OceanaGold Corporation

2008
Full Year Results

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 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, 2007, 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. 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.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended December 31, 2008

HIGHLIGHTS

- Sold a Life of Mines record 74,816 ounces of gold during the fourth quarter, a 19% increase over the previous quarter (Q3 2008).

- Increased annual gold sales by 49% to 264,124 ounces compared to FY2007.

- Achieved EBITDA (earnings before interest, taxes, depreciation and amortisation but excluding gain/loss on undesignated hedges) of $24.3 million for the fourth quarter and $66.1 million for FY2008. This compares to FY2007 EBITDA of $8.7 million.

- Reduced cash costs in the fourth quarter to $416 ($307 after year end adjustments) per ounce which represents the lowest quarterly cash costs for the 2008 year and was due primarily to increased gold sales and declining consumable costs.

- Commissioned the Frasers Underground mine - the Company's second new gold mine in New Zealand (NZ) in the past two years.

- Exceeded design throughput rates at the Reefton operation and processed 27% more ore than plan in the fourth quarter.

- Completed 60% of the bulk earthworks and detailed design for Didipio before temporarily placing the project into care & maintenance pending completion of a project redesign to reduce capital requirements.

*All statistics are compared to the corresponding 2007 period unless otherwise stated.

**OceanaGold has adopted USD as its presentation currency, the financial statements are presented in USD and all numbers in this document are expressed in USD unless otherwise stated.

OVERVIEW

Results from Operations

OceanaGold achieved record gold sales totalling 74,816 ounces for the fourth quarter and 264,124 ounces for the 2008 year.

The 42% increase in production year-on-year reflects the successful commissioning of the Reefton open pit and Frasers Underground mines in 2007/2008. The Company now has three operations in New Zealand that combined are expected to produce between 280,000 and 300,000 oz of gold in 2009.

Cash costs for the quarter were $307 per ounce. This included two year-end adjustments: $61 per ounce credit attributable to a classification adjustment in the pre-stripping account and a $48 per ounce credit for the increase in the net realisable value of low grade stockpiles based upon stronger forecast gold prices. Excluding these adjustments, cash costs for the quarter were $416 per ounce. For the 2008 year, cash costs for the year were $532 per ounce with the increase in the net realisable value of the low grade stockpiles positively affecting costs by $17 per ounce.

The cash operating margin for 2008 was up 106% over 2007 to $290 per ounce. Higher average gold prices combined with lower cash operating costs resulted in the expanded margins.

During 2008, OceanaGold experienced unprecedented volatility with key consumable costs at the New Zealand operations. By the fourth quarter, diesel costs had declined by 50% from the highs in July. Electricity spot rates exceeded NZ$0.50 / kWh in the second quarter and subsequently declined to as low as NZ$0.01 / kWh by the end of the year. The company is currently working to affect hedging programs for these two key consumables as in 2008 they represented approximately 32% of our cash costs.

The New Zealand dollar (NZD) continued its decline against the U.S dollar (USD) finishing 2008 at an exchange rate of 0.57 USD:NZD compared to a high of 0.81 reached in February. The weaker NZD is a strong value driver for the New Zealand business as approximately 70-80% of our costs are denominated in NZD but revenues are based solely on USD priced gold.

Earnings before interest, taxes, depreciation and amortisation (excluding gains/losses on hedges) for the quarter were $24.3 million bringing total EBITDA (excluding gains/losses on hedges) for FY2008 to $66.1 million. This compares to $8.7 million for FY2007.

Frasers Underground Mine

The Frasers Underground mine at the Macraes gold field was successfully commissioned in January 2008. Frasers is expected to produce 55,000-65,000 ounces of gold per year. After ramping up in the first quarter, the mine continued to demonstrate improved performance and by the third quarter was operating to plan. Good stoping conditions resulted in stable mining rates and minimal dilution during the fourth quarter with grades slightly outperforming the resource model. Further exploration drilling is planned here in 2009 to test for down dip extensions at the higher grade Panel 2 area of the mine.

Didipio Gold – Copper Project

OceanaGold made considerable progress toward development of the Didipio gold-copper project in Northern Luzon, Philippines. By mid-year bulk earthworks and detailed design had exceeded 60% completion, building of some site infrastructure had commenced and fabrication of long lead-time items was well underway or in some cases completed.

In May 2008, OceanaGold announced modifications to the project's scope and an increase in expected capital to complete the project. Given the erosion in the global economy and international credit markets, the company was unable to source supplementary funding. As a result, OceanaGold announced a temporary suspension of major development activities in June 2008. By December, continued deterioration of global economic conditions resulted in the decision to place Didipio on care and maintenance pending an improvement in the credit markets.

Didipio remains one of the highest grade gold-copper porphyries at development stage in the world. The Company will continue to examine strategies to resume development of the project including the effect of reduced scale and capital required to commission.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q/E Dec 31 2008**	**Q/E Sep 30 2008**	**Q/E Dec 31 2007**	**Year 2008**	**Year 2007**	**Year 2006**
Gold Sales (Ounces)	74,816	62,753	58,803	264,124	177,722	180,035
	USD	USD	USD	USD	USD	USD
Average Price Received ($ per ounce)	640	861	754	822	697	526
Cash Operating Cost ($ per ounce)	307	640	544	532	556	404
Cash Operating Margin ($ per ounce)	**333**	**222**	**210**	**290**	**141**	**123**
Non-Cash Cost ($ per ounce)	171	181	211	190	190	78
Total Operating Cost ($ per ounce)	478	821	755	722	746	482
Total Cash Operating Cost ($ per tonne processed)	13.48	23.29	16.80	20.80	13.50	13.18

Combined Operating Statistics	**Q/E Dec 31 2008**	**Q/E Sep 30 2008**	**Q/E Dec 31 2007**	**Year 2008**	**Year 2007**	**Year 2006**
Gold produced (ounces)	75,418	63,270	63,505	259,812	183,209	182,288
Total Ore Mined (tonnes)	1,559,806	1,381,744	1,434,549	5,629,135	4,680,384	5,678,195
Ore Mined grade (grams/tonne)	1.83	1.66	1.74	1.69	1.41	1.23
Total Waste Mined (tonnes) - incl pre-strip	12,780,037	12,644,334	13,563,299	52,726,488	55,748,837	48,363,629
Total Material Mined (tonnes) – incl pre-strip	14,339,843	14,026,078	14,997,848	58,355,623	60,429,221	54,041,824
Total Material Moved (tonnes)	14,845,544	14,881,646	15,399,244	61,063,786	63,039,572	55,915,129
Mill Feed (dry milled tonnes)	1,691,511	1,722,753	1,576,118	6,737,962	6,166,485	5,513,634
Mill Feed Grade (grams/tonne)	1.68	1.46	1.65	1.52	1.20	1.24
Recovery (%)	80.8%	81.9%	78.0%	79.1%	77.5%	82.5%

Combined Financial Results	**Q/E Dec 31 2008 $'000**	**Q/E Sep 30 2008 $'000**	**Q/E Dec 31 2007 $'000**	**Year 2008 $'000**	**Year 2007 $'000**	**Year 2006 $'000**
EBITDA (excluding unrealized gain/(loss) on hedges)	24,294	18,991	9,057	66,109	8,724	16,002
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges	1,917	2,806	(5,880)	(3,545)	(25,461)	(1,476)
Reported EBITDA (including unrealized gain/(loss) on hedges)	2,376	(596)	(21,345)	(7,022)	(53,529)	(16,761)
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	(13,426)	(10,905)	(27,162)	(54,735)	(69,039)	(23,427)

PRODUCTION

Production for the fourth quarter of 2008 totalled 75,418 gold ounces representing a company record for quarterly gold production. Total gold sales for the quarter were 74,816 ounces bringing the year-end total to 264,124, an increase of 49% over FY2007.

As expected, higher grade material from the Macraes open pit contributed to increased production in the quarter. The addition of the Frasers Underground operation and exceptional performance from the Reefton operation contributed to higher production in the quarter and for the year.

Total combined cash operating costs were $307 per ounce for the quarter resulting in cash costs of $532 per ounce for the year. This was slightly better then expected and due in part to declining consumable costs during the fourth quarter (diesel, electricity) and the progressive weakness of the NZD compared to the USD. There was also a $17 per ounce gain for the year associated with an increased valuation of the net realisable value of low grade stockpiles.

Consistent improvement in production performance and declining consumable costs during the second half of 2008 resulted in gold production and operating costs falling broadly in line with the Company's production and cost guidance for FY2008.

Cash flow generated from operations for the fourth quarter was $19.9 million representing more than 40% of the FY2008 total of $47.7 million. The fourth quarter generated the highest cash flow of the year due to declining consumable costs, increased production, and the continued decline of the NZD against the USD.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes Goldfield operations (open-cut and underground) incurred one lost time injury (LTI) for the quarter. This was the first and only such injury in 2008 and compares with three in 2007.

Production from the Macraes Goldfield for the quarter was 52,508 gold ounces for a total of 183,680 ounces for the year. Higher grades from the open pit contributed to stronger quarterly production resulting in a 15% increase over the third quarter.

Total material moved at Macraes Goldfield (open pit and underground) was 11.2 million tonnes for the fourth quarter and 47.3 million tonnes for the year. The yearly movement was slightly less than 2007 and is attributed to increased weather delays and operator turnover. Rock haulage at the Macraes open pit underperformed throughout much of the year but a change to a new 3.5 panel roster and the implementation of process improvement programs in the second half have resulted in haulage rates increasing to expected levels in the fourth quarter.

At Frasers Underground mining continued in the Panel 2B area. Good stoping conditions resulted in minimal dilution and stable mining rates. Grades in this area have also slightly outperformed the resource model. Overall for the year, while Frasers had a slower than expected commissioning ramp up in the first quarter, the mine has been operating to plan for the past two quarters. This is expected to continue in 2009 with mining rates of approximately 900,000 tonnes per annum.

The Processing Plant operated to plan over the year with mill feed of 5.55 million tonnes compared to 5.56 million tonnes in 2007. As expected, mill feed grade was higher in the fourth quarter at 1.48g/t Au, a 20% improvement over Q3. Grades through the mill for 2008 were up 25% compared to 2007 largely due to the commissioning of the higher grade Frasers Underground Mine and higher grade run of mine material from the open pit.

Macraes process plant recoveries were 80.4% for the quarter, and 78.6% for the year. Lower recoveries were experienced in the first quarter of the year while processing controls were optimized for the Reefton concentrate. Recoveries over the past two quarters have been in line with plan and are expected to be maintained at similar levels in 2009.

Reefton Goldfield (New Zealand)

There were no LTIs in the fourth quarter compared to two during the same period last year. Overall for the year Reefton had five LTIs compared to five in 2007.

Total material moved for the quarter was 3.65 million tonnes compared to 3.08 million tonnes in Q3. This was slightly ahead of expectations as improved equipment availabilities and fewer weather delays resulted in strong overall mining performance.

Production from Reefton concentrate for the fourth quarter was 22,910 gold ounces which slightly exceeded expectations. Total material through the mill was 319,000 tonnes which was a further improvement on the third quarter and about 27% above design throughput capacity. Total throughput for the year was just under 1.2 million tonnes and almost 20% above design capacity. Overall gold recovery for Reefton remained stable at 82.5% for the quarter, resulting in 81.8% for the year.

Throughout 2008, the Reefton operation continuously demonstrated improvement in both the mining and processing areas. 2008 marked the first full year of production for the operation and the mine ended the year operating consistently above design expectations.

Community Relations

The fourth quarter was a successful period for OceanaGold's Macraes Trout Hatchery which is operated as a joint venture with Fish & Game New Zealand. More than 27,000 trout fry are in their early stages at the hatchery. Some of these will be raised for future breeding stock with the majority to be released into local lakes and reservoirs.

The Company's Heritage and Art Park located at the Macraes mine, commissioned a new art exhibit during the fourth quarter. The outdoor art park is the vision of OceanaGold to transform land that had once been used in mining activities into a sustainable tourist initiative for the local community and one that will continue to attract visitors long after mining activity has ceased.

The Haast Eagle (Figure A) designed by New Zealand artist Mark Hill, stands approximately 7.5 meters tall with a wingspan of 11.5 meters. It was constructed out of stainless steel tubing and sheet and is the artist's rendition of the Haast Eagle which last soared above the skies of the South Island of New Zealand in the 19th century.

- Figure A -
Haast Eagle

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	Q/E Dec 31 2008	Q/E Sep 30 2008	Q/E Dec 31 2007	2008	2007	2006
Gold produced (ounces)	52,508	45,843	46,818	183,680	145,312	182,288
Total Ore Mined (tonnes)	1,207,149	1,053,701	1,113,591	4,322,001	3,796,184	5,678,195
Ore Mined grade (grams/tonne)	1.65	1.49	1.54	1.52	1.22	1.23
Total Waste Mined (tonnes) incl pre-strip	9,520,930	9,921,061	10,655,037	40,339,489	43,752,396	48,363,629
Total Material Mined (tonnes) incl pre-strip	10,728,079	10,974,762	11,768,628	44,661,490	47,548,580	54,041,824
Total Material Moved (tonnes)	11,199,726	11,803,712	12,115,134	47,255,177	50,059,468	55,915,129
Mill Feed (dry milled tonnes)	1,372,116	1,409,432	1,317,352	5,545,008	5,564,873	5,513,634
Mill Feed Grade (grams/tonne)	1.48	1.23	1.43	1.31	1.05	1.24
Recovery (%)	80.4%	81.7%	77.3%	78.6%	77.5%	82.5%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	Q/E Dec 31 2008	Q/E Sep 30 2008	Q/E Dec 31 2007	2008	2007	2006
Gold produced (ounces)	22,910	17,427	16,687	76,132	37,897	n/a
Total Ore Mined (tonnes)	352,657	328,043	320,958	1,307,134	884,200	n/a
Ore Mined grade (grams/tonne)	2.44	2.20	2.42	2.24	2.24	n/a
Total Waste Mined (tonnes) incl pre-strip	3,259,107	2,723,273	2,908,262	12,386,999	11,996,441	n/a
Total Material Mined (tonnes) incl pre-strip	3,611,764	3,051,316	3,229,220	13,694,133	12,880,641	n/a
Total Material Moved (tonnes)	3,645,818	3,077,934	3,284,110	13,808,609	12,980,104	n/a
Mill Feed (dry milled tonnes)	319,395	313,321	258,766	1,192,954	601,612	n/a
Mill Feed Grade (grams/tonne)	2.54	2.51	2.79	2.47	2.60	n/a
Recovery (%)	82.5%	82.8%	81.9%	81.8%	77.1%	n/a

DEVELOPMENT

Didipio Gold & Copper Project (Philippines)

Development at the Didipio Gold and Copper project in Luzon, Philippines was placed under care and maintenance on 3 December 2008. The Company has limited its site work to securing and maintaining existing project infrastructure. There were three LTIs for the quarter and a total of eight for FY2008.

Prior to the project's curtailment, detailed design was advanced to 69% completion with procurement of all long lead items also well advanced or completed. Site based activities included final construction works of the access road to site and 60% completion of bulk earthworks for the ore storage and processing plant facilities. Preliminary works for the accommodation camp and office infrastructure were also completed.

Long lead-time items such as the mills, cyclones, floatation cells and gravity concentrators have been completed and will remain at the vendor premises until they are required at site. Other vendor equipment contracts have been terminated and settled.

The plant area and run-of-mine (ROM) earthworks pads will be secured during care and maintenance with 24 hour security and fencing of specific areas. The Company will continue to examine strategies to resume development of the project.

Community Relations and Environment

During the care and maintenance phase of the project, all environmental controls will be maintained throughout the project footprint. Special attention to water and soil erosion will remain a priority.

Previously signed Memoranda of Agreement (MOAs) will also be honoured during this phase of the project. The Company continues to work with its many stakeholder groups and is a proud supporter of various programs in Northern Luzon, such as the Global Fund Movement Against Malaria and the Didipio Green Valley Institute School. Information in relation to the partnerships with both of these groups is detailed in the third quarter report.

EXPLORATION

Exploration expenditure for the fourth quarter totalled $1.0 million. FY2008 expenditure totalled $5.4 million.

New Zealand

Macraes Goldfield

Exploration activities during the fourth quarter continued at the Frasers Underground extension program and the Macraes open pit drilling along strike of the Hyde Macraes Shear Zone (HMSZ). These programs are directed at extending the Frasers Underground down dip and delineating near surface mineralization at the northern perimeter of the current open pit mine.

During the year over 4,000 metres of infill drilling on Panel 2 of Frasers Underground was completed. The program confirmed the trend of increasing grade with depth within the ore body. Mining commenced in Panel 2 during the second half of the year. It is expected that the majority of the future exploration drilling there will be conducted from underground.

A drill program commenced mid-year to delineate near surface, open-pittable resources. Three such programs were completed, at Golden Ridge, Trig 569 and Coronation, with best results reported from the latter. In total, 34 holes were drilled (for 3,069m) to test the Northeastern extension of the Coronation deposit. Significant intercepts (with grades > 1g/t Au over 1-5m) exist within the hanging wall shear zone itself and a semi-concordant lode that occurs about 10m below. Both define shallow, north-plunging shoots. Modelling of this deposit is underway and will be included in the resource estimate update in H1 2009.

A 3-D model of all grade control data (collected over the life of the mine) is being compiled, and further work is planned over the northern extension of the HMSZ through a collaboration of the New Zealand's GNS and OceanaGold. A soil sampling program (1,361 samples, to date) to track the trace of the HMSZ northwards, beyond Coronation, is ongoing. This area represents a 2-3 km long untested interval of strike and is regarded as the most prospective (for open-pittable resources) in the entire Macraes tenement package.

Reefton Goldfield

During the fourth quarter a drill program designed to test for extensions of mineralized zones on the Globe-Progress mining permit commenced. Reverse circulation and diamond drill holes were completed with only a few assays received. Further analysis of these results will continue early into 2009.

Philippines

Didipio & Near-Mine Prospects

Near mine exploration drilling was completed during the quarter and assay data is now being analysed. This review and analysis will continue into the first quarter of 2009.

9,085m was drilled into near mine targets at Didipio during 2008. Eight different targets were tested with a number of thin monzonitic dykes intersected. Detailed logging of alteration vein assemblages and an interpretation of an IP survey indicate that there are at least two prospects within this group of eight that remain untested. Additionally, there are at least seven other targets that have not been tested within two kilometres of Didipio.

A comprehensive review of the historical drilling on all regional targets at Didipio was conducted during 2008. This involved relogging numerous drill holes (many hundreds of metres) and sampling of all zones of interest that had not been sampled before. In addition, many of the holes were logged with a PIMA instrument, as part of a hyperspectral orientation study aimed at providing an objective means of logging subtle alteration. The ultimate objective of this ongoing research program is to identify vectors to help target additional mineralization.

Manhulayan

The Company commenced an exploration program at the Manhulayan project in the first quarter of 2008 starting with a mapping and sampling program. The main porphyry targets have had some previous drilling by Placer Dome which identified long intervals of gold-copper mineralization. A soil sampling grid was extended to the south of Costan Ridge to complete the geochemical coverage of an area of small-scale workings that had not previously been sampled. A new dipole-dipole IP survey was completed over the full grid. An interpretation of these combined data sets has identified two targets and four proposed diamond holes.

FINANCIAL SUMMARY

The table below provides selected financial data comparing Q4 2008 with Q3 2008 and Q4 2007 and the last three full years.

STATEMENT OF OPERATIONS	**Q/E Dec 31 2008 $'000**	**Q/E Sep 30 2008 $'000**	**Q/E Dec 31 2007 $'000**	**Year 2008 $'000**	**Year 2007 $'000**	**Year 2006 $'000**
Gold sales	47,845	54,038	36,615	217,214	104,395	94,750
Cost of sales, excluding depreciation and amortization	(22,543)	(39,658)	(25,795)	(138,154)	(81,669)	(72,684)
General & Administration	(2,963)	(3,784)	(3,339)	(15,338)	(11,632)	(5,906)
Foreign Currency Exchange Gain/(Loss)	1,924	8,367	1,480	2,254	(2,661)	(306)
Other income	31	28	96	133	291	148
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding gain/(loss) on undesignated hedges)	**24,294**	**18,991**	**9,057**	**66,109**	**8,724**	**16,002**
Depreciation and amortization	(12,872)	(11,420)	(10,362)	(50,547)	(28,790)	(14,031)
Net interest expense	(3,892)	(4,823)	(3,882)	(18,056)	(12,702)	(3,976)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	7,530	2,748	(5,188)	(2,494)	(32,768)	(2,005)
Tax on earnings / loss	(5,613)	58	(692)	(1,051)	7,307	529
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	**1,917**	**2,806**	**(5,880)**	**(3,545)**	**(25,461)**	**(1,476)**
Release from OCI of deferred unrealized gain/(loss) on designated hedges	-	-	334	279	(16,407)	(27,684)
Gain / (loss) on fair value of undesignated hedges	(21,919)	(19,587)	(30,736)	(73,408)	(45,847)	(5,079)
Tax on (gain)/loss on undesignated hedges	6,576	5,876	9,121	21,939	18,676	10,812
Net earnings/(loss)	**(13,426)**	**(10,905)**	**(27,162)**	**(54,735)**	**(69,039)**	**(23,427)**
Basic earnings/ (loss) per share	($0.08)	($0.07)	($0.17)	($0.34)	($0.47)	($0.29)
Diluted earnings/ (loss) per share	($0.08)	($0.07)	($0.17)	($0.34)	($0.47)	($0.29)
CASH FLOW						
Cash flows from Operating Activities	19,918	(2,730)	5,180	47,725	10,675	16,048
Cash flows from Investing Activities	(20,649)	8,940	(23,562)	(108,316)	(118,675)	(49,526)
Cash flows from Financing Activities	(4,525)	(30,650)	(27)	(49,134)	140,756	74,405

BALANCE SHEET		**As at Dec 31 2008 $'000**	**As at Dec 31 2007 $'000**	**As at Dec 31 2006 $'000**
Cash and cash equivalents		9,711	119,837	80,025
Other Current Assets		35,980	35,401	40,686
Total Non Current Assets		584,299	652,704	503,018
Total Assets		**629,990**	**807,942**	**623,729**
Total Current Liabilities		89,105	78,095	91,185
Total Non Current Liabilities		294,229	375,682	243,384
Total Liabilities		**383,334**	**453,777**	**334,569**
Total Shareholders' Equity		**246,656**	**354,165**	**289,160**

RESULTS OF OPERATIONS

The company reported 2008 earnings before interest, tax, depreciation and amortization (EBITDA) and gains/losses on undesignated hedges in 2008 of $66.1 million compared with $8.7 million in the prior year. EBITDA before gains/losses on undesignated hedges in the fourth quarter of 2008 was $24.3 million compared to $19.0 million in the third quarter. The results for the year were characterised by increased production at Macraes and Reefton open pits and Frasers Underground mines as well as an increased average realised gold price per ounce. The increased average gold price received when compared to 2007 was positively affected by 100% of production for the first three quarters being sold into the spot market as hedged positions were rolled forward.

Cash costs per ounce in the fourth quarter were substantially lower than the third quarter, mainly due to increased production and lower consumable costs. In addition a revaluation of the low-grade ore stockpile and an adjustment to pre-strip costs and waste for the full year had a positive effect in the December quarter. Cash costs per ounce for the year recorded a decrease in 2008 compared to 2007, while non-cash costs per ounce were stable. Operating costs were higher than the prior year, reflecting increased consumable commodity costs, higher expensed waste stripping and increased depreciation and amortisation expenses associated with the start of the Reefton and Frasers Underground mines. Increased interest costs associated with higher levels of debt also impacted the result.

Sales Revenue

Gold revenue of $217.2 million in 2008 exceeded the $104.4 million in 2007 by $112.8 million (108%) due to strong gold sales augmented by an increase in the average gold price received.

Gold sales volumes for 2008 of 264,124 ounces were 49% higher than 2007 (177,722 ounces). This was due to increased production from the Macraes open pit mine, the commissioning of the Frasers Underground mine, increased contribution from the Reefton mine and improved gold recoveries.

The average price received per ounce in 2008 was $822, an 18% increase over the 2007 average of $697.

Gold sales volumes for the fourth quarter were 19% higher than the third quarter but the average price received dropped 25% from $861 to $640. This was due to a portion of production being sold into fixed forward contracts, compared to gold produced in the third quarter that was sold entirely into the spot market as hedge positions were rolled forward. The net result was an 11% decrease in revenue from the third to fourth quarter.

Undesignated Hedges Gains/Losses

Unrealised gain/loss on the fair value of undesignated hedges has been brought to account reflecting the movement in the spot gold price.

The derivative instruments used to manage the impact of movements in gold prices are summarised below under “Current and non-current derivative liabilities”.

Operating Costs & Margins

Cash costs per ounce sold of $532 were $24 lower in 2008 than in 2007. Excluding the adjustment for the net realisable value of low grade stockpiles, cash costs declined slightly from $556 in 2007 to $549 in 2008. In addition, the NZD has weakened by more than 24% against the USD during 2008 which has improved the cash cost per ounce in USD terms. This was offset during the year by the impact of sharp increases in the market prices of electricity and diesel fuel as well as other consumables such as reagents, explosives, and grinding media etc. These prices have recently retreated from highs experienced mid-year.

Cash costs per ounce sold in the fourth quarter of 2008 at $307 were less than half the third quarter costs of $640 per ounce sold. Excluding the fourth quarter adjustments, cash costs decreased by 35% from $640 to $416. The reduction in cash costs per ounce reflects higher gold production, a sharp reduction in electricity prices, the decline in diesel prices and the impact of a weaker NZD.

The increased margin resulted in earnings before interest, tax, depreciation & amortisation (excluding undesignated hedge losses) of $66.1 million for the year, which compares to $8.7 million in 2007. The fourth quarter of 2008 contributed $24.3 million to EBITDA compared to $19.0 million in the third quarter, a 28% increase.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a unit of production basis and are consequently much higher in 2008 than in 2007. Similarly the charges are higher in the fourth quarter than in the third quarter due to increased production.

Increased production from the commissioning of both the Reefton mine in 2007 and Frasers Underground mine in Q1 2008, together with the amortisation of deferred waste stripping costs increased the depreciation and amortisation charges.

Net Interest expense

The increase in net interest expense in 2008 is a result of the higher levels of net debt carried by OceanaGold for 2008 compared with 2007. In December 2008, the Company began paying the coupon on it’s A$100 million convertible bonds issued in 2006/2007.

Net interest expense for the fourth quarter of 2008 was lower than the third quarter, caused by a combination of lower interest rates, a weaker Australian and New Zealand dollar and reduced principal after loan repayments on the Company’s outstanding project loan.

Net earnings/(loss)

The company reported a net loss of $54.7 million in 2008 compared with a net loss of $69.0 million in 2007. The impact of non-cash charges for undesignated hedge gains and losses was influential throughout the year with undesignated hedge losses of $73.4 million. The value of the undesignated hedges is only a non-cash accounting entry that reflects their value at the end of the reporting period. This does not affect cash flow but can have a significant influence on reported net earnings. As a result, EBITDA before undesignated hedge gains/losses is reported to measure operating performance on a consistent basis.

Improvements in EBITDA for the year were primarily the net result of higher gold production from the combined operations and the increased average realised gold price received.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash flows from operating activities for 2008 increased to $47.7 million compared to $10.7 million in 2007. The improvement was driven by the significantly higher gold sales this year partially offset by increased mining costs.

Q4 2008 cash flows from operating activities were over $22 million higher than the third quarter, reflecting the increased gold production.

Investing Activities

Expenditures were on the Didipio Project development as well as pre-stripping and sustaining capital for the New Zealand operations.

Cash used for investing activities in 2008 totalled $108.3 million which was $10.4 million lower than 2007. Large increases in payments for development at the Didipio project were more than offset by decreased expenditure on property, plant and equipment and exploration and evaluation activities.

Cash outflows due to investing activities in the fourth quarter were $20.6 million for mining assets and development. This is broadly in line with the third quarter cash inflow of $8.9 million if the cash inflow of $27.0 million from a restricted bank account to cash is excluded.

Financing Activities

Financing cash outflows in 2008 were $49.1 million resulting from repayments of borrowings of $15.7 million, finance lease payments of $7.5 million and the $25.9 million settlement of gold hedge contracts at the end of the third quarter.

Cash flows from financing activities in the fourth quarter were a net outflow of $4.5 million. This was comprised of a $2.9 million repayment of borrowings and a $1.6 million repayment on a mining equipment finance lease.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the twelve months ended December 31, 2008, the Company incurred a loss of $54.7 million. As at December 31, 2008 the current liabilities of the company exceed current assets by $43.4 million and the company has capital commitments of $6.6 million. The company has cash on hand of $9.7 million. Current cash flow projections indicate sufficient funds to continue as a going concern for at least the next 12 months, however, should certain assumptions in the forecasts not be achieved, cash flow deficits may occur, which could lead to doubt as to the ability of the Company to meet its future obligations as they fall due and, accordingly, whether the application of the going concern principle is appropriate.

The Company will consider alternatives to secure additional capital including finance facilities and equity. Nevertheless, there is no assurance that these initiatives would be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows - either from operations, additional financing, or realisation of assets in the ordinary course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary where the going concern assumption is inappropriate. These adjustments could be material.

Capital commitments

OceanaGold's existing capital commitments as at December 31 2008 are as follows:

Payments due by period as at December 31 2008			
$'000 Total	**$'000 < 1 year**	**$'000 1 - 2 years**	**$'000 2 - 3 years**
6,573	5,656	247	670

Financial position

<u>Current Assets</u>

Current assets declined by $110 million during 2008 primarily from a reduction in cash.

<u>Non Current Assets</u>

During 2008 non-current assets decreased from $653 million to $584 million. The USD appreciation has decreased the value of Property, Plant and Equipment and Mining Assets in USD terms.

<u>Current Liabilities</u>

The increase of $11 million during 2008 was a result of an $18.4 million increase in the current unrealised derivative liabilities, partially offset by a $4.8 million reduction in interest bearing liabilities in line with project debt payments and adjusted for the movement of the USD.

<u>Non Current Liabilities</u>

Interest-bearing loans and borrowings decreased by $56 million during 2008 as a result of foreign exchange movements and a repayment of project debt. A $13 million reduction in future income tax liabilities related to capital expenditure deductions in NZ.

<u>Current and non-current derivative liabilities</u>

OceanaGold holds certain derivative instruments to manage the impact of movements in the spot gold price.

During the year the Company settled fixed forward gold hedge contracts that had been rolled from the first nine months of the year to the end of the third quarter. Contracts for 78,312 ounces were settled from the hedge position resulting in a 25% reduction in the fixed forward position. The out of the money position of $25.9 million was settled by cash against hedge liabilities.

Current instruments held include undesignated forward gold sales contracts for 206,076 ounces (2007: 319,788 ounces) at NZ$773, undesignated gold put options for 199,496 ounces (2007: 248,538 ounces) with an average exercise price of NZ$1,068 and undesignated gold call options (sold) for 136,024 ounces (2007: 104,024 ounces) with an average exercise price of NZ$1,172.

A summary of OceanaGold's derivatives is:

	Dec 31 2008 $'000	Dec 31 2007 $'000
Current Assets		
Gold put options	1,493	1,084
Non Current Assets		
Gold put options	1,997	4,097
Total Assets	**3,490**	**5,181**

	Dec 31 2008 $'000	Dec 31 2007 $'000
Current Liabilities		
Gold forward sales contracts	46,949	30,402
Gold call options (sold)	1,831	-
	48,780	**30,402**
Non Current Liabilities		
Gold forward sales contracts	45,708	67,322
Gold call options (sold)	34,358	20,894
	80,066	**88,216**
Total Liabilities	**128,846**	**118,618**

<u>Shareholders' Equity</u>

A summary of OceanaGold's changes in shareholders' equity is set out below:

	Year ended Dec 31 2008 $'000
Total equity at beginning of financial period	**354,165**
Profit/(loss) after income tax	(54,735)
Movement in other comprehensive income	(54,292)
Movement in contributed surplus	1,518
Total equity at end of financial period	**246,656**

Shareholders' equity has decreased to $246.7 million at year end primarily as a result of the loss incurred for the year and currency translation differences reflected in other comprehensive income that arise on consolidation of foreign entities.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The accounting policies that involve significant management judgement 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 2008 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 (including exploration, evaluation and development expenditure) 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.

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 tangible 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 certain of the key assumptions.

Asset Impairment Evaluations

The carrying values of exploration, evaluation, development costs 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 average cost of borrowing.

Derivative Financial Instruments /Hedge Accounting

The consolidated entity benefits from the use of derivative financial instruments to manage commodity price and foreign currency exposures.

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 reporting date. The fair value of forward exchange contracts is calculated by reference to current forward exchange rate for contracts with similar maturity profiles.

Certain derivative instruments do not qualify for hedge accounting or have not been accounted for as fair value or cash flow hedges. Changes in the fair value of these derivative instruments are recognised immediately in the statement of operations. The company does not have any designated hedges.

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. 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.

ESTIMATES, RISKS AND UNCERTAINTIES

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.

In addition, 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; 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.

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") or New Zealand dollars ("NZD") 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 income. Differences arising from these foreign currency translations are recorded in shareholders' equity as a cumulative translation adjustment until they are realized by a reduction in the net investment.

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 income, with the exception of depreciation and amortization which is translated at the historical rate for the associated asset. Exchange gains and losses and currency translation adjustments are included in income.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

There have been no material changes from the accounting policies of FY2007.

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being converged with International Financial Reporting Standards (IFRS) over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. This convergence initiative is in its early stages and at this time OceanaGold does not intend to early adopt IFRS. Accordingly, it would be premature to assess the impact of the initiative on the Company at this time.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended March 31, 2007 through to December 31, 2008. 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.

	Dec 31 2008 $'000	Sep 30 2008 $'000	Jun 30 2008 $'000	Mar 31 2008 $'000	Dec 31 2007 $'000	Sep 30 2007 $'000	Jun 30 2007 $'000	Mar 31 2007 $'000
Gold sales	47,845	54,038	53,068	62,263	36,615	24,367	22,644	20,769
EBITDA (excluding undesignated gain/(loss) on hedges)	24,294	18,991	1,131	21,690	9,057	(8,522)	2,787	5,404
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges	1,917	2,806	(12,051)	3,783	(5,880)	(16,169)	(4,066)	(300)
Net earnings/(loss)	(13,426)	(10,905)	(19,248)	(11,156)	(27,162)	(47,730)	16,510	(10,656)
Net earnings per share								
Basic	($0.08)	($0.07)	($0.12)	($0.07)	($0.17)	($0.30)	$0.12	($0.08)
Diluted	($0.08)	($0.07)	($0.12)	($0.07)	($0.17)	($0.30)	$0.11	($0.08)

The most significant factors causing variation in the results are the commissioning of both the Reefton open pit and Frasers underground mines, 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 sales revenue and its impact upon undesignated gains/(losses) on hedges. Adding to the variation are the large movements in foreign exchange rates between the USD and the NZD.

As noted on page 4, the year end adjustment in the fourth quarter to the pre-stripping is reflected in the Dec 2008 quarter above. If the adjustment is updated to the quarter to which it relates there is an equal and offsetting effect increasing Q2 EBITDA by $4.9 million, earnings after tax and net earnings by $3.4 million and earnings per share by $0.02.

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. Because non-GAAP performance measures do not have any 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/(loss) is provided on page 11.

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.

	Q/E Dec 31 2008 $'000	Q/E Sep 30 2008 $'000	Q/E Dec 31 2007 $'000	Year 2008 $'000	Year 2007 $'000	Year 2006 $'000
Cost of sales, excluding depreciation and amortisation	22,543	39,658	25,795	138,154	81,669	72,684
Depreciation and amortisation	12,872	11,420	10,362	50,547	28,790	14,031
Total cost of sales	35,415	51,078	36,157	188,701	110,459	86,715
Add operating general & administration	411	552	598	2,479	1,516	162
Less selling costs	(96)	(114)	(82)	(459)	(312)	(100)
Total operating cost of sales	35,730	51,516	36,673	190,721	111,663	86,777
Gold Sales from operating mines (ounces)	74,816	62,753	48,574	264,124	149,682	180,035
Total Operating Cost ($ per ounce)	478	821	755	722	746	482
Less Non-Cash Cost ($ per ounce)	171	181	211	190	190	78
Cash Operating Cost ($ per ounce)	307	640	544	532	556	404

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, 2008. 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, 2008 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

As at December 31, 2007 and December 31, 2008, the Chief Executive Officer and Chief Financial Officer evaluated the design of the Company's internal control over financial reporting. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of internal control over financial reporting was effective as at those dates to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

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