



## MEDIA RELEASE

21 July 2009

### OCEANAGOLD TO UNDERTAKE INSTITUTIONAL PLACEMENT

(MELBOURNE) OceanaGold Corporation (**ASX: OGC, TSX: OGC, NZX: OGC**) (the "**Company**") today announces the launch of a non-underwritten institutional private placement (the "**Placement**") of up to 24 million ASX-listed Chess Depositary Interests ("**CDI**").

This Placement, which represents up to 15% of the Company's issued capital prior to the Placement, will be offered through a book-build to institutional investors and sophisticated investors in select jurisdictions.

The new CDIs will rank pari passu with existing OceanaGold CDIs quoted on the ASX.

Macquarie Capital Advisers Limited is acting as sole lead manager and bookrunner to the Placement.

The proceeds from the Placement will enable the Company to:

- undertake a brownfields exploration and drilling program of prospective targets in proximity to the company's existing operations in New Zealand, predominantly aimed at converting resources to reserves, thus materially extending mine life; and
- general corporate purposes (including completion of a revised feasibility study for the Didipio gold-copper project).

Mr Marcus Engelbrecht, Interim Chief Executive Officer and Chief Financial Officer of OceanaGold Corporation said, "We believe that the Placement will allow us to add significant value to OceanaGold as we build upon the operational and exploration successes we have already achieved at our three mines in New Zealand. In particular, the opportunity to significantly extend the mine life of our New Zealand operations provides considerable upside for shareholders in the medium term given the scheduled expiry of the Company's hedge book at the end of 2010."

"Furthermore, we are confident that completion of a re-scoped feasibility study at Didipio will add material value by providing the Company with significant strategic options for the project."

#### **Trading halt**

It is anticipated that the trading halt currently in place on ASX and NZX will be lifted to allow trading to recommence from market open on each exchange on 22 July 2009. No trading halt will be sought in relation to trading on the TSX.

## **Operational and Financial Update (Unaudited)**

The following is an unaudited summary of some key operational and financial metrics for the June quarter 2009.

- During the June 2009 quarter OceanaGold sold 75,318 ounces of gold resulting in gold sales of 156,411 ounces for the half year to 30 June 2009 (+ 24 % relative to the June half year 2008);
- Operating cash costs in the June 2009 quarter were US\$421 per ounce and US\$347 per ounce for the half year to 30 June 2009;
- OceanaGold's cash balance at 30 June 2009 was US\$21.4 million, with net debt at 30 June 2009 of US\$152.3 million;
- Year to date Cash flow from Operations to June 30, 2009 was US\$43 million;
- Year to date EBITDA to 30 June 2009 estimated in the range of US\$45 – US\$50 million (subject to finalisation); and
- A positive fair value adjustment on derivatives at 30 June 2009 of US\$49.6 million.

Full details of The Company's financial results for the June quarter will be released after market close on July 30.

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For further information please contact:

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## **About OceanaGold**

OceanaGold Corporation is a significant Pacific Rim gold producer with projects located on the South Island of New Zealand and in the Philippines. The Company's assets encompass New Zealand's largest gold mining operation at the Macraes complex in Otago which is made up of the Macraes open pit and the Frasers Underground mines. Additionally on the west coast of the South Island, the Company operates the Reefton open-pit mine. OceanaGold expects to produce 280,000 – 300,000 ounces of gold from the New Zealand operations in 2009. The Company also owns the Didipio Gold-Copper Project in northern Luzon, Philippines.

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

### **Cautionary Statement**

Statements in this release may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements include, without limitation, statements with respect to any future reserves attributable to the Panel 2 Deeps zone and estimated production from the Company's existing properties. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's Annual Information Form prepared and filed with securities regulators in respect of its most recently completed financial year. There are no assurances the Company can fulfil such forward-looking statements and, subject to applicable securities laws, the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking statements.

This announcement does not constitute an offer of securities for sale in the United States, or to any person that is, or is acting for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") ("U.S. Person")). The securities have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

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