



OceanaGold Corporation

Date of Lodgement: 16/12/11

Title: “Company Insight –CEO Discusses Production & 2012 Outlook”

Highlights of Interview

- **Production & operating cost expectations for 2012 & 2013.**
- **Reasons for adjustments to guidance & main cost influences.**
- **Respective contribution to 2013 production from New Zealand & Didipio.**
- **Discusses longer term target of 600,000 ounces per annum gold.**
- **Major objectives at the corporate level for 2012.**

Record of interview:

companyinsight.net.au

OceanaGold Corporation (ASX, TSX, NZX code: OGC; market cap of ~\$640m) released a ‘Company Insight’ interview on 14 December covering a recent site visit to Didipio, including the expectations for the project. Looking now at the Company-wide outlook, can you outline your production and operating cost expectations for 2012? What about for 2013, which will see Didipio production included for the first time?

MD & CEO, Mick Wilkes

We expect production and operating costs for 2012 to be similar to those achieved over the last 3 quarters of 2011. However, production will increase significantly over 2013 with Didipio coming on stream and we’re also expecting stronger production from our New Zealand operations, overall resulting in a lower cash cost for the Company.

We’re being conservative with our production guidance for 2012 and have set it at 230,000 to 250,000 ounces of gold at a cash cost of \$900 to \$980/oz. I want to make sure that we deliver on our guidance in 2012 and to help build on our reputation for delivery.

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Your production and operating cost guidance has been adjusted for 2012. What are the major reasons for that? What are the more significant recent changes in individual cost inputs that you are experiencing, or are now expecting, at the New Zealand operations?

MD & CEO, Mick Wilkes

We've adjusted the expected mined grades of the ore bodies down slightly to account for any surprises and we've also lowered the expected volumes to be mined to allow for any potential lower underperformance from our mining fleet.

We experienced some negative reconciliation between mined grades and our geological model in 2011, particularly at the Reefton mine, so we are being more cautious on predicted grades. That said, we have been getting more accurate reconciliations recently.

In our budgets we're using a conservative NZ/USD \$0.80 exchange rate and a fairly conservative oil price of over US\$100 per barrel. We also have to remain competitive with the Australian labour market and we've adjusted our labour input costs accordingly.

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Although this is not a large adjustment given the uncertainty of the mining industry, OceanaGold adjusted guidance down at mid-year and then guided to the lower end of this guidance after the September quarter 2011. Why has the Company adjusted guidance downwards during this year and how can you change that for 2012?

MD & CEO, Mick Wilkes

Although the Macraes Open Pit and Frasers Underground have performed to plan, our expectations for the Reefton mine at the beginning of the year were higher than they should have been. We faced some labour challenges at the same time we were increasing our required manning levels at the mine and this set us back.

At Reefton we've made some positive changes to management. We've employed a General Manager whose job it is to improve the performance and to make sure we hit our targets. We've also installed additional mining capacity and mining supervision at Reefton. Overall, this should increase productivity.

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What are the rough production contributions from Didipio and New Zealand to your 2013 production guidance?

MD & CEO, Mick Wilkes

At the start of 2013, we'll see Didipio production coming through. We expect approximately 70,000 ounces (plus copper) from Didipio in 2013, as it ramps up to reach full production of 100,000 ounces per annum on average from the base case (before the intended expansion).

In addition, we expect higher gold production in New Zealand in 2013 which is primarily attributable to some better grades coming from the Macraes Open Pit. That would make Company-wide production of 300,000 to 350,000 ounces in 2013. Operating costs should move to below \$500/oz in 2013 (net of copper by-product credits) with Didipio on stream.

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Is the longer term Company-wide target of 600,000 ounces of gold per annum still valid? How might you get there?

MD & CEO, Mick Wilkes

We're confident that target is achievable through organic growth and the development of new assets. We're already examining an expansion of Didipio which would boost production to about to 150,000 ounces of gold (plus copper) per annum to capitalize on the current ore body and the exploration ground surrounding it. We also have a significant exploration program in New Zealand and have got some promising results from areas such as Blackwater at Reefton. We'd like to re-open the Blackwater mine in the next few years.

We're also on the lookout for other assets to build and we think 600,000 ounces per annum by 2016 is achievable. We're going as hard as we can to achieve it.

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At the corporate level, what are some of the major objectives for management in 2012?

MD & CEO, Mick Wilkes

We want to put in place a debt facility which I spoke about in the interview released to ASX on 14 December. We want to build our management capability and build the systems that will support the Company as we grow from a New Zealand-based gold producer to a South East Asian gold producer.

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Thank you Mick.

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