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OCEANAGOLD DIDIPIO PROJECT UPDATE

(MELBOURNE) OceanaGold Corporation (ASX: OGC, TSX: OGC, NZX: OGC) ("the Company") is pleased to provide a development update for the Didipio Project in the Philippines.

Development activities have commenced at Didipio with some key milestones having been achieved in the first quarter of 2011.

ENGINEERING DESIGN & PROCUREMENT

Ausenco has been awarded the contract to complete the engineering design and procurement. This work is being undertaken at Ausenco's Australian office and is well underway. Members of the OceanaGold construction and project management team are working alongside the Ausenco team in Australia to oversee the project.

Much of the key equipment has already been purchased with most long lead time items completed and in storage. These items include:

- SAG and Ball mill shells, liners, gears and motors
- Flotation cells, blowers and agitators
- Gravity concentrators
- Trash screens and compressors.
- Various critical pumps and motor drives

The jaw crusher is the next key item to be procured with the order to be placed in Q2. The crusher is expected to have a 26 week lead time. Tenders are also underway with suppliers for apron feeders, cyclone feed pumps, cyclones, the concentrate belt filter and milliner handler. Notwithstanding the power plant equipment, the procurement of these items in Q2 combined, will result in approximately 80% of the process plant equipment by value being either in possession or under contract.

Contracts for the detailed plant site earthworks are well advanced with concrete supply and the construction and operations camp being the next contracts to be tendered. An assessment of local contractor capacities for construction and tendering is also well advanced.



Figure A – Ball mill shells completed and in storage in Singapore



Figure B – Ring gear completed and in storage in Australia

The Tailings Storage Facility (TSF) conceptual design is now complete and detailed design has commenced, with recent adjustments being made to de-risk the construction schedule by reducing the dependency on the dry season for construction. Concept designs for the waste rock dumps have also been completed.

The mine plan is being reviewed to identify options for plant expansion post commencement of production.

OceanaGold Chief Executive Officer, Mick Wilkes, said “Preparations on the Didipio site are progressing well and we are on track to commence construction activities mid-year.”

PROJECT MANAGEMENT – HUMAN RESOURCES

The project currently has 13 project personnel recruited in all major areas for managing the project design and construction work. This includes a Design Manager, Construction Manager, Controls Manager and Site Project Engineering Manager and several key site area managers to initially manage the infrastructure construction. Project Director, Martyn Creaney, stated “I am very pleased with the quality of the team we have assembled to construct the Didipio Project. I have worked with many of them on major projects during the past 25 years in Australia, Papua New Guinea, North and South America and South Africa and I am confident we have a first-class team to deliver the project.”

In addition, the Company’s New Zealand technical services team has allocated six personnel to work on ‘Life of Mine’ planning, costing the process plant conceptual design, reviewing the operations infrastructure requirements and providing overall environmental guidance.

Most recently, Brennan Lang has been appointed as General Manager – Didipio Operations. Brennan is a mining engineer with over 23 years of diversified engineering, operations and management experience at open pit and underground mines throughout North and South America, Asia and Australia. Brennan commences June 1st and will report directly to the Chief Operating Officer.

COMMUNITY AND GOVERNMENT RELATIONS

Management welcomes a speech by the Philippines Secretary of the Department of Environment and Natural Resources (DENR), Mr Ramon J.P. Paje, at the recent Asia Mining Congress in Singapore, where the Secretary stated that the Government would protect mining investments and remove unnecessary interferences.

In addition to many regular community, social and humanitarian programs in the local communities, OceanaGold recently signed a new Memorandum of Agreement (MOA) to establish an initial 50 hectare re-forestation project within the Municipality of Casaba in cooperation with the DENR and local communities. This re-forestation project is a direct response to the recent “National Greening Program” that was launched across the country and is consistent with OceanaGold’s commitment to re-forestation and sustainable mining, as demonstrated through previous environmental awards as well as the ongoing maintenance of the Didipio tree nursery.

As a part of OceanaGold’s commitment to sustainable agriculture, the Company recently partnered with Nueva Vizcaya State University (NVSU) and the Didipio Community Development Association Inc (DCDAI) to plant 4000 tissue cultured lakatan banana plantlets. This pilot project aims to provide high-yield and disease resistant banana crops for the local communities which much like many other parts of northern Luzon, have seen their banana crop yields and fruit quality severely affected by disease.

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About OceanaGold

OceanaGold Corporation is a significant Pacific Rim gold producer with projects located on the South Island of New Zealand and in the Philippines. The Company’s assets encompass New Zealand’s largest gold mining operation at the Macraes goldfield in Otago which is made up of the Macraes open pit and the Frasers Underground mines. Additionally on the west coast of the South Island, the Company operates the Reefton open-pit mine. OceanaGold produces approximately 270,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Project in northern Luzon, Philippines where pre-construction activities are now underway.

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

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