

MEDIA RELEASE

16 July 2012

OCEANAGOLD PROVIDES UPDATE ON DIDIPIO PROJECT AND CORPORATE RE-FINANCING INITIATIVES

(MELBOURNE) OceanaGold Corporation (ASX: OGC, TSX: OGC, NZX: OGC) (the "Company") is pleased to provide a progress report on the Didipio Project as well as the corporate re-financing initiatives previously discussed by the Company.

HIGHLIGHTS

- Received credit approvals from a group of large, multi-national banks for a US\$220 million credit facility to be used if necessary, for repayment of convertible bonds maturing in December 2012 & December 2013 and for general working capital purposes.
- Didipio Project in Luzon Philippines is fully financed and on track for commissioning in Q4 2012.
 Total project capital is now estimated at US\$220 million, from US\$185 million announced in June 2011.
- Construction is over 70% complete.
- Recruitment for Didipio permanent operations team and operations readiness plans are well advanced.

Corporate Re-Financing Initiative

Subject to final documentation, OceanaGold will enter into agreements with a group of multi-national mining banks to provide a US\$220 million credit facility. The arrangement has received credit approval from each of the Banks' credit committees. This three year facility will provide additional liquidity should it be required for:

- Repayment of the A\$57.8 million convertible bonds maturing December 2012
- Repayment of the A\$110 million convertible bonds maturing December 2013
- US\$50 million working capital facility

Further details of the facility will be provided upon completion of documentation in the coming weeks.

Mick Wilkes, Managing Director & CEO commented, "I am very pleased with the strong support we've received from this group of large, first-class, multi-national banks to restructure and strengthen the balance sheet. It's a vote of confidence in OceanaGold and allows us to focus on successfully commissioning Didipio and generating strong cash flows from our operations in 2013. We remain

committed to creating a mid-tier, low cost, international gold mining company and we look forward to working with our new financial partners to further grow the company."

Didipio Project Construction Progress

Construction activities at the Didipio Project have progressed well over the past two months. The project is currently at peak construction with more than 1600 workers at site with 98% of these being Filipino nationals.

All design for the process plant and infrastructure is complete. Project procurement is on schedule with the majority of the major process components already installed or in storage on site. Key outstanding deliveries are the seven remaining power generators and the high and low voltage electrical switch rooms. All of the power equipment is expected at site over the next 4-6 weeks.

Construction of the accommodation village and administration buildings is complete. Concrete installation is 95% complete and steel erection at the process plant is 65% complete. Mill shells and mill ends, flotation tanks and thickeners are installed ready for mechanical and piping installation. All remaining major contracts including mechanical, piping and electrical installation have been awarded and the contractors have commenced work on site.

The Tailings Storage Facility (TSF) is now 50% complete and progressing well. Importantly the critical activity of bringing the embankment foundations for the TSF up out of the ground has been completed prior to the onset of rain. TSF construction can now continue unabated through wet weather. Mining of waste rock from two starter pits continues to ramp up and that has been a key contributor to the solid progress made on the TSF construction which will continue over the next few months and is designed to have ample capacity for start-up.

Mining of the Didipio orebody has commenced on schedule this month in readiness for commissioning in the fourth guarter and to build ore stockpiles for production in 2013.

In advance of commissioning later this year, the Didipio operations team is being recruited with approximately 60% of the required positions already filled. Operations readiness plans are well advanced and most spares and supply items are catalogued and ordered.



Figure 1 - Didipio Plant Site (9 June 2012)



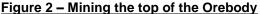




Figure 3 - Ore sample from mining

Didipio Project Capital Cost Update

As reported earlier this year, the Company has experienced some cost pressure related to construction activities at the Didipio Project. Total Didipio Project capital cost is now expected to be US\$220 million, which represents a 19% increase on the US\$185 million reported at project commencement in June 2011. The main contributors to the increased capital cost are associated with increases in engineering design and procurement services, TSF and infrastructure construction, and site support costs. Working capital requirements on start-up are expected to be an additional US\$27 million.

As at 30 June, US\$161 million of the total Project capital cost had been spent, with a further US\$24 million committed in contracts. Cash on hand as at 30 June was US\$73 million. The Project is currently in peak construction and on track for commissioning in the fourth quarter 2012 and remains fully financed through to commercial production.

Mick Wilkes, Managing Director & CEO commented, "Didipio Project is going extremely well. We remain on track to achieve our goal set out in June last year to commence commissioning in Q4 this year. Excellent progress has been made over the past few months with construction of the processing plant and the TSF. Mining is ramping up to full capacity and ore mining has commenced on schedule. We are also making good progress with our commissioning and operations readiness plans. The increased capital cost for the project is consistent with industry cost pressures today, particularly for engineering design services. We also made the very deliberate decision to engage with high quality contractors in the Philippines which cost more money to ensure the Project was built to a high standard and on time. With the current cash position, cashflows from New Zealand operations in 2012 and the credit facility, the Company is well positioned to meet its medium term growth objectives."

To view recent construction progress at Didipio, please visit our website at:

http://www.oceanagold.com/investors-and-media/images-and-videos/

- ENDS -

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About OceanaGold

OceanaGold Corporation is a significant Asia Pacific gold producer with projects located on the South Island of New Zealand and in the Philippines. The Company's assets encompass New Zealand's largest gold mining operation at the Macraes goldfield in Otago which is made up of the Macraes Open Pit and the Frasers Underground mines. Additionally on the west coast of the South Island, the Company operates the Reefton Open Pit mine. OceanaGold produces approximately 230,000 - 250,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Project in northern Luzon, Philippines which is in construction and expected to commission in Q4 2012. Currently, Didipio is expected to produce 100,000 ounces of gold and 14,000 tonnes of copper per year over an estimated 16 year mine life.

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

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Statements in this release may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements such as production forecasts are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements. They include, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors

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