



MEDIA RELEASE

4 October 2010

OCEANAGOLD ANNOUNCES CDN\$115.5 MILLION BOUGHT DEAL PRIVATE PLACEMENT

(MELBOURNE) OceanaGold Corporation (**ASX: OGC, TSX: OGC, NZSE: OGC**) (the "**Company**") is pleased to announce that it has entered into an agreement with a syndicate of underwriters, led by Macquarie Capital Markets Canada Ltd. and Citigroup Global Markets Canada Inc., pursuant to which the underwriters have agreed to purchase special warrants ("**Special Warrants**") and common shares in the Company ("**Common Shares**") available as ASX listed CHESS depository interests ("**CDIs**") (together "**Securities**"), on a bought deal basis, at a price of CDN \$3.50 per Security (the "**Offering Price**") for aggregate gross proceeds of CDN \$115.5 million (the "**Offering**"). CDIs shall be purchased at the Australian dollar equivalent of the Offering Price. Each Special Warrant will entitle the holder thereof to receive, without payment of additional consideration, one TSX listed Common Share.

The Offering is expected to close on 20 October 2010. The CDI's will be freely tradable on the ASX the business day following closing. The Special Warrant and CDI placements are subject to certain customary conditions and regulatory approvals, including the approval of the Toronto Stock Exchange.

Special Warrants will be deemed exercised on behalf of holders, and without any required action or payment of additional consideration by the holders at the earlier of: (i) the third business day after the date of receipt for a final prospectus to qualify, in each of the qualifying jurisdictions the distribution of Common Shares to be issued upon exercise of the Special Warrants (the "Qualification Date"); and (ii) 4:59 p.m. (Toronto time) on the date which is four months and one day following the closing date.

The Company will use its best efforts to file and obtain a receipt for a final short form prospectus in the week beginning November 8, 2010 for the purpose of qualifying the distribution of underlying common shares issuable upon exercise of the Special Warrants.

The Company intends to use the net proceeds of the Offering to fund:

- A portion of the capital expenditure requirements (estimated at US\$140 million) for the development of the Didipio Gold/Copper Project in the Philippines;
- Future capital and exploration expenditure associated with extending mine life at the Company's New Zealand operations; and
- General working capital requirements.

In addition to the funds raised from the Offering, the Company is considering its options to finance the balance of capital expenditure associated with development of the Didipio Project. This may include one or

more of debt, internal cash flow or funding from the introduction of a joint venture partner. In this respect discussions are currently underway with a number of parties.

For further details on the Didipio Project, please refer to the Company's media release dated 20 September 2010.

Company Update

As outlined in the second quarter results announcement, the Company reiterates its forecast 2010 production guidance of 270,000 – 290,000 ounces. However due to adverse movements in the NZ\$ / US\$ foreign exchange rate cash costs are expected to be higher than the previously announced range of US\$455 to \$495 per ounce but lower than the first half 2010 results of US\$557 per ounce. The Company expects that this increase in unit costs will be more than offset by the recent increase in the US dollar gold price.

This media release does not constitute an offer to sell or the solicitation of an offer to buy securities in the United States or to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Persons") or any other jurisdictions outside of Canada, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and may not be offered or sold in the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. Any offering made will be pursuant to available prospectus and registration exemptions and restricted to persons to whom the securities may be sold in accordance with the laws of such jurisdictions and by persons permitted to sell the securities in accordance with the laws of such jurisdictions.

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 is 100% unhedged and produces between 270,000 – 300,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Gold-Copper Project in northern Luzon, Philippines.

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

Cautionary Statement regarding Forward Looking Information

Statements in this release may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements include, without limitation, statements with respect to completion of the Offering, use of expected net proceeds, any additional funding for the Didipio Project and commencement of construction and completion of the Didipio Project. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including, among others, risks associated with the timing of the Offering, pricing, currency fluctuations, the volatility of the Company's common shares in the market, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's Annual Information Form prepared and filed with securities regulators in respect of its most recently completed financial year. There are no assurances the Company can fulfil such forward-looking statements and, subject to applicable securities laws, the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking statements. It is also noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.

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