences arising from periods prior to the date of transition to IFRS. OceanaGold expects to use this exemption and existing cumulative translation differences will be transferred to retained earnings on transition to IFRS.

Key Differences - Canadian GAAP to IFRS

In addition to the exemptions and exceptions discussed above, the following explains the key areas where changes in accounting policies could have significant differences between Canadian GAAP and IFRS as they apply to OceanaGold consolidated financial statements:

Impairment
Canadian GAAP – A recoverability test is performed by first comparing the undiscounted expected future cash flows to be derived from the asset to its carrying amount. If an asset's undiscounted expected future cash flows do not exceed its carrying value, an impairment loss is calculated as the excess of the asset's carrying amount over its fair value (on a discounted basis).

IFRS – A recoverability test is performed by comparing the carrying amount to the asset's recoverable amount. The impairment loss is calculated as the excess of the asset's carrying amount over its recoverable amount. The recoverable amount is defined as the higher of the asset's fair value less costs to sell and its value-in-use. The expected future cash flows from the asset are discounted to their net present value in the recoverable amount test. As a result of this difference in measurement methodology, impairments under IFRS are more likely.

With the Didipio project currently on care and maintenance there is potential for material impairment to be required on its assets due to a change in methodology for impairment testing.

Foreign Exchange Translation
Canadian GAAP – Distinction is made between integrated and self sustaining foreign operations with the temporal and the current rate methods of translation applied respectively.

IFRS – A functional and presentation currency approach is taken to foreign exchange translation and no distinction is made between integrated and self sustaining foreign operations. Where the functional currency of an entity is different from the presentation currency, an approach similar to the current rate method under CGAAP is applied. The key elements are:

- Assets and liabilities are translated at the balance date exchange rate.
- Income and expenses are translated at the exchange rate at the date of the transaction although an average rate may be applied as a proxy in many circumstances.
- All resulting currency exchange differences are recognised in the Foreign Currency Translation Reserve (FCTR) within other comprehensive income.

The most significant differences for OceanaGold are likely to be in relation to the Philippines operations which are currently being treated as an integrated foreign operation under CGAAP. There will be no change in the current treatment of New Zealand operations which are classified self-sustaining under CGAAP.

Income tax
Canadian GAAP – The amount that a future income tax asset is recognised at is limited to the amount that is more likely than not to be realised. Future taxes are split between current and non-current components on the basis of either (1) the underlying asset or liability or (2) the expected timing reversal of items when not related to an asset or liability.

IFRS – Deferred tax assets are recognised in their entirety when it is probable that sufficient future taxable profit will be available to recover the asset. All deferred tax assets and liabilities will be classified as non-current.

OceanaGold does not expect there to be changes in the deferred tax assets currently recognised. The impact of the differences on transition will be limited to reclassification of current deferred tax liabilities and assets to non-current classification.

Other Business Considerations

The transition to IFRS may also have an impact on some contractual obligations. Management will have more insight on the effects to other business considerations once the full impact of transition has been quantified.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended December 31, 2008 through to September 30, 2010. 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
.

	Sep 30 2010 $'000	Jun 30 2010 $'000	Mar 31 2010 $'000	Dec 31 2009 $'000	Sep 30 2009 $'000	Jun 30 2009 $'000	Mar 31 2009 $'000	Dec 31 2008 $'000
Gold sales	83,344	80,218	48,299	66,849	59,928	55,010	55,270	47,845
EBITDA (excluding undesignated gain/(loss) on hedges)	42,608	39,169	8,479	28,237	24,425	22,484	31,032	24,294
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	13,683	7,968	(9,547)	(4,151)	1,859	5,397	10,639	1,917
Net earnings/(loss)	13,683	7,958	1,814	(8,456)	13,800	40,114	9,054	(13,426)
Net earnings per share								
Basic	$0.06	$0.03	$0.01	($0.05)	$0.08	$0.25	$0.06	($0.08)
Diluted	$0.06	$0.03	$0.01	($0.05)	$0.07	$0.21	$0.05	($0.08)

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 2008 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. As non-GAAP performance measures do not have any standardised 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 amortisation (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to net earnings/(losses) 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 amortisation, is provided on the next page.

	Q3 Sep 30 2010 $'000	Q2 Jun 30 2010 $'000	Q3 Sep 30 2009 $'000	YTD Sep 30 2010 $'000	YTD Sep 30 2009 $'000
Cost of sales, excluding depreciation and amortisation	37,847	37,560	32,972	110,770	86,770
Depreciation and amortisation	17,832	18,531	18,199	53,935	47,075
Total cost of sales	55,679	56,091	51,171	164,705	133,845
Add sundry general & administration adjustment	576	428	850	1,451	1,569
Add adjustment selling costs	144	117	(429)	320	(632)
Total operating cost of sales	56,399	56,636	51,592	166,476	134,783
Gold Sales from operating mines (ounces)	67,672	67,347	71,492	200,060	227,904
Total Operating Cost ($ per ounce)	834	841	722	832	592
Less Non-Cash Cost ($ per ounce)	266	277	249	271	204
Cash Operating Cost ($ per ounce)	568	564	473	561	388

ADDITIONAL INFORMATION

Additional information referring to the Company, including the Company's Annual Information Form, is available on SEDAR at 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 June 30, 2010. Based on that evaluation, 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 June 30, 2010 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

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's of the internal controls over financial reporting and disclosure controls and procedures as of June 30, 2010.

Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved

NOT FOR DISSEMINATION OR DISTRIBUTION IN THE UNITED STATES OR TO US PERSONS AND NOT FOR DISTRIBUTION TO US NEWSWIRE SERVICE