



Chairman's Address : Jim Askew
OceanaGold Annual General Meeting for FY2008
June 5, 2009

2008 was an important, yet challenging year for OceanaGold. Company performance was substantially below forecast for the first half then improved over the second half of the year. This, combined with a general decline in resource equities translated into a very severe reduction in our share price over the period.

The inflationary environment prevailing throughout the mining industry coming into 2008 affected virtually all inputs to our business, both in capital costs at the Didipio project and operating costs in our New Zealand mines. Come the third quarter, the world was faced with enormous challenges as the global financial crisis emerged and all organizations were in defence mode for the uncertainty that lie ahead. The Company was forced to make tough decisions, which included putting the Didipio project on care and maintenance and implementing staff reductions. These were difficult but necessary decisions, to ensure long-term viability for the Company.

Today as we reflect on 2008, OceanaGold is in a much stronger position moving forward. The Company commissioned the Frasers Underground mine and after ironing out a few wrinkles, this operation was performing to plan by the third quarter, making an important contribution to the production from the Macraes Complex. Frasers, combined with the Reefton open pit gold mine, have significantly de-risked the New Zealand business. There are now three operating mines producing a combined 280,000 – 300,000 ounces per year. OceanaGold is now a top five Australasian based gold producer.

The New Zealand production platform has established a solid foundation for future growth. Subsequent to the completion of 2008, we announced the Panel 2 Deeps discovery at the Frasers Underground. This new area of mineralization is promising and we expect the area of interest will be expanded as the year progresses. In New Zealand, the focus is now shifting from mine development and commissioning to reserve expansion through exploration. The Panel 2 Deeps announcement was the first of what we expect will be a steady stream of news flow as we pursue this initiative over the next 12-18 months.

In the Philippines, substantial initial progress was made on the Didipio project construction, until activities were slowed and ultimately put on care and maintenance during the fourth quarter. The dramatic reversal of the inflationary environment in 2009 has resulted in a reduction to virtually all commodity costs. This has provided an opportunity for us to re-evaluate the cost to complete the Didipio project and establish a strategy to re-commence construction. These studies are ongoing and we expect to update the market on these later this year.

My opening comments on the poor performance of the Company during 2008, irrespective of the external inflationary and operating cost pressures we experienced, have resulted in a comprehensive review of all parts of our Company. Complementary with operating improvements, we are reviewing options to reduce leverage on our balance sheet and increase the Company's financial flexibility. We currently have high levels of debt and gold hedging structures which expire at the end of 2010. Both of these are out of favour with many investors. The Company remains focused on these issues, in parallel with our core operating responsibilities. We will continue to examine options that will unlock value for shareholders both at the corporate and operational level.

It is truly a "golden time" to be a significant gold producer. While gold has retreated after punching through US\$1000 per ounce early in 2008, the price remains strong and has been one of the few asset classes to outperform over the past 18 months. Of the producer currencies, the NZ\$ gold price has been an especially bright light, exceeding NZ\$1900 per ounce during the first quarter this year.

In addition, supply/demand fundamentals continue to be promisingly bullish. The First Quarter of 2009 saw gold demand up 38% over the same period last year. The main contributors were coin demand (up 154%) and inflows into the Exchange Traded Funds (ETFs) which were up a staggering 540%. This was offset by decreased jewellery and industrial consumption, both down by 20-40%. During this same period, supply increased by 34% when compared to 2008 but this was mainly driven by a 55% increase in scrap gold returning to the market. Actual mine production was up only 3% which underscores the inability of producers to keep up with investment demand should the same trends continue. With demand outstripping supply, the future for gold looks bright, particularly for those companies with low geopolitical risk operations.

This will be Steve Orr's last formal presentation for the Company prior to his departure on 30 June. On behalf of the Board and the Company, I would like to take this opportunity to acknowledge Steve's contribution over the last 5 years. Steve joined the Company shortly after the public listing in Australia and New Zealand in 2004, when the Company was a one mine operation producing some 160,000 oz per year. During his tenure, both the Reefion open-pit and Frasers Underground projects have been financed, built and commissioned, resulting in the New Zealand operations which, as I said earlier, are now producing 280,000-300,000 oz of gold per annum. In addition, the merger with Climax Mining was completed in 2006. This added further growth to the pipeline with the Didipio gold-copper project in the Philippines. Today, OceanaGold is a significant Pacific-Rim gold producer and is on a stable footing to take advantage of opportunities moving forward. We wish Steve great success with his future endeavours.

On behalf of the shareholders I would also like to pass on the Board's thanks to the many men and women who make up the OceanaGold team. The teams in Melbourne, New Zealand, and the Philippines did an admirable job managing the challenges that we all faced in 2008. "People are our Business" and our team are key to the Company's success in the future.

Jim Askew
Chairman
OceanaGold Corporation