OCEANAGOLD

OCEANAGOLD CORPORATION

APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

Results for announcement to the market

Financial results	2011 US$'000	2010 US$'000		Change %
Revenue from ordinary activities	395,609	305,638	up	29.4%
Profit/(loss) from ordinary activities after tax attributable to members	44,167	44,435	down	(0.6%)
Net profit/(loss) for the period attributable to members	44,167	44,435	down	(0.6%)

Net tangible assets	2011 US$	2010 US$
Net tangible assets per security	1.82	1.65 *

* Adjusted for IFRS transition.

Dividends

The Directors do not propose declaring a dividend in respect of 2011.

Explanation of Results

Earnings before interest, tax, depreciation, amortisation and excluding unrealized hedge losses for the year ended 31 December 2011 were $163.9 million compared to $139.5 million in 2010. This result was achieved by a high average realised gold price, partially offset by lower gold production.

Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2011 together with the Consolidated Financial Statements for the year ended December 31, 2011 for further explanation of results.

The information required by listing rule 4.3A is contained in both this Appendix 4E, the attached Consolidated Financial Statements and the attached Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2011.

Independent Audit Report

The financial statements on which this Appendix 4E is based have been audited and the Independent Audit Report to the members of OceanaGold Corporation is included in the attached financial statements.

INNOVATION, PERFORMANCE & GROWTH

2011 Full Year Results

February 16, 2012

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, 2010, 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. 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 unlawful.

Technical Disclosure

Dr Michael Roache, (PhD) - Head of Exploration, Mr Jonathan Moore – Group Mine Geology Manager and Mr Rod Redden – General Manager Technical Services, all of OceanaGold, are responsible for the technical disclosure in this document, and are Qualified Persons under the Canadian Securities Administrators' National Instrument 43-101 – Standards of Disclosure of Mineral Projects ("NI 43-101"). Dr Roache is a member of both the AusIMM and Australasian Institute of Geoscientists while Messrs. Moore and Redden are both members and Chartered Professionals with the AusIMM. Soil samples, and drill samples collected at 1 metre intervals or less, from both reverse circulation chips and sawn diamond core, were prepared and assayed by fire assay methods at either the SGS facilities at Macraes, Westport and Waihi, New Zealand, and the ALS facilities in Brisbane and Townsville, Australia. Philippine soil samples were prepared and assayed at McPhar laboratories in Manila, Philippines. Standard reference materials were inserted to monitor the quality control of assay data. Dr Roache and Messrs. Moore and Redden have approved the technical information in this document.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Reefton Project, the Macraes Project and the Didipio Project please refer to the NI 43-101 compliant technical reports available at sedar.com under the Company's name.

Management Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2011

HIGHLIGHTS

- Revenue of $106.6 million for the quarter resulting in FY2011 revenue of $395.6 million from gold sales of 249,261 ounces at an average price of $1,587 per ounce and cash costs of $875 per ounce
- Produced 65,750 ounces of gold during the fourth quarter, up 11% over third quarter and 252,499 ounces for the full year
- EBITDA (earnings before interest, taxes, depreciation and amortisation)* was $43.7 million for the fourth quarter and increased by 17% to $163.9 million for the full year
- Net earnings for fourth quarter were $14.3 million, up 31% over the prior quarter and were $44.2 million for the full year
- Construction activities at Didipio Project in the Philippines recommenced in June 2011 and progressed as planned with key milestones during the fourth quarter being the commencement of concrete pouring and mobilisation of the mining contractor
- Frasers Underground updated resource statement announced in December 2011 with mine life now expected to extend to at least 2017
- Cash Balance December 31, 2011 was $170.0 million, up 4% over third quarter

All statistics are compared to the corresponding 2010 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 26 for explanation of non GAAP measures.

OVERVIEW

Results from Operations

OceanaGold recorded revenue of $106.6 million in the fourth quarter of 2011 from sales of 62,515 ounces at a cash cost of $890 per ounce (excluding year end inventory adjustment). Revenue for FY2011 was $395.6 million from sales of 249,261 ounces at an average cash cost of $875 per ounce (including full year inventory adjustment).

Production of 65,750 ounces of gold for the fourth quarter was up 11% over the previous quarter bringing the total for FY2011 to 252,499 ounces. Despite significant production improvement over the previous quarter, this result was slightly below our expectations due to lower ore tonnes mined and processed through the mill at Reefton.

FY 2011 average cash costs of $875 per ounce of gold sold was within the guidance range of $850-$890 per ounce. Cash costs per ounces increased during the year the main contributors being the stronger New Zealand dollar, fewer ounces produced and less capitalised pre strip.

The average gold price received in the fourth quarter of $1,705 per ounce and was comparable to the previous quarter. Operating cash costs per ounce decreased versus third quarter mainly as a result of increased ounces produced and favourable foreign exchange rate movements. For FY2011 the cash operating margin grew by 25% to $712 per ounce with higher average gold prices partly offset by increased average cash costs.

Mill throughput for FY2011 increased by 7% over the prior year which helped offset the lower feed grade. Year on year recovery improved again to 82.9% with ongoing focus on process improvement in particular at the Macraes processing plant.

Total material mined for FY 2011 was slightly ahead of the prior year but did not reach our expectations due to availability and retention of skilled workers in particularly in the first half of the year. During the year, the Company undertook steps to alleviate some of these issues such as the introduction of improved rosters as well as increased training programs which have resulted in measurable improvements.

Cash flow from operations for the fourth quarter was $56.0 million resulting in a total of $154.6 million for FY2011, a significant improvement compared to FY2010 of $52.3 million (which included the hedge liability settlement of $71.8 million). The cash balance at the end of the year was $170.0 million.

Production & Cost Guidance

In December 2011, the company reported FY2012 production guidance set at 230,000 – 250,000 ounces of gold at cash costs of $900 - $980 per ounce (assumes NZD/USD exchange rate of $0.80).

With the start of production at Didipio, preliminary FY2013 production guidance is estimated to be 300,000-350,000 ounces of gold at cash costs of less than US$500 per ounce (net of copper by-product credits).

Didipio Project

The Company announced the recommencement of construction on the Didipio Project in Luzon, northern Philippines in June 2011 with an update of the Project Plan. Highlights from the Project include an average annual production rate of 100,000 ounces of gold and 14,000 tonnes of copper over a 16 year mine life. Gold reserves increased by 19% to 1.68 million ounces and copper reserves increased by 35% to 229,000 tonnes. Using $3.00/lb copper as a by-product credit, the project is expected to produce gold at negative $79 per ounce cash costs over the first six years of the mine life.

During the fourth quarter, the Company achieved a number of key milestones with construction of the Didipio Project. These included the commencement of concrete pouring, near completion of the construction accommodation camp, mobilisation by the mining contractor to site and the arrival of the first shipment of structural steel.

Progress during the fourth quarter remained on track with concrete pouring commencing on schedule in November 2011. Good progress has been made to date with the mill foundations, concentrate storage shed, gold room, concentrate and reagents shed, and operations village.

Despite heavy rain during the quarter, bulk earthworks for the plant site were completed and excavation steadily progressed for the power station.

The process plant design reached the 90% completion mark and all major construction contracts are either awarded or in the process of being tendered.

The mining contract was awarded to a Philippines based company with considerable in-country experience in open pit operations and the construction of tailings storage facilities. The contractor commenced mobilising to site in late December and mining activities commenced in January 2012.

All major process equipment has been ordered with the deliveries scheduled to start arriving on site during first quarter 2012 in anticipation of the structural and mechanical work which will commence in second quarter 2012.

The construction camp is nearing completion and there are currently 800 contractors and employees on site engaged in construction activities, of which over 95% are Filipino nationals. The permanent operations accommodation village is scheduled to be completed in second quarter 2012 to facilitate the full mining and operations workforce.

Construction activities will increase in first quarter of 2012 with the expected commencement of the mining infrastructure and tailings storage facility, concurrent to the ongoing construction of the process plant and operations village.

The project is on schedule to commission in Q4 2012.

During the quarter the Company hosted a site visit where analysts and investors had the opportunity to meet the project team and see the construction progress to date. In addition, the visitors gained an insight into the strong relationship developed by the Company with the local communities. The Mayor of Kasibu, the Didipio Barangay Captain and President of the Didipio Community Development Corporation (Dicorp) participated in the site visit.

Exploration

The Company invested $3.4 million on exploration during the fourth quarter and $10.7 million for FY2011 with the majority incurred in New Zealand.

At Reefton in New Zealand, exploration during the year has been focussed on further drilling and additional mapping and sampling programs. Exploration activity increased during fourth quarter with helicopter assisted diamond or reverse circulation (RC) drilling being conducted at Big River, Crushington, Happy Valley Shear, Target 38 and Merrijigs. Two additional drill rigs commenced deep drill programs at the Globe Progress Mine and Blackwater historical mine during the quarter.

Exploration continued at the Frasers Underground mine with mineralisation being confirmed to the north and northeast of the current workings. Mineralisation remains open in both directions. An updated resource statement for the Frasers Underground was released in December 2011. Total Measured and Indicated Resources for Frasers Underground, including Panel 1, now stands at 10.2Mt @ 2.26g/t Au for 745Koz. The mine life is now expected to extend to at least 2017. Exploration drilling will continue in the down dip areas of Panel 2 to convert inferred resources to reserves.

Surface drilling programs at the Macraes Goldfield targeting up-dip extensions to the Frasers Underground mine commenced in the fourth quarter.

Exploration in the Philippines focused on the Financial or Technical Assistance (FTAA) areas with preparations for drilling at the Mogambos prospect, and soil sampling at the MMB, TNN, and Papaya areas where recent results have delineated significant Au-Cu geochemical anomalies.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q4 Dec 31 2011**	**Q3 Sep 30 2011**	**Q4 Dec 31 2010**	**Year 2011**	**Year 2010**	**Year 2009**
Gold Sales (Ounces)	62,515	60,646	68,027	249,261	268,087	300,044
	USD	**USD**	**USD**	**USD**	**USD**	**USD**
Average Price Received ($ per ounce)	1,705	1,706	1,379	1,587	1,140	790
Cash Operating Cost ($ per ounce)	947*	956	596	875	570	411
Cash Operating Margin ($ per ounce)	**758**	**750**	**783**	712	570	**379**
Non-Cash Cost ($ per ounce)	349	409	229	350	260	219
Total Operating Cost ($ per ounce)	1,296	1,365	825	1,225	830	630
Total Cash Operating Cost ($ per tonne processed)	31.13	30.71	22.98	28.75	21.57	17.84

Combined Operating Statistics	**Q4 Dec 31 2011**	**Q3 Sep 30 2011**	**Q4 Dec 31 2010**	**Year 2011**	**Year 2010**	**Year 2009**
Gold Produced (ounces)	65,750	59,090	67,007	252,499	268,602	300,391
Total Ore Mined (tonnes)	2,310,815	2,024,496	2,154,347	8,103,693	7,905,464	6,258,806
Ore Mined Grade (grams/tonne)	1.26	1.12	1.42	1.21	1.43	1.85
Total Waste Mined (tonnes) - incl pre-strip	14,369,845	15,082,892	14,785,737	59,176,017	57,643,657	61,087,834
Mill Feed (dry milled tonnes)	1,902,368	1,888,978	1,763,817	7,588,354	7,081,488	6,913,713
Mill Feed Grade (grams/tonne)	1.31	1.21	1.54	1.25	1.45	1.68
Recovery (%)	82.2%	82.5%	77.9%	82.9%	81.6%	80.0%

Combined Financial Results	**Q4 Dec 31 2011 $'000**	**Q3 Sep 30 2011 $'000**	**Q4 Dec 31 2010 $'000**	**Year 2011 $'000**	**Year 2010 $'000**	**Year 2009 $'000**
EBITDA (excluding unrealised gain/(loss) on hedges)	43,662	43,270	49,259	163,923	139,515	106,178
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	14,336	10,912	20,655	44,167	32,760	13,743
Reported EBITDA (including unrealised gain/(loss) on hedges)	43,662	43,270	49,258	163,923	155,730	164,419
Reported earnings/(loss) after income tax (including unrealised gain/(loss) on hedges)	14,336	10,912	20,979	44,167	44,435	54,512

***Cash costs per ounce in Q4 before year end inventory adjustment were $890. Refer to page 19 "*Operating Costs & Margins*". No such inventory adjustments were recorded in the prior quarters in 2011.**

PRODUCTION

Gold production for the fourth quarter of 2011 was 65,750 ounces, up 11% versus 59,090 ounces in the previous quarter. Total production for the full year was 252,499 ounces. Production was slightly below our expectations for the quarter and consequently impacted the total production for the full year. Production guidance for FY 2012 has been set at 230,000 to 250,000 ounces of gold at cash costs of $900 to $980 per ounce (assuming NZD/USD exchange rate of $0.80).

Cash operating costs for the fourth quarter of 2011 were $890 per ounce (excluding the year end inventory adjustment). The reduction of cash costs from the previous quarter was mainly due to increased ounces produced, favourable foreign exchange rates, lower electricity and consumerable costs partly offset by less capitalised pre strip and higher diesel costs. Cash costs for FY2011 averaged $875 per ounce (including the year end inventory adjustment) and falls within the guidance range of $850 to $890 per ounce. Cash costs increased during the year with key drivers being the stronger New Zealand dollar, fewer ounces produced and less capitalised pre strip.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes Operations (Macraes Open Pit and Frasers Underground) incurred one lost time injury (LTI) during the fourth quarter and three LTIs for the full year versus two LTIs in 2010.

Production from the Macraes Goldfield for the fourth quarter was 44,451 gold ounces and a total of 174,851 ounces for the full year. The quarterly production was 5% higher than the previous quarter due to increased milled tonnes and slightly better grade.

Total material mined at Macraes in fourth quarter was 12.4 million tonnes. Total movement for full year 2011 was 51.0 million tonnes, slightly ahead of the previous year.

The mining fleet was upgraded during the year with the addition of a new Hitachi EX2500 excavator. This complemented the new Hitachi EX3600 excavator added in the prior year and the two original Caterpillar excavators were refurbished and deployed to the Reefton operations. Other additions to the fleet in 2011 included 5 new Caterpillar 789C dump trucks with four of the existing Caterpillar 785C dump trucks scheduled to be transferred to the Reefton operations to commence work in the second quarter 2012.

At the Frasers Underground operation, mining was undertaken in the Panel 2 throughout 2011. Total ore mined for the fourth quarter was 243,000 tonnes, an improvement of 10% on the previous quarter. The improved performance is reflective of improved staff retention during the second half of 2011. The total ore mined was 847,000 tonnes for FY2011.

Underground mining is planned to continue down dip in Panel 2 in 2012. Exploration drilling will continue in the down dip areas of Panel 2 to upgrade Inferred resources.

Mill throughput in the fourth quarter was 1.47 million tonnes compared to 1.43 million tonnes in the previous quarter. The full year throughput was 5.82 million tonnes compared to 5.46 million tonnes in 2010. Mill feed grade for the quarter was 1.14g/t, slightly higher than the previous quarter of 1.10g/t due to higher grade from the open pit. The FY2011 mill feed grade was 1.12g/t versus FY2010 grade of 1.28g/t.

The process plant recovery was 82.5% in the fourth quarter compared to 83.1% in the previous quarter. The full year recovery was 83.3% compared to 81.3% in FY2010 and reflects process improvements made during the year, such as increased oxidation rates through the autoclave and setting up separate CIL streams for the Macraes and Reefton concentrates.

Reefton Goldfield (New Zealand)

There were no lost time injuries (LTI) during the quarter at the Reefton Operations. The total number of LTIs fell from four in 2010 to one in FY2011. The improvement was a result of much improved post incident management and better understanding of Restricted Work Injury duties.

Gold produced for the quarter was 21,299 ounces, compared with 16,954 ounces in the preceding quarter. The improvement was due increased ore mined and subsequently better grade and recoveries through the mill. While mining rates improved materially quarter on quarter, further improvements are still required to reach optimal levels. FY2011 production was 77,648 ounces versus 85,843 ounces in FY2010.

During 2011, Reefton experienced some negative reconciliations between the mined grades and the geological models. The Globe Progress resource model has been revised and is expected to show improved performance for 2012. A program of infill drilling is underway within the Globe Progress open pit and this should increase the confidence of the resource predictions beyond 2012.

Total material mined for the fourth quarter was 4.3 million tonnes compared with 4.4 million tonnes in third quarter. The production was mainly from Globe Progress Stage 7 cutback and the development of the Souvenir Pit. Both mining areas have progressed well. Ore production from the higher grade Souvenir pit assisted in increasing the rate of gold production in late fourth quarter. Production at Souvenir Pit is planned to resume in second quarter 2012 following receipt of additional consents. Material mined for FY 2011 was 16.3 million tonnes, ahead of 15.2 million tonnes achieved FY2010 but materially below our plan.

The process plant treated 431,655 tonnes, slightly lower than the third quarter, yet well above design capacity. This resulted in throughput of 1.8 million tonnes for FY2011, up 9% over the prior year. Grade through the mill was 1.89 g/t in the fourth quarter, a solid improvement over third quarter. The higher throughputs for FY2011 offset some of the impact of the lower FY011 grade with 1.67g/t achieved versus 2.01g/t in the prior year.

Gold recovery for the quarter improved to 81.3% versus the previous quarter at 80.7%. Gold recovery for FY2011 was 81.4%.

In general, the recruitment and retention of staff was a challenge in 2011 and remains a focus for the Company in 2012. A four panel roster in the processing plant will be implemented during first quarter 2012 to address some of these issues. An ongoing review is being conducted of the ‘trades areas’ with the intent to make recruitment of these key positions more effective.

During the fourth quarter, an organisational restructure at Reefton occurred including a newly created role of General Manager covering a broader remit. Nigel Slonker was appointed to this role effective 1st December 2011. Nigel has over 30 years mining experience including 20 years in managerial positions. Prior to accepting this role, Nigel was the Mining Manager at the Frasers Underground mine.

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	**Q4 Dec 31 2011**	**Q3 Sep 30 2011**	**Q4 Dec 31 2010**	**Year 2011**	**Year 2010**	**Year 2009**
Gold produced (ounces)	44,451	42,136	47,358	174,851	182,759	213,049
Total Ore Mined (tonnes)	1,894,369	1,701,287	1,661,246	6,589,904	6,365,855	4,833,671
Ore Mined grade (grams/tonne)	1.12	1.01	1.32	1.07	1.26	1.67
Total Waste Mined (tonnes) incl pre-strip	10,489,708	10,982,615	11,411,337	44,407,352	43,944,947	48,578,180
Mill Feed (dry milled tonnes)	1,470,713	1,431,238	1,355,399	5,817,001	5,458,607	5,635,537
Mill Feed Grade (grams/tonne)	1.14	1.10	1.40	1.12	1.28	1.47
Recovery (%)	82.5%	83.1%	77.6%	83.3%	81.3%	79.6%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	**Q4 Dec 31 2011**	**Q3 Sep 30 2011**	**Q4 Dec 31 2010**	**Year 2011**	**Year 2010**	**Year 2009**
Gold produced (ounces)	21,299	16,954	19,649	77,648	85,843	87,342
Total Ore Mined (tonnes)	416,446	323,209	493,101	1,513,789	1,539,609	1,425,135
Ore Mined grade (grams/tonne)	1.87	1.70	1.74	1.80	2.11	2.46
Total Waste Mined (tonnes) incl pre-strip	3,880,137	4,100,277	3,374,400	14,768,665	13,698,710	12,509,654
Mill Feed (dry milled tonnes)	431,655	457,740	408,418	1,771,353	1,622,881	1,278,176
Mill Feed Grade (grams/tonne)	1.89	1.54	1.98	1.67	2.01	2.60
Recovery (%)	81.3%	80.7%	79.0%	81.4%	82.5%	81.5%

DEVELOPMENT

Didipio Project (The Philippines)

The Company announced the recommencement of construction of the Didipio Project in June 2011 with an update of the Project Plan. Highlights from the Project include an average annual production rate of 100,000 ounces of gold and 14,000 tonnes of copper over a 16 year mine life. Gold reserves increased by 19% to 1.68 million ounces and copper reserves increased by 35% to 229,000 tonnes. Using $3.00/lb copper as a by-product credit, the project is expected to produce gold at negative $79 per ounce cash costs over the first six years of the mine life.

Since recommencement of construction in June 2011, the Company has repaired the access road, completed phase one of the construction camp facilities undertaken geotechnical surveys and progressed civil works.

Progress during the fourth quarter remained on track with concrete pouring commencing on schedule in November 2011. Good progress has been made to date with the mill foundations, concentrate storage shed, gold room, concentrate and reagents shed, and operations village.

Despite heavy rain during the quarter, bulk earthworks for the plant site were completed. The process plant design reached the 90% completion mark. A drilling contractor was engaged to drill two 17-inch diameter water bores in the open pit perimeter to a depth of 240 metres. For the first bore, a pilot hole and first ream were completed to the design depth and the drill is currently completing the final ream. The holes are designed to depressurise the pit wall to improve geotechnical stability and the water will serve as make up water for the process plant.

During the fourth quarter, the mining contract was awarded to a Philippines based company with considerable in-country experience in open pit operations and the construction of tailings storage facilities. The contractor commenced mobilising equipment and personnel to site in late December and mining activities commenced in January 2012. The contractor commenced preliminary construction of a haul road between the open pit and the planned tailings dam. The mine technical team including geologists, mining engineers, and surveyors has been recruited and has started work to direct the mining operations.

All major construction contracts are either awarded or in the process of being tendered. Tenders have been received for the explosives supply contract and the fuel supply contract. These contracts will be awarded in the first quarter 2012. A tendering process has also commenced for the provision on-site laboratory testing services.

The construction camp is nearing completion with 300 of 340 beds available handed over for operation with the remainder to be handed over in first quarter 2012.

There are currently 800 contractors and employees on site engaged in construction activities, of which over 95% are Filipino nationals. The permanent operations accommodation village is scheduled to be completed in second quarter 2012 to facilitate the full mining and operations workforce.

During the quarter $30.9 million was spent (including prepayments) on the construction. Total spend on construction since the project recommenced was $65.6 million.

As part of its Financial and Technical Assistance Agreement (FTAA) at Didipio, the Company is committed to developing a Social Development and Management Plan (SDMP) and commit 1.5% of its operating cost to funding initiatives under the SDMP. The SDMP benefits are shared amongst the host community (Didipio) and nine other upstream and downstream communities. During the quarter, the Company successfully concluded a Memorandum of Agreement between Didipio and the nine surrounding communities on how to share the SDMP funding.

The Company continues to provide funding for educational related programs including teacher salaries, benefitting over 600 school children in the surrounding communities. Internet connections were installed at the Municipal Hall in Kasibu and in the Barangay Hall in Didipio to facilitate better communication with government leaders and agencies. Local road improvements in Didipio have been achieved and upgrade of a secondary access road to the Didipio mine site through Kasibu has commenced. This route will make it easier to transport employees to the project from the municipal capital of Kasibu and the provincial population centres in Solano.

As part of its sustainability strategy, the Company has assisted the Didipio community in building capacity to directly bid on various mine services contracts. The Didipio Community Development Corporation (DiCorp), whose shareholders are the long term residents of Didipio was formed. To date, two long-term contracts have been awarded for collection of recyclables and waste, and for provision of the employee shuttle bus services. It is expected that the cooperative will seek to bid on additional services contracts in the future.

Figure 1: Completed concrete pour for ball mill base

Figure 2: Aggregate crusher arrives on site, December 2011

EXPLORATION

Exploration expenditure in New Zealand for the fourth quarter was $3.1 million and $9.5 million for the FY2011.

Reefton Goldfield

During 2011, a number of exploration programs were ongoing at the Reefton Goldfield. Exploration activity at Reefton increased during fourth quarter with helicopter assisted diamond or reverse circulation (RC) drilling conducted at Big River, Crushington, Happy Valley Shear, Target 38 and Merrijigs (Figure 3). Two additional drill rigs commenced deep drill programs at the Globe Progress Mine and Blackwater historical mine during fourth quarter.

The Globe Deeps preliminary geological interpretation was completed with a 95,000 ounce inferred resource announced in May 2011. An 18 drill hole program commenced at Globe Progress in the fourth quarter. The program will consolidate mineralisation within the Globe open pit as well as test extensions, known as Globe Deeps, beneath the final pit floor design. No assay results have been received yet.

A deep drilling program at the historic Blackwater underground mine commenced in November 2011. The first hole (WA21) has been drilled PQ diameter to 643m depth to date and is expected to reach target depth of 1270m in first quarter 2012.

Helicopter assisted diamond drilling at Big River commenced in 2011. During the year, 19 holes for 3,980m were completed including six holes for 1,318m completed in the fourth quarter (drill holes BR0014 to BR0019) (Figure 4). Drilling targeted two sub-parallel zones (upper and lower) of high-grade gold mineralisation adjacent to the historical Big River mine. The Big River mine extended to 600m below surface and historically produced 135,974 ounces at an average grade of 34.1 g/t Au. Screen-fire and standard fire gold assay results have been received for five holes (BR0014 to BR0018). New intercepts are summarised in Table A. Mineralisation has been tested 260m along strike and approximately 360m down dip from surface (Figure 4). Mineralisation remains open along strike to the north and locally down dip. Helicopter assisted diamond drilling will continue in first quarter 2012.

The Crushington group of historical workings is located four kilometres north of the Reefton processing plant and produced over 500,000 ounces of gold at an average grade of approximately 16 g/t Au. A seven hole 1,046m helicopter assisted diamond drilling program was completed during the quarter (Figure 3). Drilling targeted coincident arsenic-antimony-gold soil anomalies along strike from historic workings. Best result was 0.5m down hole at 3.33 g/t Au from 180.1m depth from hole CR005. No additional drilling is planned at Crushington during 2012.

A seven hole (HVS001 to HSS007) diamond drill program for 791m was completed at Happy Valley Shear, located four kilometres south of the Reefton processing plant. Results for the first 3 holes have been received, with the best result from drill hole HVS003 with 6m (down hole) or 2.6m true width @ 17.57 g/t Au from 54m depth, including 0.5m down hole (0.2m true width @ 198.5 g/t Au), (Table B). The potential for additional drilling will be evaluated upon receipt of all gold assays.

Six reverse circulation (RC) holes for 496.5m were completed on the Merrijigs permit located four kilometres south of the Reefton processing plant. Results have been received and are of low tenor. No additional drilling is currently planned.

At Target 38, a two hole, helicopter-assisted diamond drilling program commenced late in fourth quarter targeting a coincident arsenic-gold soil anomaly. The area is located five kilometres south of the Reefton processing plant. Drilling will continue in first quarter 2012.

Near surface sampling using portable jack hammers capable of collecting geochemical samples up to 10m below surface continue to provide encouraging results with more than 284 samples collected during the quarter and over 1,750 samples during 2011. Sampling during the quarter tested two main areas including north and south of the Souvenir Open Pit and east of the Empress resource. Results from sampling have closed off surface mineralisation along strike to the north and south of Souvenir Open Pit and to the northwest of the Big River prospect.

Figure 3: Reefton exploration overview

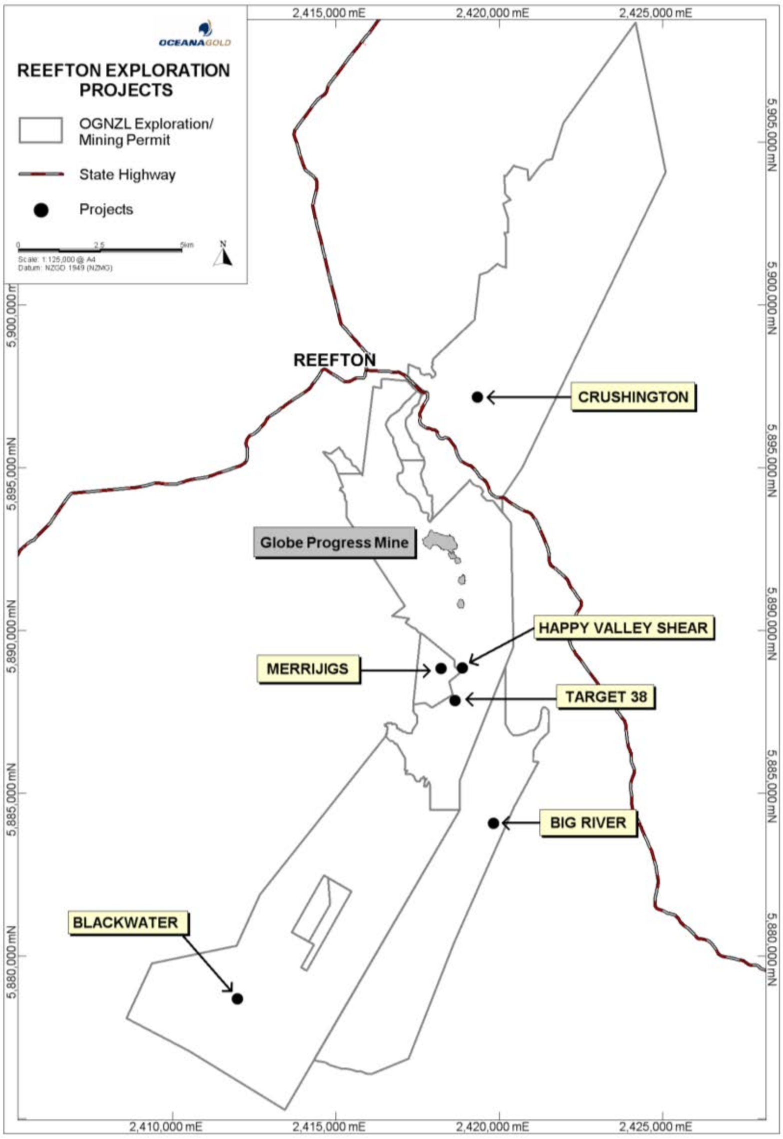
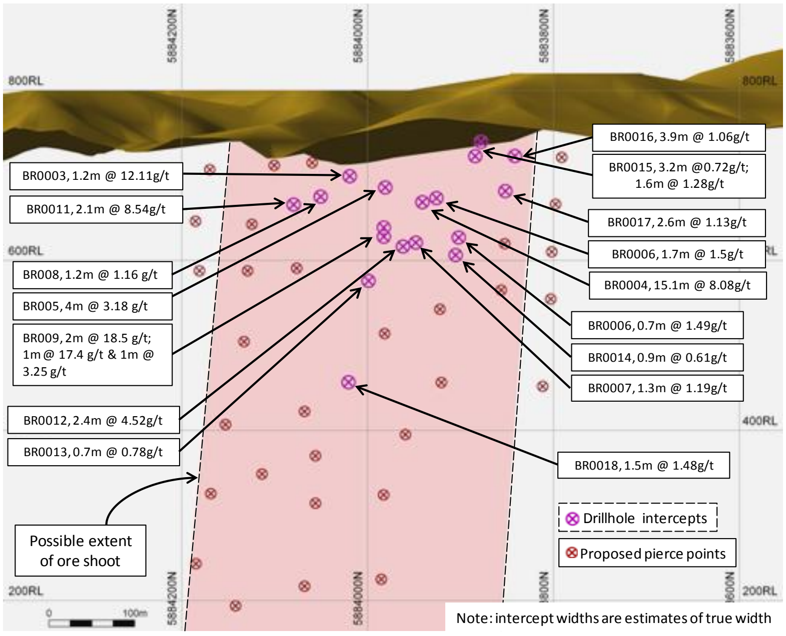


Figure 4: Big River long section (Reefton)



Macraes Goldfield

Underground exploration and resource infill drilling continued at the Frasers Underground mine with 1,676m drilled and 12 diamond drill holes completed in the fourth quarter. For the full year 2011, 10,922m were drilled and 70 diamond drill holes were completed. The drilling confirmed mineralisation extends to the north and north-east of the underground workings and the deposit remains open in both directions. The underground exploration drive advanced a further 57m during the quarter and 468m for the full year 2011, providing access down-dip for step-out and infill underground drilling.

An updated resource statement for the Frasers Underground was released in December 2011. Total measured and indicated resources for the Frasers Underground now stand at 10.2Mt @ 2.26 g/t gold for 745Kozs. This is an increase of 118,000 ounces of contained gold (after mining depletion) since December 2010. Frasers Underground mine life is now expected to extend to at least 2017. Exploration drilling will continue in the down dip areas of Panel 2 to convert inferred resources to reserves.

A four hole surface drill program planned to test potential extensions to mineralisation to the south west from Frasers Underground mine commenced in late October. To date two holes (RCD5448 and 5449) have been completed and two holes (RCD5450 and 5451) are currently being drilled for a total of 880m. No assay results have been received.

A two hole RC drill programme (RCD5452 and 5453) for 568m was completed at Golden Bar on Dunback Permit (EP 40 524) targeting mineralisation down plunge. No assay results have been received.

A four hole drill program commenced in December targeting blind mineralisation located between 2.5 and 3.5 kilometres north of the Frasers open cut. Drilling is expected to continue through first quarter 2012.

Figure 5: Exploration drilling activity at Macraes during the quarter was conducted at several locations including immediately south of the Fraser Underground mine and between 2.5 and 3.5 kilometres north of Macraes Open Pit.

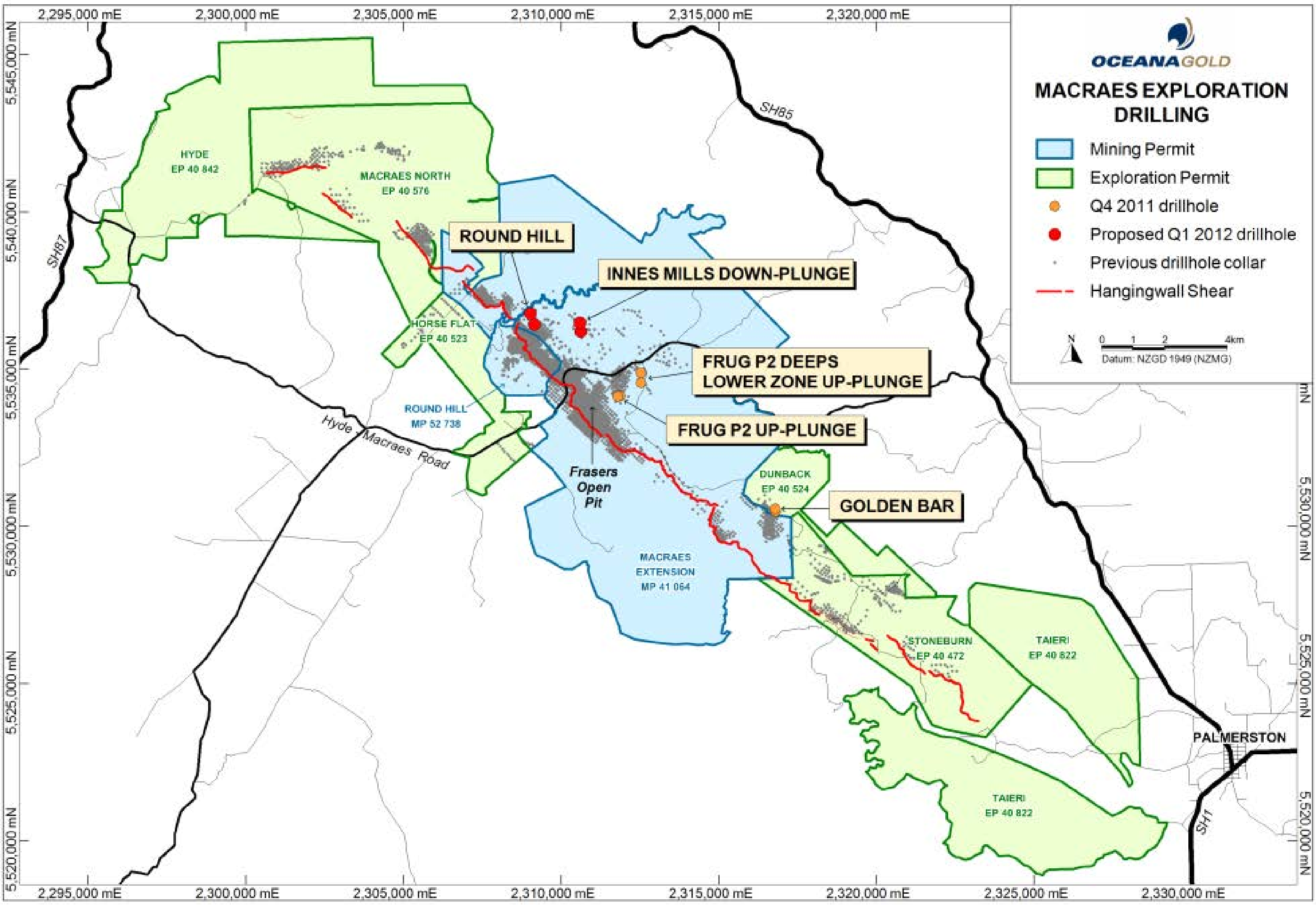


Table A: Big River (Reefton) Drill Results

Hole ID		From (m)	To (m)	Intercept (m)	True Width (m)	Au (g/t)
BR0006		132.7	135.1	2.4	1.7	1.5
		188.0	190.0	2.0	1.4	0.82
		193.0	194.0	1.0	0.7	1.49
BR0011		128.0	128.7	0.7	0.6	4.76
		139.0	141.5	2.5	2.1	8.54
	including	141.0	141.5	0.5	0.4	22.7
		173.0	175.0	2.0	1.7	0.68
		184.0	186.0	2.0	1.7	1.48
BR0012		170.0	174.0	4.0	2.4	4.52
		202.0	208.0	6.0	3.6	1.22
BR0013	No significant results					
BR0014	No significant results					
BR0015		82.0	86.0	4.0	3.2	0.72
		98.0	100.0	2.0	1.6	1.28
		103.0	106.0	3.0	2.4	0.54
BR0016		99.9	104.9	5.0	3.9	1.06
BR0017		130.0	134.0	4.0	2.6	1.13
BR0018		298.0	300.0	2.0	1.5	1.48
BR0019	Results Pending					

Results quoted in table A are intercepts returning ≥1 gram metres (true width (m) multiplied by gold grade in grams per ton)

Table B: Happy Valley Shear (Reefton) Drill Results

Hole ID		From (m)	To (m)	Intercept (m)	True Width (m)	Au (g/t)
HVS001	Preliminary	103.0	105.0	2.0	0.9	1.84
HVS002	Preliminary	47.0	50.0	3.0	2.0	1.59
		59.0	65.0	6.0	4.1	2.52
HVS003	Preliminary	54.0	60.0	6.0	2.6	17.57
	Including	58.0	58.5	0.5	0.2	198.5
	Preliminary	78.0	81.0	3.0	1.3	1.40
	Preliminary	91.0	106.0	15.0	6.5	1.83
HVS004	Results Pending					
HVS005	Results Pending					
HVS006	Results Pending					

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PHILIPPINES

Exploration expenditure in the Philippines for the quarter totalled $0.3 million and $1.2 million for FY2011.

Didipio

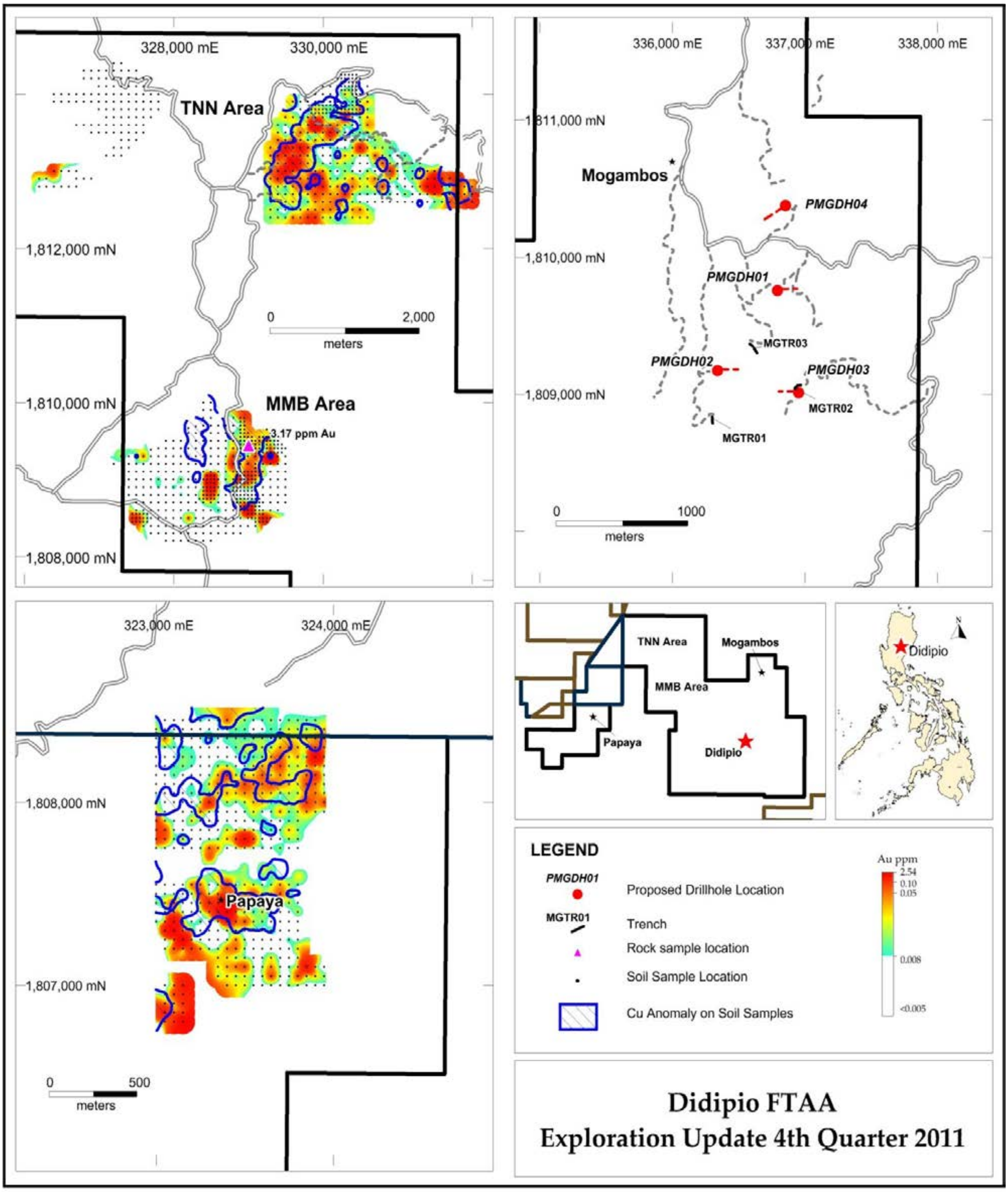
Exploration continues to focus on the FTAA areas (Figure 6). Planning of a drill program at the Mogambos prospect is on-going with the selection of the drilling contractor. Initially four ‘scout’ drill holes aggregating 1,200 metres will be drilled to test the 2.5km by 300-800m Au-Cu soil anomaly previously defined.

Grid soil sampling at MMB and TNN areas, located approximately 10km northwest of the Didipio Cu-Au project has identified several Au-Cu-As geochemical anomalies. At MMB, a 1.1-km long by 300-m wide, N-S trending, strong coincident Au-Cu anomaly with associated Pb, Zn, Ba, and Mo was delineated. One sample of clay-silica altered rock within this anomaly returned 3.17 g/t Au. The geochemical signature and alteration assemblages are consistent with high-level porphyry Cu-Au style mineralisation.

At TNN, a NE-SW trending, a 1.8-km long by 400-m wide, Au-Cu soil anomaly with partly coincident Ba-Zn was delineated. To the southeast of this, several Au soil anomalies were identified that remain open to the south and east. Additional soil geochemical sampling is on-going to deliniate the extents of these anomalies. Geological mapping at TNN identified hydrothermally altered calc-alkaline and alkaline intrusions consistent with porphyry-style mineralisation.

Grid soil sampling of the Papaya project has been completed. Results identified two multi-element geochemical anomalies. The first, located at the northern part of the soil grid, is 120m wide by 680m long, NE-SW trending, Au-Cu-As-Mo anomaly. This is located at the central and southern part of the soil grid and comprises a strong Au-Cu-As-Mo coincident anomaly, about 250 metres in diameter. Highest gold assay is 1.28 ppm while copper is up to 1,201 ppm. Geologic mapping identified a monzonite porphyry exposed in the lower sections of the prospect. Malachite stains were noted in areas where there were high Cu assays in previous samples. These geochemical anomalies will be drill-tested in second quarter 2012.

Figure 6: Schematic results of the MMB, TNN, and Papaya prospects soil sampling programs; and proposed location of scout drill holes at the Mogambos prospect, Didipio FTAA.



FINANCIAL SUMMARY

The table below provides selected financial data comparing Q4 2011 with Q3 2011 and Q4 2010 together with Full Years 2011, 2010 and 2009.

STATEMENT OF OPERATIONS	Q4 Dec 31 2011 $'000	Q3 Sep 30 2011 $'000	Q4 Dec 31 2010 $'000	Year 2011 $'000	Year 2010 $'000	Year 2009 $'000
Gold sales	106,603	103,455	93,777	395,609	305,638	237,057
Cost of sales, excluding depreciation and amortisation	(58,854)	(57,453)	(39,927)	(216,789)	(150,697)	(121,310)
General & Administration	(3,636)	(4,008)	(2,984)	(14,537)	(13,805)	(9,179)
Foreign Currency Exchange Gain/(Loss)	328	1,322	(1,533)	320	(961)	(24)
Other income/(expense)	(779)	(46)	(74)	(680)	(660)	(366)
Earnings before interest, tax, depreciation & amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges)	**43,662**	**43,270**	**49,259**	**163,923**	**139,515**	**106,178**
Depreciation and amortisation	(21,520)	(24,424)	(15,402)	(85,822)	(69,337)	(66,181)
Net interest expense	(3,523)	(3,307)	(3,438)	(12,909)	(14,780)	(14,389)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	**18,619**	**15,539**	**30,419**	**65,192**	**55,398**	**25,608**
Tax on earnings / loss	(4,283)	(4,627)	(9,764)	(21,025)	(22,638)	(11,865)
Earnings after income tax and before gain/(loss) on undesignated hedges	**14,336**	**10,912**	**20,655**	**44,167**	**32,760**	**13,743**
Gain on fair value of undesignated hedges	-	-	(1)	-	16,215	58,241
Tax on (gain)/loss on undesignated hedges	-	-	325	-	(4,540)	(17,472)
Net earnings	**14,336**	**10,912**	**20,979**	**44,167**	**44,435**	**54,512**
Basic earnings per share	$0.05	$0.04	$0.08	$0.17	$0.20	$0.32
Diluted earnings per share	$0.05	$0.04	$0.08	$0.17	$0.20	$0.29
CASH FLOWS						
Cash flows from Operating Activities	56,010	22,216	46,067	154,555	52,260	94,183
Cash flows from Investing Activities	(47,744)	(37,491)	(32,347)	(146,595)	(107,809)	(71,013)
Cash flows from Financing Activities	(4,595)	(2,733)	105,187	(16,110)	186,798	2,933

BALANCE SHEET	As at Dec 31 2011 $'000	As at Dec 31 2010 $'000	As at Jan 1 2010 $'000
Cash and cash equivalents	169,989	181,328	42,423
Other Current Assets	56,491	47,320	30,032
Non Current Assets	591,155	477,568	433,541
Total Assets	**817,635**	**706,216**	**505,996**
Current Liabilities	123,623	63,091	185,061
Non Current Liabilities	215,772	209,984	138,656
Total Liabilities	**339,395**	**273,075**	**323,717**
Total Shareholders' Equity	**478,240**	**433,141**	**182,279**

RESULTS OF OPERATIONS

Net Earnings

The Company reported fourth quarter net earnings of $14.3 million, a decrease when compared to $21.0 million in fourth quarter 2010. The result was however 31.4% higher than the third quarter result of $10.9 million which was attributable to a reduction in depreciation and amortisation and slightly higher gold production. The full year net earnings was $44.2 million and compares to $44.4 million in FY2010. Significant contributors to the higher operating costs in 2011 was the strength of the New Zealand dollar and the lower volume of capitalised stripping (pre-strip) with more waste expensed rather than capitalised compared to the prior year.

Total production of 252,499 ounces for FY2011 was 6.0% lower than the production of 268,602 ounces in FY2010. This lower production was primarily due to, underperformance at Reefton Open Pit mine combined with lower ore grades at all mine sites.

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 highlighted as measures of operational performance.

The Company reported EBITDA (before gains/losses on undesignated hedges) of $43.7 million in the fourth quarter and $163.9 million for FY2011 compared to $139.5 million in FY2010. This is a strong operating result and reflects higher gold revenue from increased gold prices despite being offset by lower production and increased costs.

The earnings excluding hedges, and before income tax was a profit of $65.2 million for FY2011 compared to $55.4 million profit in FY2010.

Sales Revenue

Gold revenue in FY2011 of $395.6 million is a 29% increase over FY2010 due to 39.2% higher gold prices received offset by a 7.0% decrease in sales volumes. The average gold price received in the fourth quarter was $1,705 per ounce compared to $1,706 in the previous quarter. The full year average gold price was $1,587 compared to $1,140 in 2010.

Gold sales volumes for FY2011 of 249,261 ounces were 7.0% lower than FY2010 (sales of 268,087 ounces).

Undesignated Hedges Gains/Losses

Undesignated hedge gains and losses calculated as a fair value adjustment of the Company's undesignated hedges up to March 2010 were previously brought to account at the end of the reporting period, and reflected changes in the spot gold price. This adjustment also included entries made to take account of gold deliveries into the hedge book as the derivative liability was released. These valuation adjustments reflected a gain of $16.2 million attributable to the first quarter of 2010 prior to close out of the hedge book and in FY2009 a gain of $58.2 million.

Proceeds from an equity financing in March 2010 were utilised to settle all outstanding forward and call derivative instruments. The Company's current policy is to remain unhedged with all gold production sold into the market at spot rates.

Operating Costs & Margins

Cash costs per ounce sold were $875 for FY2011 an increase of 53.5% compared to FY2010 costs of $570. This increase reflects increased costs for mining with less pre-strip taking place plus higher costs in USD's due to the strength of the NZD against the USD during 2011. The cash costs per ounce for the fourth quarter were $947. This included a year end inventory adjustment for the low grade ore based on the annual assessment of net realisable value. This does not directly arise from the operational performance in the last quarter but is included in total cash costs for reporting purposes as changes in inventory values are included in cash costs. Excluding the inventory adjustment cash costs were $890 per ounce in the quarter.

The average cash margin was $712 per ounce, for FY2011, compared to $570 per ounce in FY2010. The cash margin in the fourth quarter was $758 and resulted in EBITDA (excluding undesignated hedge gains/losses) of $43.7 million for that quarter, compared to $43.3 million in the previous quarter.

Depreciation and Amortisation

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

Depreciation and amortisation charges are calculated on a unit of production basis and totalled $85.8 million for FY2011 compared to $69.3 million for FY2010. These charges have risen compared to the previous year due to increased amortisation of pre-strip allocated to ore costs and increased depreciation due to the acquisition of additional equipment.

Net Interest Expense

The net interest expense of $12.9 million for FY2011 is less than $14.8 million incurred in FY2010 and reflects increased interest income from funds on deposit offsetting interest costs associated with convertible notes and finance leases.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were $154.6 million in FY2011 compared to $52.3 million in FY2010. The cash flow was $56.0 million in the fourth quarter compared to $22.2 million for the previous quarter. The cash flow benefited significantly from the higher gold prices in 2011 compared to the prior year. It should be noted that the operating cash flows for FY2010 were after payment of $71.8 million to settle hedge contracts at March 2010.

Investing Activities

Investing activities comprised expenditure for pre-strip mining and sustaining capital at the New Zealand operations, plus capitalised development costs mainly associated with the construction of the Didipio Project in the Philippines.

Cash used for investing activities totalled $146.6 million compared to $107.8 million in 2010. The expenditure reflects the acquisition of new equipment at the Macraes Open Pit along with $49.5 million of capitalised pre-strip mining. Development costs were $69.5 million with the majority for the Didipio Project. The fourth quarter investment out flows of $47.7 million was higher than Q3 2011 of $37.5 million.

Financing Activities

Financing outflows for FY2011 were $16.1 million compared to cash inflows of $186.8 million in 2010. The outflow predominantly represented lease payments of $16.3 million offset by sundry proceeds from capital issues. The FY2010 inflows included equity placements for $190.2 million.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the year ended December 31, 2011, the Company earned a net profit of $44.2 million. As at that date, cash funds held were $170.0 million. Current liabilities were $123.6 million at year end. Cash flow projections indicate sufficient funds will be available to meet all operating obligations in the next twelve month period.

Commitments

OceanaGold's operating lease commitments as at December 31, 2011 are as follows:

	2011 $'000
Within 1 year	5,034
Within 1 to 2 years	4,342
Within 2 to 3 years	2,870
Within 3 to 4 years	290
Within 4 to 5 years	70
More than five years	-
	12,606

OceanaGold's capital lease commitments as at December 31, 2011 are as follows:

	2011 $'000
Within 1 year	18,252
Within 1 to 2 years	17,299
Within 2 to 3 years	14,881
Within 3 to 4 years	11,288
Within 4 to 5 years	6,741
More than five years	-
	68,461

OceanaGold's capital commitments as at December 31, 2011 are as follows:

	Dec 31 2011 $'000
Within 1 year	40,798

This includes equipment for New Zealand operations and contracts supporting the construction of the Didipio Project.

Financial position

Current Assets

As at December31, 2011 current assets were $226.5 million compared to $228.6 million at the end of the prior year. Current assets have decreased by $2.1 million during 2011 primarily due to a decrease in cash of $11.3 million offset by increases in inventory and a decrease in receivables due to a reduced level of gold ounces sold in the final year end shipment.

Non-Current Assets

At December 31, 2011 non-current assets were $591.2 million compared to $477.6 million at the end of the prior year under IFRS reporting. Inventories have increased $13.6 million reflecting increased ore tonnes and higher costs. The expenditure of $77.1 million on Property, Plant and Equipment and, Mining Assets was higher than depreciation and amortisation due to the acquisition of additional equipment (some of which was leased). Expenditure in FY2011 for the construction of the Didipio Project was $65.6 million.

Current Liabilities

Current liabilities increased by $60.5 million over 2011 to $123.6 million compared to $63.1 million at December 2010. The majority of this increase was triggered by the reclassification of convertible notes totalling $56.9m to current as they are due in December 2012. In addition accounts payable increased $11.1 million reflecting increased costs and a ramp up of activities at Didipio. This was offset in part by a decrease of $8.7 million in current lease liabilities as leases were paid and some residual liabilities reset for settlement over a period longer than one year.

Non-Current Liabilities

Non-current liabilities were $215.8 million at December 31, 2011, compared with $210.0 million at the end of the prior year. A decrease in convertible notes of $56.9 million as a result of being classified current was offset by increases in leasing of $23.4 million associated with new equipment and extending the lease residual settlement on certain leases. In addition there was a $26.3 million increase in deferred tax liabilities reflecting the utilisation of tax losses and an increase of $8.8 million in asset retirement obligations.

Derivative Assets / Liabilities

For the period ended December 31, 2011 the company did not hold any financial or gold sales contracts.

Shareholders' Equity

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

	Year Ended Dec 31 2011 $'000
Total equity at beginning of financial period	**433,141**
Profit/(loss) after income tax	44,167
Movement in other comprehensive income	(2,856)
Movement in contributed surplus	3,274
Equity raising (net of costs)	514
Total equity at end of financial period	**478,240**

Shareholders' equity has increased $45.1 million to $478.2 million at December 31, 2011as a result of a profit earned for the period, and currency translation differences reflected in Other Comprehensive Income that arise from the translation of entities with a functional currency other than USD.

Capital Resources

As at December 31, 2011, the share and securities summary was:

Shares outstanding	262,642,606
Options outstanding	7,404,540

As at February 16, 2012 there was no change in shares and securities:

Shares outstanding	262,741,602
Options outstanding	7,057,785

As at December 31, 2010, the share and securities summary was:

Shares outstanding	262,062,610
Options outstanding	5,645,153

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

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. The accounting policies that involve significant management judgment and estimates are discussed in this section. For a list of the significant accounting policies, reference should be made to Note 2 of the 2011 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 Comprehensive Income.

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 discounted future cash flows from these assets, the assets are written down to the fair value of the estimated future cash flows based on OceanaGold's discount rate for the asset.

Derivative Financial Instruments /Hedge Accounting

The consolidated entity has used 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 the current forward exchange rate for contracts with similar maturity profiles.

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 instalments 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. Deferred tax assets including tax losses are recognised to the extent that it is probable that the company will generate future taxable income. Utilisation of the tax losses also depends on the ability of the entities to satisfy certain tests at the time the losses are recouped.

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.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognised in the statement of income.

ACCOUNTING ESTIMATES

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; possible variations of ore grade or recovery rates; changes in project parameters; 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; general business, economic, competitive, political and social uncertainties 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

Adoption of new accounting policies

International Financial Reporting Standards ("IFRS")

With effect from January 1, 2011 the Company adopted IFRS. The balance sheet was converted as at January 1, 2010 to establish opening balances to support the comparative information as at and for the period ended December 31, 2010 included in the 2011 financial statements. The impact of the adoption and reporting of IFRS is disclosed in the December 31, 2011 consolidated financial statements.

Accounting policies effective for future periods

IFRS 1 - "Exemption for severe hyperinflation and removal of fixed dates"
Amended to create additional exemptions (i) for when an entity that has been subject to severe hyperinflation resumes presenting or presents for the first time, financial statements in accordance with IFRS, and (ii) to eliminate references to fixed dates for one exception and one exemption, both dealing with financial assets and liabilities. Effective for annual periods beginning on or after July 1, 2011. Not expected to have an impact on the Company as IFRS adopted January 1, 2011.

IFRS 7 – "Financial instruments" – disclosures
Amended to require additional disclosures in respect of risk exposures arising from transferred financial assets. Effective for annual periods beginning on/after July 1, 2011. Not expected to have a material effect on the Company.

IAS12 – "Deferred tax accounting for investment property at fair value"
Amended to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. Effective for annual periods beginning on or after January 1, 2012. Not expected to have an impact on the Company as there are no investment properties.

IFRS 9 – "Financial instruments - classification and measurement"
This is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two Measurement categories: amortised cost and fair value. All equity instruments are measured at fair value.

A debt instrument is at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. Effective for years beginning on/after January 1, 2015. The group does not have any liabilities designated at fair value so there is no impact expected for reporting.

IFRS 9 – *"Financial instruments – classification and measurement"*
Updated to include guidance on financial liabilities and de-recognition of financial instruments. Effective for years beginning on/after January 1, 2015. The Company has not assessed the impact of this new standard.

IAS 1 – *"Presentation of items of other comprehensive income ("OCI")"*
Change to the disclosure in OCI, including a requirement to separate items presented into two groups based on whether or not they may be recycled to profit or loss in the future. Effective for years beginning on/after July 1, 2012.

IAS 19 – *"Employee benefits"*
Amended for (i) changes to recognition and measurement of defined benefit pension expense and termination benefits, and (ii) expanded disclosure. Effective for years beginning on/after January 1, 2013. No impact as the Company does not have defined benefit plan.

IFRS 13 – *"Fair value measurement and disclosure requirements"*
Provides a single source of guidance on how to measure fair value and enhances disclosure requirements for fair value measurements. Effective for years beginning on/after January 1, 2013. Not expected to have a material effect on the Company.

"*New standards addressing scope of reporting entity"*

IFRS 10, - "*Consolidated Financial Statements"*,
IAS 27, - "*Consolidated and Separate Financial Statements",* and
SIC-12, - "*Consolidation – Special Purpose Entities"*
IFRS 11, - "*Joint Arrangements"*
Entities in joint operations will follow accounting for jointly controlled assets and jointly controlled operations under IAS 31.
IFRS 12, - "*Disclosure of Interests in Other Entities"*,
Effective for years beginning on/after January 1, 2013.
Not expected to have a material effect on the Company disclosure.

IFRIC 20 - "Stripping costs in the production phase of a surface mine"

Provides guidance on the accounting for overburden (pre-strip) in the production phase. Costs can only be recognised as an asset if they can be attributed to an identifiable component of the ore body. Effective January 1, 2013. This approach is consistent to the betterment approach currently adopted by the Group so any impact will not be significant.

IFRS 7 - *"Financial instruments" – disclosures*
Amended to enhance disclosure requirements relating to offsetting of financial assets and financial liabilities. Effective for annual periods beginning on/after January 1, 2013. Not expected to affect the accounting of offsetting arrangements or have a material effect on the Company.

IAS 32 - *"Financial instruments" – presentation*
Amended to clarify requirements for offsetting of financial assets and financial liabilities. Effective for annual periods beginning on/after January 1, 2014. Not expected to affect the treatment of offsetting arrangements or have a material effect on the Company.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended March 31, 2010 through to December 31, 2011. 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. On adoption to IFRS there were no material differences to the income statements and management believe the results are comparable as they were prepared on a consistent basis.

	Dec 31 2011 $'000	Sep 30 2011 $'000	Jun 30 2011 $'000	Mar 31 2011 $'000	Dec 31 2010 $'000	Sep 30 2010 $'000	Jun 30 2010 $'000	Mar 31 2010 $'000
Gold sales	106,603	103,455	94,805	90,746	93,777	83,344	80,218	48,299
EBITDA (excluding undesignated gain/(loss) on hedges)	43,662	43,270	32,994	43,998	49,259	42,608	39,169	8,479
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	14,336	10,912	4,147	14,772	20,655	13,683	7,968	(9,547)
Net earnings/(loss)	14,336	10,912	4,147	14,772	20,979	13,683	7,958	1,814
Net earnings per share								
Basic	$0.05	$0.04	$0.02	$0.06	$0.08	$0.06	$0.03	$0.01
Diluted	$0.05	$0.04	$0.02	$0.06	$0.08	$0.06	$0.03	$0.01

The most significant factors causing variation in the results are the variability in the grade of ore mined from the Macraes and Reefton open pit mines 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 revenue and returns. Adding to the variation are large movements in foreign exchange rates between the USD and the NZD.

NON-GAAP MEASURES

Throughout this document, we have provided measures prepared according to IFRS ("GAAP"), as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a 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 18.

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.

	Q4 Dec 31 2011 $'000	Q3 Sep 30 2011 $'000	Q4 Dec 31 2010 $'000	Year 2011 $'000	Year 2010 $'000	Year 2009 $'000
Cost of sales, excluding depreciation and amortisation	58,854	57,453	39,927	216,789	150,697	121,310
Depreciation and amortisation	21,520	24,424	15,402	85,822	69,337	66,181
Total cost of sales	80,374	81,877	55,329	302,611	220,034	187,491
Add sundry general & administration	358	551	607	1,402	2,049	2,000
Add non cash & selling costs	311	362	149	1,412	470	(607)
Total operating cost of sales	81,043	82,790	56,085	305,425	222,553	188,884
Gold Sales from operating mines (ounces)	62,515	60,646	68,027	249,261	268,087	300,044
Total Operating Cost ($/ ounce)	1,296	1,365	825	1,225	830	630
Less Non-Cash Cost ($/ ounce)	349	409	229	350	260	219
Cash Operating Cost ($/ ounce)	947	956	596	875	570	411

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, 2011. 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 December 31, 2011 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 December 31, 2011.

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

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