OceanaGold Corporation

2010
Full Year Results

Pictured: "Haast Eagle" sculpture at the Macraes Heritage and Art Park

Unlocking Embedded Value

February 17, 2011
www.oceanagold.com

Management's Discussion and Analysis of Financial Condition and Results of Operations for theYear Ended December 31, 2010

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, 2009, 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 recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize 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.

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Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2010

HIGHLIGHTS

- Sold 68,027 ounces of gold during the fourth quarter resulting in FY2010 gold sales of 268,087 ounces at cash operating costs of $570 per ounce
- Net Earnings of $21.0 million for the fourth quarter and $44.4 million for the year ended December 2010. Earnings before hedging and income tax was $55.4 million for 2010 compared to $25.6 million in 2009
- EBITDA (earnings before interest, taxes, depreciation and amortization and before gains/losses on hedges)* was $49.3 million for the fourth quarter and $139.5 million for FY2010 compared to $106.2 million the prior year.
- Completed a successful C$115.5 million equity raising during the quarter to support Didipio development
- Recruited key members of project management and construction team in the fourth quarter and commenced detailed engineering, design and procurement for the Didipio Project in the Philippines
- Announced in the fourth quarter that the "Globe Deeps" drill program at Reefton had successfully intersected mineralization 250m down plunge from current pit design
- Gold reserves in New Zealand increased to 2.15 million ounces net of mine depletion.

All statistics are compared to the corresponding 2009 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 22 for explanation of non GAAP measures.

OVERVIEW

Results from Operations

OceanaGold recorded gold sales for Q4 2010 of 68,027 ounces at cash costs of $596 per ounce. Sales for the FY2010 were 268,087 ounces at an average cash cost of $570 per ounce.

Sales for the fourth quarter and for the full year were slightly below expectations with cash costs per ounce in the middle of the guidance range. Lower throughputs combined with slightly lower recoveries in the fourth quarter at both Macraes and Reefton contributed to the lower sales for the quarter. Cash costs in US dollar terms increased throughout the year with key drivers being the stronger New Zealand dollar and increasing input costs.

Despite inclement weather in second and third quarters, combined with unplanned maintenance to the autoclave early in the year, overall throughputs through the processing plants in New Zealand were higher for the year helping to offset lower feed grades achieved. Recoveries were also an area of improvement year on year recording a 2% improvement to 81.6% for FY2010. These gains were a direct result of specific focus on process improvement throughout the year.

Cash operating margins continued to be robust with a margin of $783 per ounce recorded for the fourth quarter. Margins continued to expand over the year with the increasing gold price resulting in an average margin for the full year of $570 per ounce, notwithstanding the first quarter 2010 being constrained by a hedge book that was “out of the money.”

Cash flow from operations for FY 2010 was $52.3 million. However this was negatively impacted by a $71.8 million outflow used to settle the hedge book in Q1. Normalized cash flow from operations would have been $124.1 million for the year.

The Company announced in Q4 a plan to increase the mining rates at both the Macraes and Reefton operations in FY2011. This will require additional excavator and haulage equipment being added to complement the current fleet. The result will be a 13% increase in material movements at Macraes and a 33% increase to the mining rate at Reefton compared to FY2010. Some of the necessary equipment has already been commissioned with the balance of the equipment arriving at various times throughout 2011.

Didipio Project

The Didipio Project in Luzon province, Philippines was re-activated in Q4 following the release of a project re-optimization study, underwritten equity financing and the appointment of the Project Director.

Recruitment of the key members of the owner’s project management and construction team was undertaken in Q4 and pre-construction activities have commenced. In addition, the contract to complete the detailed design, engineering and procurement for the processing plant, water and electricity was awarded to Ausenco subsequent to year end. The Company expects to re-commence construction activities mid 2011 and has a target schedule to be in production by Q1 2013.

Exploration

The Company invested $10 million in exploration across the New Zealand operations in FY2010 with a focus on further extensions to mine life and on the generation of drill targets from greenfield prospects across the mining tenements. Subsequent to year end, the Company also announced increased gold reserves net of mine depletion at the New Zealand operations for the second year in a row. Proven and probable reserves in New Zealand now stand at 2.15 million ounces of gold.

Infill drilling along the Macraes line of strike improved the confidence of some resources to a higher classification and also identified additional targets for followup programs in 2011.

Broad-based step out drilling along strike and down dip at the Frasers underground mine indicated continuity of mineralization a further 300 metres beyond previous intercepts. Further drilling from an exploration drive will continue in 2011.

At Reefton, exploration focused on extending existing resources beyond the margins of existing pit shells. In particular, the “Globe Deeps” program has identified mineralization that continues 250 metres down plunge from the base of the current pit design. Analysis for the potential of an expanded pit or for underground mining will be evaluated in H1 2011.

Also at Reefton, exploration focused on identification and interpretation of the factors that control the location of mineralization outside the current mining footprint. Multiple targets were identified and scout drill testing of three targets within two kilometres of the Globe pit resulted in mineralized intercepts. Follow-up programs on these and other high-priority targets are planned for 2011.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q4 Dec 31 2010**	**Q3 Sep 30 2010**	**Q4 Dec 31 2009**	**Year 2010**	**Year 2009**	**Year 2008**
Gold Sales (Ounces)	68,027	67,672	72,140	268,087	300,044	264,124
	USD	USD	USD	USD	USD	USD
Average Price Received ($ per ounce)	1,379	1,232	927	1,140	790	822
Cash Operating Cost ($ per ounce)	596	568	485	570	411	532
Cash Operating Margin ($ per ounce)	**783**	**664**	**442**	**570**	**379**	**290**
Non-Cash Cost ($ per ounce)	229	266	265	260	219	190
Total Operating Cost ($ per ounce)	825	834	750	830	630	722
Total Cash Operating Cost ($ per tonne processed)	22.98	19.76	19.90	21.57	17.84	20.80

Combined Operating Statistics	**Q4 Dec 31 2010**	**Q3 Sep 30 2010**	**Q4 Dec 31 2009**	**Year 2010**	**Year 2009**	**Year 2008**
Gold produced (ounces)	67,007	68,763	72,094	268,602	300,391	259,812
Total Ore Mined (tonnes)	2,154,347	1,807,007	2,222,661	7,905,464	6,258,806	5,629,135
Ore Mined grade (grams/tonne)	1.42	1.46	1.40	1.43	1.85	1.69
Total Waste Mined (tonnes) - incl pre-strip	14,785,737	16,663,727	15,239,910	57,643,657	61,087,834	52,726,488
Mill Feed (dry milled tonnes)	1,763,817	1,944,344	1,757,515	7,081,488	6,913,713	6,737,962
Mill Feed Grade (grams/tonne)	1.54	1.33	1.59	1.45	1.68	1.52
Recovery (%)	77.9%	82.4%	79.7%	81.6%	80.0%	79.1%

Combined Financial Results	**Q4 Dec 31 2010 $'000**	**Q3 Sep 30 2010 $'000**	**Q4 Dec 31 2009 $'000**	**Year 2010 $'000**	**Year 2009 $'000**	**Year 2008 $'000**
EBITDA (excluding unrealized gain/(loss) on hedges)	49,259	42,608	28,237	139,515	106,178	66,109
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges	20,655	13,683	(4,151)	32,760	13,743	(3,545)
Reported EBITDA (including unrealized gain/(loss) on hedges)	49,258	42,608	22,087	155,730	164,419	(7,022)
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	20,979	13,683	(8,456)	44,435	54,512	(54,735)

PRODUCTION

Gold production for the fourth quarter of 2010 was 67,007 ounces, resulting in total production for FY2010 of 268,602 ounces. Production for the quarter was slightly higher than the previous period but as expected was approximately 10% lower for the Full Year as reflected in the Company's production guidance. Production for FY2010 is generally in line with future expectations from the New Zealand operations with production guidance for FY2011 set at 260,000 – 280,000 ounces. Cash cost guidance for FY2011 is $645-$685 per ounce.

Cash operating costs per ounce for the fourth quarter of 2010 was $596 per ounce resulting in $570 per ounce for FY2010. This compares to $411 per ounce for FY2009. The stronger New Zealand dollar along with lower gold sales when compared to 2009 were the key contributors to higher US dollar unit costs.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes operations (open-pit and underground) incurred no lost time injuries (LTI) for the quarter and two LTIs for the full year. The lost time injury frequency rate for 2010 (per 200,000 man hours) was 0.29 compared to 0.61 in 2009. The introduction of the Positive Attitude Safety System (PASS) during the first quarter of the year was a significant contributing factor to the improved outcomes. This has resulted in a greater safety focus by the workforce, particularly with regard to immediate hazard identification and corrective actions by the work crews.

Production from the Macraes Goldfield for the quarter was 47,359 gold ounces for a total of 182,759 ounces for the year. Quarterly production at Macraes was 5% lower than the previous quarter. This was largely attributable to lower mill throughputs (down 8%) and lower metallurgical recoveries due to a higher proportion of direct leaching of the Macraes concentrate. With continued performance above nameplate design at Reefton there was increased gold in concentrate produced from the NZ operations and thus additional material that cannot be processed through the autoclave is direct leached.

Total material movement at Macraes for FY2010 was 50.3 million tonnes compared to 53.4 million tonnes in 2009. The 6% lower movement in material of 3.1 million tonnes was mainly attributable to additional ore tonnes being mined on longer haulage cycle times than for overburden haulage.

Mining at the Macraes open cut was almost completed at stage "Frasers 4C" with the "Frasers 5" cutback providing the majority of the ore by the end of the year. "Frasers 5" will be the main source of ore for 2011.

As outlined in the Company's December 23rd news release, material movements are expected to increase at Macraes this year and this will require additional equipment to complement the current fleet. A new hydraulic excavator (a Hitachi EX3600) has been fully commissioned and is being used in tandem with the existing EX3600 for overburden removal. Combined with additional dump trucks which will arrive throughout the year, total material movement is planned to increase by about 13%.

At the Frasers underground mine, mining was undertaken in the 2E, 2F and 4D panels. Total ore mined for the quarter was 235,844 tonnes, resulting in 919,792 tonnes for 2010 which was 2% higher than FY2009. Development advance achieves was 1,656m for the quarter and 6,300 metres for the full year which was a 20% increase on 2009.

On 1 July 2010, the Company transitioned to 'owner-mining' to replace contract underground mining. The transition has gone to plan and a monthly production record for ore tonnes mined and development advance achieved post-transition. Total underground mining costs since the transition have decreased by approximately 9% and unit mining costs per ore tonne mined have decreased by 14%. A new mechanical cable bolter was commissioned during the quarter resulting in safer and faster installation of cable bolts used for ground support.

Underground mining is planned to continue down dip in Panel 2 in 2011. Resource drilling in this area will continue in the down dip areas of Panel 2 to convert inferred resources to measured & indicated resources and ultimately to reserves.

Mill throughput was 1.36 million tonnes compared to 1.48 million tonnes in the previous quarter. Lower throughputs were due to both planned and unplanned maintenance shutdowns, but overall the second half mill performance was to plan with a similar mill throughput expected in 2011. The full year throughput was 5.46 million tonnes compared to 5.64 million tonnes in 2009 which was 3% lower and attributable to ore hardness and a heavy rain event in H1 which negatively affected mill performance early in the year

Mill feed grade for the quarter was 1.40 grams per tonne and was well up on the previous quarter of 1.27 grams per tonne due to higher grade from the mined stages of "Frasers 5" in the open pit, and slightly higher grade out of the Frasers underground. Mill feed grade for the year was 1.28 g/t, 13% lower than FY2009. This was expected by the mine schedule given that higher grade benches were mined in FY2009 at the open pit operation. The expectation for

FY2011 is for a similar grade profile as was achieved in FY2010.

The process plant recovery was 77.6% in the fourth quarter and well below the previous quarter's performance (82.3%) as well as the overall performance for the year (81.3%). The fourth quarter recoveries at Macraes were particularly impacted by a higher percentage of material being direct leached in order to accommodate increased material from Reefton utilising the autoclave. Full year recovery of 81.3% and was still 2.1% higher than FY2009. This was a direct reflection of changes made early in the year to the classification cyclones and the electrowinning circuit in particular.

Detailed technical studies were undertaken in the last quarter to support forthcoming applications for additional resource consents. These consents are to allow an extension of the Macraes operations to at least 2020 and include additional waste rock stacks and a new tailings storage facility. The consent applications will be lodged in the 1st half of 2011.

Reefton Goldfield (New Zealand)

There were no LTI's for the fourth quarter compared with two during the same quarter of last year. The total number of LTI's fell from ten during FY2009 to four in FY2010. This substantial improvement was achieved through a concerted effort to improve the use of Job Safety Analysis and Standard Operating Procedures along with the introduction of PASS at the start of the year.

Gold production at Reefton was 19,649 ounces for the quarter which was slightly higher than the previous quarter. FY 2010 production was 85,843 ounces, 1.7% lower than FY2009.

Total material mined for the quarter was 3.87 million tonnes which was slightly higher than the previous quarter. Material mined for FY2010 was 15.24 million tonnes, 9% higher than the previous year. Shorter haulage distances, improved operator efficiencies and increases to excavator capacity all contributed to the strong performance during the year.

The processing plant continued to perform well above design capacity achieving 408,418 tonnes processed in the quarter. This resulted in a throughput of 1.62 million tonnes for the year, compared with 1.28 million tonnes in FY2009, a 27% increase year on year. The higher throughputs offset lower grade through the mill with 2.01 g/t being achieved during the year versus 2.60 g/t in FY2009. This was attributable to lower grade benches being mined in comparison to FY2009 but also a higher percentage of lower grade stockpiles being processed in order to feed the mill at higher throughput rates.

Recoveries during the fourth quarter were lower at 79% compared to 82.7% in the third quarter but were in line with expectations over the year achieving 82.5% which was an improvement on FY2009.

Mining rates in FY2011 are expected to increase significantly from 15 Mt/year to over 20 Mt/year. To support this, additional excavator and haulage capacity will be added in addition to expanding the workforce at the operation. The Company also plans to transition to owner mining in Q1 taking over from Stracon Mining which has been providing contract mining services since mining started in 2006.

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	Q4 Dec 31 2010	Q3 Sep 30 2010	Q4 Dec 31 2009	Year 2010	Year 2009	Year 2008
Gold produced (ounces)	47,358	49,732	47,470	182,759	213,049	183,680
Total Ore Mined (tonnes)	1,661,246	1,484,108	1,828,827	6,365,855	4,833,671	4,322,001
Ore Mined grade (grams/tonne)	1.32	1.35	1.18	1.26	1.67	1.52
Total Waste Mined (tonnes) incl pre-strip	11,411,337	13,179,718	11,454,630	43,944,947	48,578,180	40,339,489
Mill Feed (dry milled tonnes)	1,355,399	1,476,665	1,410,198	5,458,607	5,635,537	5,545,008
Mill Feed Grade (grams/tonne)	1.40	1.27	1.33	1.28	1.47	1.31
Recovery (%)	77.6%	82.3%	78.9%	81.3%	79.6%	78.6%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	Q4 Dec 31 2010	Q3 Sep 30 2010	Q4 Dec 31 2009	2010	2009	2008
Gold produced (ounces)	19,649	19,031	24,624	85,843	87,342	76,132
Total Ore Mined (tonnes)	493,101	322,899	393,834	1,539,609	1,425,135	1,307,134
Ore Mined grade (grams/tonne)	1.74	1.95	2.42	2.11	2.46	2.24
Total Waste Mined (tonnes) incl pre-strip	3,,374,400	3,484,009	3,785,280	13,698,710	12,509,654	12,386,999
Mill Feed (dry milled tonnes)	408,418	467,679	347,316	1,622,881	1,278,176	1,192,954
Mill Feed Grade (grams/tonne)	1.98	1.51	2.62	2.01	2.60	2.47
Recovery (%)	79.0%	82.7%	82.8%	82.5%	81.5%	81.8%

DEVELOPMENT

Didipio Project (The Philippines)

Following the September announcement that outlined the details of a re-optimisation study on the Didipio Project and the subsequent C$115 million equity financing to secure the necessary funds for the project, the Company has continued to progress through pre-construction activities in preparation for re-commencement of construction activities in mid 2011.

During the fourth quarter, the Company assembled the expatriate component of the project management and construction team as well as reviewed the design and engineering requirements. It also evaluated various contractors and consultants that will be needed to assist with the construction of the project. Additionally, the recruitment process for the Operations General Manager commenced in order to establish recruitment and training of the operations team well in advance of the expected commissioning in Q4 2012.

A final review of the optimum design for the project commenced post year end. The contract to complete the detailed engineering design and procurement of the process plant, water and electricity was awarded to Ausenco subsequent to year end.

Detailed design of the tailings storage facility (TSF) and waste dumps also commenced early in 2011.

Contracts are expected to be tendered over the next two months for design and construction of camp facilities and local infrastructure. The completion of accommodation camps, offices and site roads will be key to advancing full ramp-up of construction activities later this year.

The Company continued to deploy resources for a number of humanitarian and community support initiatives within the immediate and surrounding communities of the Didipio Project.

During the fourth quarter, the Memorandum of Agreement (MOA) between OceanaGold Philippines and Nueva Vizcaya State University (NVSU) and Quirino State College (QSC) was renewed. The program is a continuation of a highly successful educational assistance program that provides funding and support for local students to attend post secondary institutions.

Throughout the year, more than 2,500 residents from the local and surrounding region attended medical missions where free medical and dental checkups were provided along with the provision of medicines and associated supplies to the patients. Additional programs in the areas of nutrition awareness and anti-malaria programs were also areas of focus throughout the year.

No lost time injuries (LTI) were recorded during the quarter.

EXPLORATION

Exploration expenditure for the fourth quarter totaled $3.3 million. FY2010 expenditure totaled $10 million.

New Zealand

The Company has reported gold reserves of 2.15 million ounces in New Zealand, which after mining depletion is an increase of 12% year on year. The recent update to the mineral resources and reserves represents the second year in a row that the Company has increased the New Zealand gold reserves net of mine depletion. Mineral resources stand at 4.61 million ounces Au of measured & indicated with an additional 2.55 million ounces Au of inferred.

Known mineralisation at the Macraes mine has a NW-SE trend and extends for 28 km, all of which is held under lease by the company. At the Reefton goldfield, mineralisation has a broad N-S trend and the company has contiguous tenements over 30 km of this trend, providing considerable opportunity for near mine exploration and discovery.

Macraes Goldfield

Exploration activities at Macraes continued steadily throughout the year with a combination of infill and expansion drilling adjacent to the current mining area and drill testing of satellite prospects along strike to the NW and SE (Figure A).

During the first half of the year, a program of deep diamond drilling from surface was completed to further test the down-dip extent of the Frasers Underground Panel 2 mineralisation. A total of eight holes successfully intercepted mineralisation at depths of between 785 metres and 986 metres down dip and provided sufficient confidence to extend the development of underground exploration drives.

A 9,000 metre diamond drilling program was completed from within the Frasers Underground Mine to infill and further expand the extent of known mineralisation. Drilling was successful in extending the resource boundary to the NW and NE where it remains open. A new zone of mineralization was also identified approximately 25 metres below that currently being mined. This lower zone will be further tested in 2011.

At the Macraes open pit, approximately 15,000 metres of infill drilling was completed over the year and this resulted in significant gains to short-term scheduling at Frasers pit and improved confidence in the resource classification of the Innes Mills deposit.

Additional drilling programs at the Round Hill, Coronation, Wilson Lode, Golden Bar and Stoneburn deposits had varied results with some follow-up programs planned as a result.

In the Macraes North area, approximately 10 km to the north of the processing plant, trenching and five reverse circulation drill holes confirmed the presence of gold mineralisation at the newly discovered Longdale prospect. Step-out drilling along strike of the trenched area is planned along with further mapping and structural analyses to identify additional drill targets.

Reefton Goldfield

Exploration and drilling activities increased significantly through 2010 with a focus on brownfields drilling in the vicinity of the Globe progress pit as well as regional greenfields exploration (Figure B).

Five drilling programs comprising 82 holes for 12,000 metres were completed in the vicinity of the Globe-Progress pit targeting extensions of known mineralisation.

14 diamond-tail holes for 5,800 metres were drilled adjacent to the pit and successfully tested extensions of mineralisation up to 250 metres down plunge at Globe Deeps. The program was designed to evaluate the open pit and underground potential beyond the limit of the existing pit design. Initial results confirm the continuation of high grade mineralisation beneath the open pit. Remaining assays from the program are pending.

Reverse circulation (RC) drilling programs were undertaken at Souvenir and most recently at Empress to test for high grade mineralization down dip. Both of these programs were successful in identifying mineralized extensions some of which will be integrated into the next resource update.

Extensions of high grade mineralisation beneath the General Gordon deposit were targeted with two phases of reverse circulation (RC) drilling throughout the year and are expected to result in expanded pit shells.

A deep drilling program to test for the down-dip economic potential of the Birthday Reef at the historic Blackwater mine commenced in Q3 and is expected to continue well in 2011.

Structural and geologic mapping programs early in 2010 identified high priority targets all of which were located within a few kilometers for the processing plant. Three of these prospects were subject to various drilling programs in H2 with mineralization intersected in all three. Further programs are planned for H1 2011 in these areas.

In the fourth quarter, very strong Au-As-Sb geochemical surface anomalies were identified through sampling programs in the Big River and Big River South areas. Drilling programs will commence for these prospective targets in Q1 2011 as a priority.

Philippines

The Didipio project, under the Financial and Technical Assistance Agreement (FTAA), incorporates some 158 square kilometers of surface rights and has reported reserves of 1.41 Moz gold and 0.17 Mt copper. During 2010, there were eight granted exploration tenements covering areas surrounding the FTAA and areas in northern Luzon and north-eastern Mindanao (Didipio Regional, Claveria and Manhulayan projects). Two exploration tenements located in the northeastern Mindanao (Paco project) were under renewal application.

Exploration activities in 2010 were confined to preliminary follow-up of previously identified geochemical anomalies and known prospects. A regional reconnaissance survey was conducted on granted tenements located in northern Luzon and limited geochemical sampling and mapping has constrained the source of anomalous stream sediment geochemistry. Prospects will be further investigated in 2011.

Within the Didipio FTAA, several prospects with anomalous Au-Cu geochemistry were further investigated and mapped. Drill core from the True Blue Cu-Au porphyry deposit, located 700 metres northeast of the Didipio Cu-Au porphyry deposit was re-logged and previous drill core that had not been assayed was submitted for assay.

Exploration activities are expected to be ramped up in 2011 with a focus on targets in the vicinity of the Didipio deposit.

Figure A – Macraes Exploration

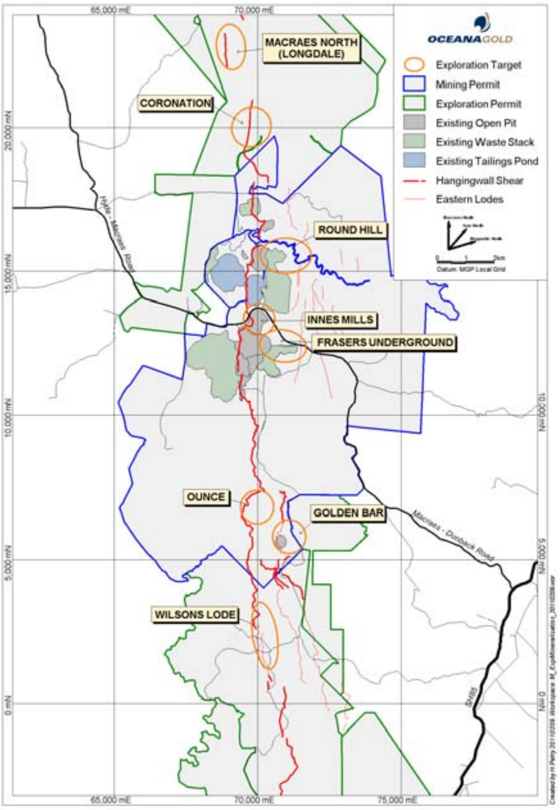
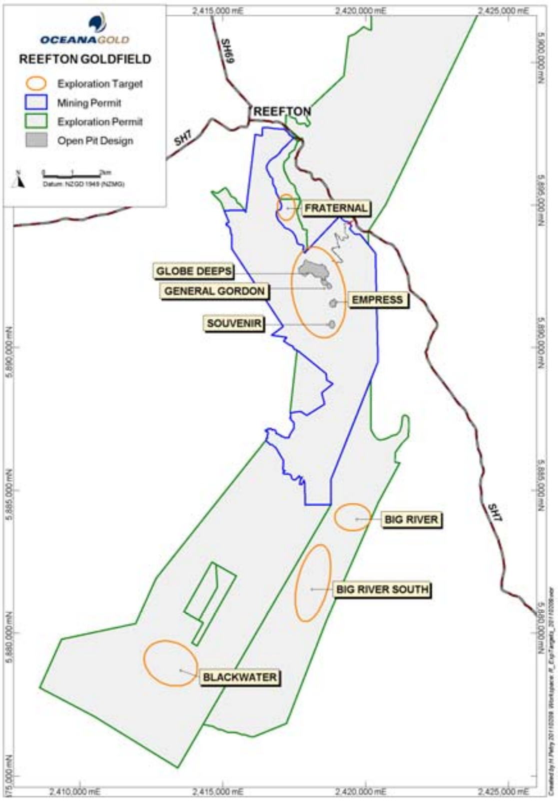


Figure B - Reefton Exploration



FINANCIAL SUMMARY

The table below provides selected financial data comparing Q4 2010 with Q3 2010 and Q4 2009 together with full years December 2010 compared to December 2009 and December 2008.

STATEMENT OF OPERATIONS	Q4 Dec 31 2010 $'000	Q3 Sep 30 2010 $'000	Q4 Dec 31 2009 $'000	Year 2010 $'000	Year 2009 $'000	Year 2008 $'000
Gold sales	93,777	83,344	66,849	305,638	237,057	217,214
Cost of sales, excluding depreciation and amortization	(39,927)	(37,847)	(34,540)	(150,697)	(121,310)	(138,154)
General & Administration	(2,984)	(3,309)	(3,682)	(13,805)	(9,179)	(15,338)
Foreign Currency Exchange Gain/(Loss)	(1,533)	639	(18)	(961)	(24)	2,254
Other income (expense)	(74)	(219)	(372)	(660)	(366)	133
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding gain/(loss) on undesignated hedges)	**49,259**	**42,608**	**28,237**	**139,515**	**106,178**	**66,109**
Depreciation and amortization	(15,402)	(17,832)	(19,106)	(69,337)	(66,181)	(50,547)
Net interest expense	(3,438)	(3,846)	(3,750)	(14,780)	(14,389)	(18,056)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	**30,419**	**20,930**	**5,381**	**55,398**	**25,608**	**(2,494)**
Tax on earnings / loss	(9,764)	(7,247)	(9,532)	(22,638)	(11,865)	(1,051)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	**20,655**	**13,683**	**(4,151)**	**32,760**	**13,743**	**(3,545)**
Release from OCI of deferred unrealized gain/(loss) on designated hedges	-	-	-	-	-	279
Gain / (loss) on fair value of undesignated hedges	(1)	-	(6,150)	16,215	58,241	(73,408)
Tax on (gain)/loss on undesignated hedges	325	-	1,845	(4,540)	(17,472)	21,939
Net earnings/(loss)	**20,979**	**13,683**	**(8,456)**	**44,435**	**54,512**	**(54,735)**
Basic earnings/ (loss) per share	$0.08	$0.06	($0.05)	$0.20	$0.32	($0.34)
Diluted earnings/ (loss) per share	$0.08	$0.06	($0.05)	$0.20	$0.29	($0.34)
CASH FLOW						
Cash flows from Operating Activities	46,067	37,627	29,175	52,260	94,183	47,725
Cash flows from Investing Activities	(32,347)	(36,131)	(20,951)	(107,809)	(71,013)	(108,316)
Cash flows from Financing Activities	105,187	11,001	(7,241)	186,768	2,933	(49,134)

BALANCE SHEET	As at Dec 31 2010 $'000	As at Dec 31 2009 $'000	As at Dec 31 2008 $'000
Cash and cash equivalents	181,328	42,423	9,711
Other Current Assets	47,320	39,038	35,980
Non Current Assets	815,098	706,245	584,299
Total Assets	**1,043,746**	**787,706**	**629,990**
Current Liabilities	69,120	185,061	89,105
Non Current Liabilities	285,873	210,032	294,229
Total Liabilities	**354,992**	**395,093**	**383,334**
Total Shareholders' Equity	**688,754**	**392,613**	**246,656**

RESULTS OF OPERATIONS

Net Earnings

The Company reported a fourth quarter net earnings of $21.0 million an increase of 53% compared to $13.7 million in Q3 2010. The 2010 full year net earnings was $44.4 million compared to $54.5 million in 2009. The earnings before hedging and income tax was $55.4 million in 2010 an increase of 116% from $25.6 million in 2009.

Total production of 268,602 ozs was 10.6% lower than in 2009 largely due to weather, autoclave availability and lower grades.

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 reported as measures of operating performance on a consistent and comparable basis.

The Company reported EBITDA before gains/losses on undesignated hedges of $49.3 million compared with $42.6 million in Q3 2010. This strong operating result has been achieved by higher gold revenue from increased gold prices. The full year EBITDA before gains/losses on undesignated hedges is $139.5 million compared to $106.2 million, in the prior year, with higher gold prices more than offsetting slightly lower production.

The earnings excluding hedges before income tax is a profit of $55.4 million compared to a profit of $25.6 million in 2009.

Sales Revenue

Gold revenue in 2010 of $305.6 million is a 28.9% increase over 2009 due to a 44.3% increase in the average price received offset by a 10.6% decrease in sales volumes. The increases in revenue is a result of higher prices with all sales being made into the gold spot market after the hedge book was closed out with effect from March 31, 2010. The average gold price received was $1,379 compared to $1,231 in Q3. The full year average gold price received was $1,140 for 2010. Gold sales in Q4 were 12.5 % above Q3 2010 due to higher gold sales prices.

Gold sales volumes for 2010 of 268,087 ounces were 10.6% lower than 2009 (300,044 ounces).

Undesignated Hedges Gains/Losses

Undesignated hedge gains and losses calculated as a fair value adjustment of the Company's undesignated hedges have previously been brought to account at the end of each reporting period, and reflected changes in the spot gold price. This also includes adjustments made to take account of gold deliveries into the hedge book as the derivative liability was released. These valuation adjustments, year to date to December 31, 2010, reflect a gain of $16.2 million which is attributable to Q1 2010 prior to close out of the hedge book.

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

Operating Costs & Margins

Cash costs per ounce sold were $570 for the year 38.7% higher compared to 2009 ($411). Some cost increases relate in part to increase volumes of ore mined. In comparison to the prior year cash unit costs are also higher in USD terms, due to both an exchange rate impact (NZD strengthened 13%) and lower production volumes.

The cash margin of $782 per ounce resulted in earnings before interest, tax, depreciation & amortization (excluding undesignated hedge gains/losses) of $49.3 million for the quarter, compared to $42.6 million in Q3 2010. The cash margin for the full year was $570 compared to $379 for 2009.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a unit of production basis and total $69.3 million for the year (2009 $66.2 million). These charges were slightly higher due to increased ore mined, combined with a stronger NZD.

Depreciation and amortization charges include amortization of mine development, deferred waste stripping costs and depreciation on equipment.

Net Interest expense

The net interest expense of $14.8 million compares to $14.4 million for 2009. Interest expenses are associated with repayment of a project loan, convertible notes and finance leases.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash flows from operating activities were $52.3 million in 2010 compared to $94.2 million in 2009. The net inflows in 2010 are after the payment of $71.8 million to settle the balance of hedge contracts at the end of March. Notwithstanding hedge settlements cash flows have benefited directly from higher gold prices.

Q4 2010 operating cash flows were 22.4% higher at $46.1 million compared to $37.6 million in Q3 2010.

Investing Activities

Investing activities were comprised of expenditures for pre-stripping and sustaining capital at the New Zealand operations, plus some capitalised holding costs associated with the Didipio Gold - Copper Project.

Cash used for investing activities totaled $107.8 million compared to $71.0 million in 2009. The increase reflects the acquisition of a new excavator at the Macraes open pit and underground mining equipment (after transition to owner mining at the Frasers underground mine) plus $74.4 million of pre-strip.

Cash outflows for investing in Q4 was $32.3 million compared to $36.1 million in Q3 2010

Financing Activities

Finance inflows were $189.8 million compared to $2.9 million in 2009 representing lease financing for new equipment, including an excavator and underground mining equipment, offset by lease payments and equity raisings. The cash inflows include equity placements in March and October that raised $190.2 million, net of costs. Outflows include loan and convertible note repayments of $6.1 million and lease payments of $10.6 million.

Cash inflows from financing in Q4 were $105.2 million compared to Q3 2010 inflows of $11 million.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the year ended December 31, 2010, the Company earned a net profit of $44.4 million. As at that date, cash funds held were $181.3 million. Current liabilities were $66.6 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, 2010 are as follows:

	2010 $'000
Within 1 year	4,605
Within 1 to 2 years	4,179
Within 2 to 3 years	3,761
Within 3 to 4 years	2,425
Within 4 to 5 years	149
More than five years	4
	15,123

OceanaGold's capital lease commitments as at December 31, 2010 are as follows:

	2010 $'000
Within 1 year	25,799
Within 1 to 2 years	7,606
Within 2 to 3 years	6,627
Within 3 to 4 years	6,310
Within 4 to 5 years	3,808
More than five years	1,308
	51,458

OceanaGold's capital commitments as at December 31, 2010 are as follows:

	Dec 31 2010 $'000
Within 1 year	9,710

These commitments include equipment associated with a move to owner mining at the Frasers underground mine in addition to orders for long lead time mining equipment. Certain of these commitments are expected to be serviced with lease contracts.

During the year the company entered into capital lease commitments for $13.3 million to fund the acquisition of primarily mobile mining equipment. Additions to leases have been offset by payments on leases with the strengthening NZD increasing the lease liability in USD.

Financial position

Current Assets

Current assets have increased by $139.9 million during 2010 primarily due to an increase in cash of $138.9 million which included the equity placement in October. An increase in inventory was offset by a reduction in future income tax assets.

Non-Current Assets

At December 2010 non-current assets were $720.9 million compared to $706.2 million at the end of the prior year. The expenditure on Property, Plant and Equipment, Mining Assets and non-current inventories was higher than depreciation and amortization due to additional leased equipment, an increase in pre-strip related expenditure and higher asset values due to the weakening USD dollar. Future income tax assets decreased by $8.6 million largely due to utilisation of tax losses and an offset against deferred tax liability.

Current Liabilities

Current liabilities decreased $118.4 million during 2010. This reflects the decrease in derivatives of $89.8 million as gold was delivered into hedges in Q1 with the balance of the hedges being settled in March. The liability for convertible notes has reduced as $46.6 million of notes have been disclosed as non–current on expiry of a put option. Lease liabilities have increased $14.6 million as the NZD and AUD has strengthened against the USD and there are leases due for repayment in 2011.

Non-Current Liabilities

Non-current liabilities are $285.9 million at December 31 2010, an increase of $75.8 million since the prior year. This is due to an increase of $70 million from reclassification of convertible notes ($53 million) from current liabilities combined with a translation impact from a weakening US dollar.

Derivative Assets / Liabilities

OceanaGold settled derivatives in relation to 74,880 ounces under forward gold sales contracts and 78,018 ounces under gold put options in March 2010.

Summary of marked to market adjustment on derivatives:

	Dec 31 2010 $'000	Dec 31 2009 $'000
Current Assets		
Gold put options	-	141
Total Assets	**-**	**141**

	Dec 31 2010 $'000	Dec 31 2009 $'000
Current Liabilities		
Gold forward sales contracts	-	54,557
Gold call options	-	35,318
Total Liabilities	**-**	**89,875**

Shareholders' Equity

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

	Year Ended Dec 31 2010 $'000
Total equity at beginning of financial period	**392,613**
Profit/(loss) after income tax	44,435
Movement in other comprehensive income	62,160
Movement in contributed surplus	987
Equity raising (net of costs)	188,559
Total equity at end of financial period	**688,754**

Shareholders' equity has increased to $688.7 million at year end primarily as a result of a profit earned for the year, and gains from currency translation differences reflected in Other Comprehensive Income that arises from the translation of entities with a functional currency other than USD. The USD depreciated significantly against the AUD and NZD during the quarter. In addition, a $188.5 million contribution related to two equity raisings during the year.

Capital Resources

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

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

As at February 17, 2011 no change in shares and securities:

As at December 31, 2009, the share and securities summary was:

Shares outstanding	185,880,075
Options outstanding	5,637,259

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The accounting policies that involve significant management judgment and estimates are discussed in this section. For a complete list of the significant accounting policies, reference should be made to Note 1 of the 2010 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 amortized 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 Operations.

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 undiscounted future cash flows from these assets, the assets are written down to the fair value of the future cash flows based on OceanaGold's discount rate of 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 installments 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. A valuation allowance is provided to the extent that it is more likely than not that those future income tax assets will not be realised.

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.

OceanaGold employs the current rate method of translation for its self-sustaining operations. Under this method, all assets and liabilities are translated at the period end rates and all revenue and expense items are translated at the average exchange rates for recognition in the statement of operations. Differences arising from these foreign currency translations are recorded in shareholders’ equity as a cumulative translation adjustment.

OceanaGold employs the temporal method of translation for its integrated operations. Under this method, monetary assets and liabilities are translated at the period end rates and all other assets and liabilities are translated at applicable historical exchange rates. Revenue and expense items are translated at the rate of exchange in effect at the date the transactions are recognized in the statement of operations, with the exception of depreciation and amortization which is translated at the historical rate for the associated asset. Exchange gains and losses on currency translation adjustments are included in the statement of operations.

ACCOUNTING ESTIMATES

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. 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; 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 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

There have been no material changes from the accounting policies of FY2009.

Adoption of new accounting policies

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582, "Business Combinations" replaces section 1581, "Business Combinations", and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – "Business Combinations". The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Sections 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling interests", together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Section 1602 "Non-Controlling interests" establishes standards for accounting for non-controlling interests in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27 – "Consolidated and Separate Financial Statements" and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Accounting policies effective for future periods

International Financial Reporting Standards ("IFRS")

The Canadian Institute of Chartered Accountant's (CICA's) Accounting Standards Board announced that publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. At the effective date, the balance sheet as at January 1, 2010 will require conversion to IFRS to establish opening balances which will form the basis for comparative information to be reported in 2011.

OceanaGold Corporation has continued to work on its transition to IFRS, including assessment of the impact on its accounting systems and financial statements. The conversion project includes review of project team, governance, resources, key CGAAP to IFRS differences, accounting policies and an implementation plan. The financial reporting impact of transitioning to IFRS has been evaluated and the preliminary quantitative impact is summarised on the balance sheet below.

The following table summarises the key activities in the transition plan and the current status.

ACTIVITY	MILESTONES	STATUS
Financial reporting:		
• Complete diagnostic assessment of accounting and reporting differences between CGAAP and IFRS.	Diagnostic analysis prepared.	Preliminary assessment of accounting and reporting differences has been completed based on full GAAP diagnostic.
• Assess IFRS 1 elections, options and selection of IFRS accounting policies.	Management and audit committee approval for policy recommendations and IFRS elections 2nd half of 2010.	Decisions in relation to IFRS 1 elections and selection of IFRS accounting policies were reviewed by the audit committee in July 2010.
• Development of IFRS financial statement format, including disclosures.	Management and audit committee approval on IFRS consolidated financial statements during Q1 2011.	Preliminary drafting and consideration of disclosure issues are being assessed in the process of drafting IFRS reporting which has commenced in Q3 and continued in Q4.
• Quantification of effects of conversion.	Final quantification of conversion effects on 2010 comparative period Q4 2010	Preliminary opening balance sheet in December MD&A

ACTIVITY	MILESTONES	STATUS
Systems and processes: • Assessment of impact of changes to key systems and processes. • Documentation and testing of internal controls and disclosure controls over amended systems and processes.	Systems, processes and internal control documentation changes finalised Q4 2010. Evaluation and update of controls and processes in Q1 2011	Preliminary assessment of potential updates is underway. Based on work done to date the impact on IT systems is not expected to be significant. In progress during Q4. The transition to IFRS is not expected to have a significant impact on internal controls or disclosure controls.
Business: • Assessment of impacts on all aspects of the business, including contractual arrangements. • Communicate conversion plan and progress internally and externally. • Training staff and ensuring adequate financial reporting expertise is in place.	Contract analysis and impact to be completed by Q4 2010. Budgets and long term planning to incorporate outcomes of IFRS transition from Q4 2010.	Preliminary assessment of the impacts on other areas of the business is underway. Communication is to the audit committee and ongoing.

First-time adoption of IFRS

IFRS 1 requires that an entity apply all standards effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 does provide certain mandatory and limited optional exemptions in specific areas of certain standards that will not require retrospective application of IFRS. The most significant exemptions which are expected to apply in preparation of the company's first consolidated financial statements under IFRS are summarised as follows:

Accounting Estimates
Accounting estimates applied in accordance with IFRS at the date of transition should be consistent with estimates in accordance with Canadian GAAP unless there is objective evidence that estimates were in error.

Business Combinations
IFRS allows guidance under IFRS 3R *Business Combinations* to be applied retrospectively or prospectively. OceanaGold expects to adopt IFRS 3 prospectively.

Asset Retirement Obligations **(ARO)**
IFRIC 1 requires changes in decommissioning liabilities to be included in the cost of the asset and depreciated. A first-time adopter has an option to a simplified approach to calculate and record the asset related to the ARO. OceanaGold's existing approach complies with recognition and measurement of decommissioning liabilities under IFRS, including recording the liability in the cost of the asset, by discounting the liability to the date when it first arose, and depreciating the asset to transition date. There will be no material change on transition to IFRS.

Property, Plant and Equipment
There is an option to record property, plant and equipment at fair value on transition to IFRS. This fair value becomes the deemed cost of the asset for reporting under IFRS. OceanaGold is not planning to use this election and property, plant and equipment will continue to be recorded under the cost model, at the carrying amounts, on the date of transition to IFRS.

Cumulative translation differences
IAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires an entity to determine the translation differences in accordance with IFRS from the date on which a subsidiary was formed or acquired. IFRS 1 allows cumulative translation differences for all foreign operations to be deemed zero at the date of transition to IFRS, with future gains or losses on subsequent disposal of any foreign operations to exclude translation differences arising from periods prior to the date of transition to IFRS. OceanaGold expects to use this exemption and existing cumulative translation differences will be transferred to retained earnings on transition to IFRS.

Key Differences - Canadian GAAP to IFRS

In addition to the exemptions and exceptions discussed above, the following explains the key areas where changes in accounting policies could have significant differences between Canadian GAAP and IFRS as they apply to OceanaGold consolidated financial statements:

Impairment
Canadian GAAP – A recoverability test is performed by first comparing the undiscounted expected future cash flows to be derived from the asset to its carrying amount. If an asset's undiscounted expected future cash flows do not exceed its carrying value, an impairment loss is calculated as the excess of the asset's carrying amount over its fair value (on a discounted basis).

IFRS – A recoverability test is performed by comparing the carrying amount to the asset's recoverable amount. The impairment loss is calculated as the excess of the asset's carrying amount over its recoverable amount. The recoverable amount is defined as the higher of the asset's fair value less costs to sell and its value-in-use. The expected future cash flows from the asset are discounted to their net present value in the recoverable amount test. As a result of this difference in measurement methodology, impairments under IFRS are more likely.

With the Didipio project currently on pre-development phase there is an impairment adjustment required on these assets due to the change in methodology for impairment testing.

Foreign Exchange Translation
Canadian GAAP – Distinction is made between integrated and self sustaining foreign operations with the temporal and the current rate methods of translation applied respectively.

IFRS – A functional and presentation currency approach is taken to foreign exchange translation and no distinction is made between integrated and self sustaining foreign operations. Where the functional currency of an entity is different from the presentation currency, an approach similar to the current rate method under CGAAP is applied. The key elements are:

- Assets and liabilities are translated at the balance date exchange rate.
- Income and expenses are translated at the exchange rate at the date of the transaction although an average rate may be applied as a proxy in many circumstances.
- All resulting currency exchange differences are recognised in the Foreign Currency Translation Reserve (FCTR) within other comprehensive income.

The most significant differences for OceanaGold are likely to be in relation to the Philippines operations which are currently being treated as an integrated foreign operation under CGAAP. There will be no change in the current treatment of New Zealand operations which are classified as self-sustaining under CGAAP.

Income tax
Canadian GAAP – The amount at which a future income tax asset is recognised is limited to the amount that is more likely than not to be realised. Future taxes are split between current and non-current components on the basis of either (1) the underlying asset or liability or (2) the expected timing reversal of items when not related to an asset or liability.

IFRS – Deferred tax assets are recognised in their entirety when it is probable that sufficient future taxable profit will be available to recover the asset. All deferred tax assets and liabilities will be classified as non-current.

OceanaGold does not expect there to be changes in the deferred tax assets currently recognised. The impact of the differences on transition will be limited to reclassification of current deferred tax liabilities and assets to non-current classification.

Other Business Considerations

The transition to IFRS may also have an impact on some contractual obligations. Management will have more insight on the effects and other business considerations as the transition project is completed.

Preliminary IFRS Consolidated Opening Balance Sheet

The opening balance sheet reflects the impact of the applicable IFRS1 elections and the impact of accounting policy differences arising from US GAAP to IFRS. The opening consolidated IFRS balance sheet below is preliminary and the final opening balance sheet may reflect adjustments relating to any new IFRS pronouncements or other items verified through the first quarter 2011.

Reconciliation of Consolidated Balance Sheet under CGAAP and IFRS	*Ref*	*Dec 31 2009 CGAAP $'000*	*Conversion Adjustment to IFRS $'000*	*Jan 1 2010 IFRS $'000*
ASSETS				
Current assets				
Cash and cash equivalents		42 423	-	42 423
Accounts receivable and other receivables		3 460	-	3 460
Inventories		25 315	-	25 315
Prepayments		1 116	-	1 116
Derivatives		141	-	141
Future income tax assets	A.	9 006	(9 006)	-
Total current assets		81 461	(9 006)	72 455
Non-current assets				
Inventories		33 133	-	33 133
Future income tax assets	A.	8 684	9 006	17 690
Property, plant and equipment		118 156	(267)	117 889
Mining assets	B.	546 272	(283 080)	263 192
Total non-current assets		706 245	(274 341)	431 904
TOTAL ASSETS		**787 706**	**(283 347)**	**504 359**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		29 996	-	29 996
Employee benefits		2 358	-	2 358
Derivatives		89 875	-	89 875
Interest-bearing loans and borrowings		62 794	-	62 794
Asset retirement obligation		38	-	38
Future income tax liabilities		-	-	-
Total current liabilities		185 061	-	185 061
Non-current liabilities				
Other long term obligations		2 709	-	2 709
Employee benefits		69	-	69
Future income tax liabilities	C.	77 753	(75 920)	1 833
Interest-bearing loans and borrowings		120 880	-	120 880
Asset retirement obligation	D.	8 621	1 232	9 853
Total non-current liabilities		210 032	(74 688)	135 344
TOTAL LIABILITIES		**395 093**	**(74 688)**	**320 405**
SHAREHOLDERS' EQUITY				
Share Capital		354 915	-	354 915
Accumulated deficit		(57 014)	(146 637)	(203,651)
Contributed surplus		32 690	-	32 690
Accumulated other comprehensive income	E.	62 022	(62 022)	-
TOTAL SHAREHOLDERS' EQUITY		392 613	(208 659)	183 954
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**787 706**	**(283 347)**	**504 359**

A. Deferred tax assets
Reclassified to non-current.

B. Carrying value of mining assets
The recoverable amount is assessed by reference to the net present value of future cash flows.
Didipio project adjustment. ($253 6) m
Translation Reserve allocation ($30.7)m
Rehabilitation Provision $1.2m

C. Future tax liabilities
Adjustment of deferred tax liabilities associated with the Didipio project assets.

D. Asset retirement obligation
Adjustment for different discount rate methodology

E. Translation reserve
Reset cumulative translation account to zero on transition to IFRS.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended March 31, 2009 through to December 31, 2010. 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
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	Dec 31 2010 $'000	Sep 30 2010 $'000	Jun 30 2010 $'000	Mar 31 2010 $'000	Dec 31 2009 $'000	Sep 30 2009 $'000	Jun 30 2009 $'000	Mar 31 2009 $'000
Gold sales	93,777	83,344	80,218	48,299	66,849	59,928	55,010	55,270
EBITDA (excluding undesignated gain/(loss) on hedges)	49,259	42,608	39,169	8,479	28,237	24,425	22,484	31,032
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	20,655	13,683	7,968	(9,547)	(4,151)	1,859	5,397	10,639
Net earnings/(loss)	20,979	13,683	7,958	1,814	(8,456)	13,800	40,114	9,054
Net earnings per share								
Basic	$0.08	$0.06	$0.03	$0.01	($0.05)	$0.08	$0.25	$0.06
Diluted	$0.08	$0.06	$0.03	$0.01	($0.05)	$0.07	$0.21	$0.05

The most significant factors causing variation in the results are the variability in the grade of ore mined from the Macraes open pit mine 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 Canadian generally accepted accounting principles ("GAAP"), as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a standardized 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 amortization (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to net earnings/(losses) is provided on page 12.

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 amortization, is provided on the next page.

	Q4 Dec 31 2010 $'000	Q3 Sep 30 2010 $'000	Q4 Dec 31 2009 $'000	Year 2010 $'000	Year 2009 $'000	Year 2008 $'000
Cost of sales, excluding depreciation and amortisation	39,927	37,847	34,540	150,697	121,310	138,154
Depreciation and amortisation	15,402	17,832	19,106	69,337	66,181	50,547
Total cost of sales	55,329	55,679	53,646	220,034	187,491	188,701
Add operating general & administration	607	576	431	2,049	2,000	2,479
Selling costs	149	144	25	470	(607)	(459)
Total operating cost of sales	56,085	56,399	54,102	222,553	188,884	190,721
Gold Sales from operating mines (ounces)	68,027	67,672	72,140	268,087	300,044	264,124
Total Operating Cost ($ per ounce)	825	834	750	830	630	722
Less Non-Cash Cost ($ per ounce)	229	266	265	260	219	190
Cash Operating Cost ($ per ounce)	596	568	485	570	411	532

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, 2010. 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, 2010 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, 2010.

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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