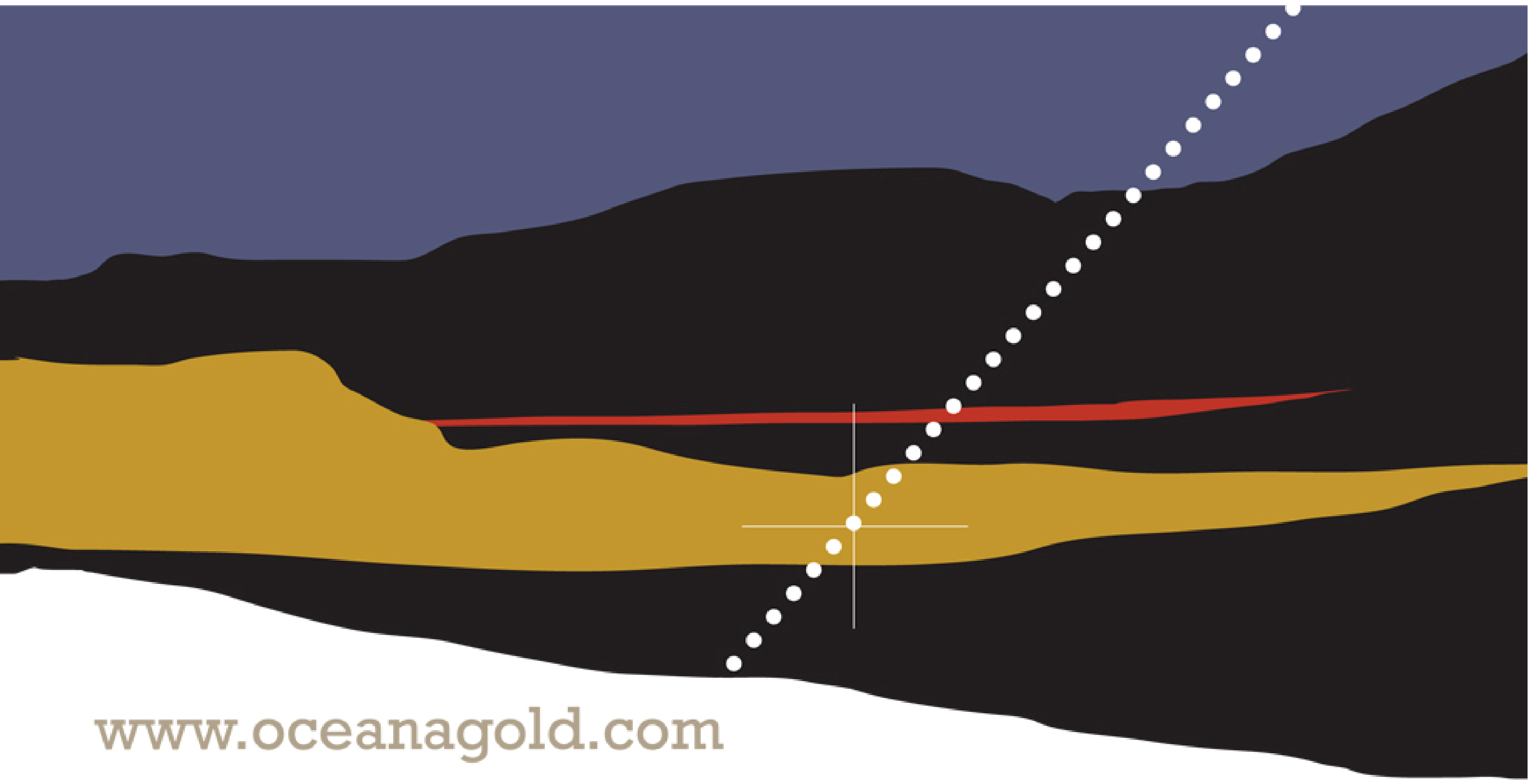
OceanaGold Corporation

2008
First Quarter 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.

OCEANAGOLD

Delivering on Sustainable Growth

30 April 2008

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

HIGHLIGHTS

- Recorded gold sales of 67,724 ounces – an increase of 75% for the same period in 2007.
- Achieved a Cash Operating Margin of $423 per ounce – an increase of 100% over the same period in 2007.
- Recorded earnings before interest, tax, depreciation and amortization (EBITDA), excluding unrealized gain/(loss) on hedges of $21.69 million, a 301% increase over the same period in 2007.
- Commissioned the Frasers Underground mine in the Macraes Goldfield, South Island of New Zealand.
- Produced 18,204 gold ounces from the Reefton mine, which is in line with expectations.
- Awarded the Didipio open-pit mining contract to Leighton Contractors (Philippines) and the bulk earthworks and permanent accommodation camp contracts
- Continued infill diamond drilling at Frasers Underground Panel 2 to identify additional high grade material. Development will reach the higher grade Panel 2 during the second quarter of 2008.
- Commenced near-mine exploration at Didipio on the Didipio South and Golden Eagle prospects and intercepted a 10 metre wide zone of strongly altered monzonite intrusive rock consistent with the mineralization at the Didipio deposit.

*All statistics are compared to the corresponding 2007 period.

**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

OceanaGold sold 67,724 ounces during the first quarter of 2008 at a cash operating cost of $496 per ounce.

During the quarter, the Company successfully commissioned the Frasers Underground mine at the Macraes Goldfield. Frasers is expected to produce approximately 900,000 tons of ore in 2008 and is OceanaGold's third operating mine in New Zealand.

In January, the company announced the intention of restructuring the gold hedge facility to roll forward the 2008 hedged ounces of 113,712 to 2011. This restructure is subject to final approvals by the Company's partner financial institutions and the Board of Directors. In anticipation of completing the restructure, the Company temporarily rolled the hedge contracts maturing in the first quarter into the second quarter. As a result, all gold was sold into the spot market and an average price of $919 per ounce was realized. The cash operating margin for the quarter was $423 per ounce which was a 100% increase over the same period in 2007.

The cash operating costs for the quarter in US$ terms was negatively affected by the continued strength of the New Zealand Dollar. In addition increasing fuel costs from record oil prices was a contributing factor and hydro-electric power costs increased due to lower than normal rainfall in new Zealand. Despite these increases, costs for the quarter were $496 per ounce, a 9% improvement over the fourth quarter of 2007.

EBITDA (excluding unrealized gains/losses on hedges) for the quarter was $21.69 million compared to $5.40 million in the first quarter 2007.

The Macraes goldfield produced 44,631 ounces for the quarter. The average mill feed grade was 1.40 g/t, a 43% improvement over the same period in 2007.

The Reefton mine performed to expectations and produced 18,204 ounces during the quarter at an average mill feed grade of 2.40 g/t. The processing plant continues to improve quarter over quarter and is now consistently running above nameplate throughput capacity.

The Didipio Gold-Copper project progressed with some key contracts awarded in the quarter. Leighton Contractors (Philippines) a division of Leighton Asia was awarded the open-cut mining contract. They have mobilized personnel to site and are scheduled to commence the pre-stripping of the open pit in May.

Delta Earthmoving Inc. has been retained to conduct the bulk earthworks. By the end of the quarter, they were constructing the run-of-mine storage pad and excavating for the process plant and permanent camp sites.

The project remains on schedule to commission in the first half of 2009 and is currently employing over 900 people either through the Company or related contractors.

Exploration activities in New Zealand continued with a focus at Macraes to further define the high grade areas of Frasers Underground Panel 2. At Reefton, drilling at the Supreme deposit consisted of infill drilling which was successful in confirming geological interpretation and has added confidence to the resource model.

In the Philippines, an aggressive program at Manhulayan commenced with a team of geologists dispatched to the prospect to begin mapping, sampling and an Induced Polarisation study. A drill rig is planned to be mobilized in the second quarter.

The infill drilling program on the Didipio deposit has been successfully completed and results are being integrated into an updated resource model.

Near-mine exploration at Didipio has commenced with initial drilling into near-mine target, Golden Eagle. The first hole at Golden Eagle which is located approximately 500 meters from Didipio, intersected Didipio style mineralization. Assays are expected in the second quarter.

-Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Quarter Ended 31 Mar 2008**	**Quarter Ended 31 Mar 2007**
Gold Sales (Ounces)	67,724	38,727
	USD	**USD**
Average Price Received ($ per ounce)	919	631
Cash Operating Cost ($ per ounce)	496	421
Cash Operating Margin ($ per ounce)	**423**	**211**
Non-Cash Cost ($ per ounce)	209	115
Total Operating Cost ($ per ounce)	705	536
Total Cash Operating Cost ($ per tonne)	20.24	9.93

Combined Operating Statistics	**Quarter Ended 31 Mar 2008**	**Quarter Ended 31 Mar 2007**
Gold produced (ounces)	62,835	36,255
Total Ore Mined (tonnes)	1,488,052	899,971
Ore Mined grade (grams/tonne)	1.59	1.19
Total Waste Mined (tonnes) - incl pre-strip	13,504,873	13,904,740
Total Material Mined (tonnes) – incl pre-strip	14,992,925	14,804,711
Total Material Moved (tonnes)	15,397,035	15,689,824
Mill Feed (dry milled tonnes)	1,660,765	1,393,599
Mill Feed Grade (grams/tonne)	1.58	0.98
Recovery (%)	74.23%	82.9%

Combined Financial Results	**Quarter Ended 31 Mar 2008**	**Quarter Ended 31 Mar 2007**
EBITDA (excluding unrealized gain/(loss) on hedges)	21,690	5,404
Earnings/(loss) after income tax and before unrealized gain/(loss) on hedges	3,783	(300)
Reported EBITDA (including unrealized gain/(loss) on hedges)	349	(10,052)
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	(11,156)	(10,656)

PRODUCTION

Production for the first quarter of 2008 totalled 62,835 gold ounces, a 73% increase over the same period in 2007. Production for the quarter was in line with the revised forecast following damage to an underground loader from a rock fall.

The higher production for the quarter compared to 2007 was attributed to the Company now operating three mines compared to only one mine during the first quarter of 2007. Total combined cash operating costs were $496 per ounce for the quarter.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes operations (open-cut and underground) incurred nil lost time injuries (LTI) for the quarter. This was an improvement on the same period in 2007 when there was one LTI. Total man hours without an LTI were 329,900 hours.

Production from the Macraes goldfield for the quarter was 44,631 gold ounces, a 23% increase over the same period in 2007. The increase was attributed to production from the new underground mine and higher grades from the open pit compared to 2007.

Total material moved in the pit was 11.95 million tonnes compared to 12.32 million tonnes for the same period in 2007. A new haul road built across the west side of Frasers 3 pit was completed in the quarter and is expected to decrease haul times by 15% in 2008.

The commissioning of the Frasers Underground mine was announced on January 17th. Development of the higher grade panel 1B has been accelerated and is expected to be brought into production ahead of schedule. A rock fall reported on March 13th resulted in a remote-controlled loader being buried and underground production was halted for five days to assess stope stability. Blasting and ground control procedures have been amended and development continues ahead of schedule.

Processing throughput at Macraes for the quarter was 1.36 million tonnes compared to 1.39 million tonnes in 2007. Mill feed grade averaged 1.40 g/t Au compared to 0.98 g/t Au for the same period in 2007. This 43% increase can be attributed to the higher grade ore from the pit and the feed from the higher-grade underground operation.

Run of Mine (ROM) recoveries were 73.1% for the quarter. This is below expectations and has been the focus of ongoing operational improvements throughout the quarter. The new flotation cells commissioned in the fourth quarter of 2007 are performing to expectation, but the diverse metallurgy between the concentrate from Reefton versus Macraes has required additional operator training at the Macraes plant in order to optimise recoveries. Reefton concentrate containing higher sulphur content reduced autoclave throughput so a higher than usual percentage of feed was directly leached and contributed to lower recoveries. The flotation process at Reefton is being modified to reduce the sulphur content in the concentrate, allowing for increased autoclave throughput.

Reefton Goldfield (New Zealand)

One LTI was incurred in the first quarter at Reefton compared with none in the first quarter of 2007.

Production from Reefton concentrate was 18,204 gold ounces and achieved expectations. Average mill feed grade through the plant was 2.40 g/t and ROM recovery was 79.4%. A soda ash trial commenced late in the quarter resulted in improvements to gold recovery and filter performance.

The Reefton process plant is now performing to expectation and is currently operating consistently at above nameplate throughput capacity.

-Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	**Quarter Ended 31 Mar 2008**	**Quarter Ended 31 Mar 2007**
Gold produced (ounces)	44,631	36,230
Total Ore Mined (tonnes)	1,145,044	792,463
Ore Mined grade (grams/tonne)	1.45	1.08
Total Waste Mined (tonnes) - incl pre-strip	10,421,980	10,740,231
Total Material Mined (tonnes) – incl pre-strip	11,567,024	11,532,694
Total Material Moved (tonnes)	11,951,876	12,323,686
Mill Feed (dry milled tonnes)	1,362,138	1,392,986
Mill Feed Grade (grams/tonne)	1.40	0.98
Recovery (%)	73.1%	82.9%
Total Autoclave feed (concentrate tonnes) (dry with lime)	23,925	29,213

-Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	**Quarter Ended 31 Mar 2008**	**Quarter Ended 31 Mar 2007**
Gold produced (ounces)	18,204	n/a
Total Ore Mined (tonnes)	343,008	n/a
Ore Mined grade (grams/tonne)	2.06	n/a
Total Waste Mined (tonnes) - incl pre-strip	3,082,893	n/a
Total Material Mined (tonnes) – incl pre-strip	3,425,901	n/a
Total Material Moved (tonnes)	3,445,159	n/a
Mill Feed (dry milled tonnes)	298,627	n/a
Mill Feed Grade (grams/tonne)	2.40	n/a
Recovery (%)	79.4%	n/a

DEVELOPMENT

Didipio Gold & Copper Project (Philippines)

Development at the Didipio Gold and Copper project in Luzon, Philippines progressed with some key milestones achieved,

During the quarter, the open-pit mining contract was awarded to Leighton Contractors (Philippines) a division of Leighton Asia. Leighton mobilized personnel to site before the end of the quarter and is scheduled to begin pre-stripping in early May.

Delta Earthmoving Inc. has been retained to conduct the bulk earthworks. They mobilised to site and commenced activity by the end of the quarter. The ROM pad is nearing completion and is on schedule with additional earthworks at the plant site ongoing.

Build Asia, the contractor awarded the contract for the construction of the permanent accommodation camp also mobilized to site. The camp is expected to be completed by the third quarter 2008.

Manning continued to increase with approximately 900 people working either for OceanaGold or related contractors on the project. The Project Manager charged with overseeing the construction process was also appointed and mobilized to the Philippines.

- Figure A -
Didipio ROM Pad & Plant Site (April 2008)

EXPLORATION

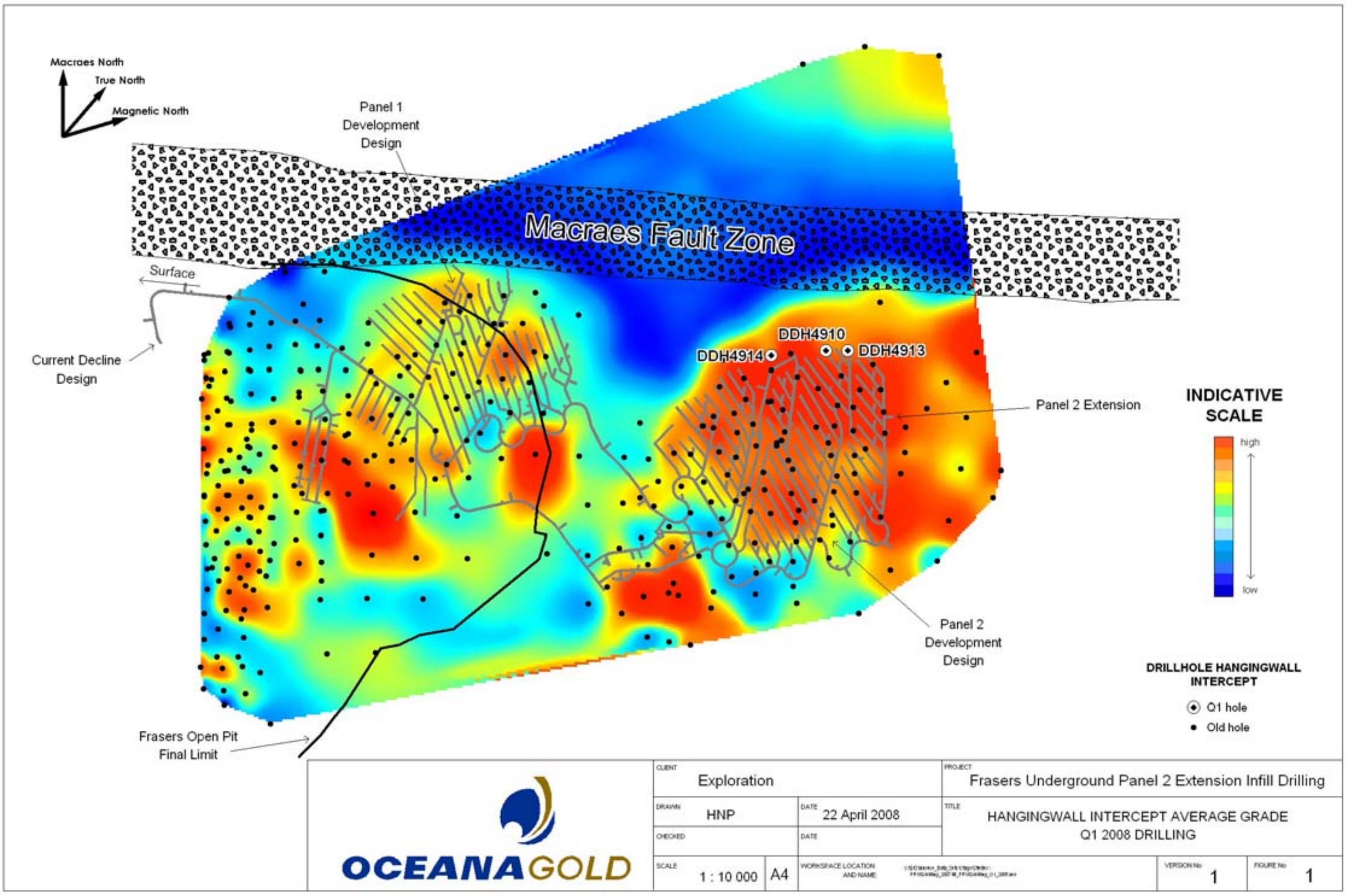
New Zealand

Macraes Goldfield

Exploration at the Macraes Goldfield focused on further drilling at Panel 2 of Frasers Underground. Results from this program continue to support the current interpretation that Panel 2 hosts higher-grade mineralization than that of Panel 1. The northern margin of Panel 2 mineralisation now appears to be defined as the Macraes Fault Zone. (Figure B).

The drilling program is expected to be completed in the second quarter and an update to the resource model will follow.

- Figure B -
Frasers Underground Grade Distribution Map



Reefton Goldfield

Reefton exploration focused on the Supreme prospect south of the current mining area. This infill drill program was completed successfully with results confirming geological interpretation. The new data from the program has added confidence to the resource model. Based on the success of this program an application to the Department of Conservation for an advanced infill drill program will be submitted in the second quarter.

Drilling at Reefton in the second quarter will focus on near mine / in-pit areas targeting projected mineralization traces beyond the current mining model.

Philippines

Didipio & Near-Mine Prospects

The infill drilling program at Didipio was completed in the first quarter. Of the planned drill holes, 22 of 27 were completed, with the remaining infill data to be gained through inclined RC grade control drilling. Drill results were released on February 13th for the first group of these holes. They improved geologic understanding of the deposit and increased confidence within the high-grade gold-copper core. Final assays from the infill program are expected in the second quarter 2008. An updated resource model that will take into account the recent infill program is expected early in the third quarter 2008.

Near mine exploration on eight gold-copper prospects within a 1,500 metre radius of the Didipio open-pit commenced on the Golden Eagle and Didipio South targets in early February. The first hole at Golden Eagle intersected a 10 metre wide zone of strongly altered monzonite intrusive rock with chalcopyrite, bornite, and molybdenite mineralization. The mineralization is consistent with that of the Didipio deposit and assays are expected in the second quarter 2008.

There are an additional 11 prospects within a 3,000 metre radius of the Didipio open-pit. At least 20,000 metres of drilling is planned for these 19 targets over the next two years.

Manhulayan

Gridding, soil sampling and mapping began at Manhulayan in early January with a team of geologists and local field assistants working at the prospect. The first drill target has been identified from this work and a Dipole-Dipole Induced Polarisation (IP) geophysics program commenced in early March. A team of 50 local residents have been employed for six weeks during the IP Survey. Results to date show a number of strong gold and copper in soil and chargeability and resistivity anomalies. A drill rig is planned to be mobilized in the second quarter 2008 by helicopter while the access road is upgraded.

Other Prospects

Currently OceanaGold has eight granted tenements, two of which are the Paco and Claveria prospects, awaiting renewal by the Mineral Geosciences Bureau. A further 11 are in various stages of the granting process.

The Company has made good progress with the local communities surrounding the Manag prospect and is hopeful that an MOA (Memorandum of Agreement) will be completed in the second quarter 2008.

FINANCIAL SUMMARY

The table below provides selected financial data relating to the quarter ended March 31, 2008, with comparative data from the quarter ended March 31, 2007.

STATEMENT OF OPERATIONS	**Quarter Ended March 31 2008 $'000**	**Quarter Ended March 31 2007 $'000**
Gold sales	62,263	20,769
Cost of sales, excluding depreciation and amortization	(33,000)	(13,432)
General & Administration	(3,908)	(1,783)
Foreign Currency Exchange Loss	(3,697)	(190)
Other income	32	40
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding unrealized gain/(loss) on hedges)	**21,690**	**5,404**
Depreciation and amortization	(14,204)	(3,448)
Net interest expense	(4,467)	(2,248)
Earnings/(loss) before income tax and unrealized gain/(loss) on hedges	3,019	(292)
Earnings/(loss) after income tax and before unrealized gain/(loss) on hedges	**3,783**	**(300)**
Release from OCI of deferred unrealized gain/(loss) on designated hedges	157	(9,080)
Gain / (loss) on fair value of undesignated hedges	(21,498)	(6,376)
Tax on unrealized (gain)/loss on hedges	6,402	5,100
Net earnings/(loss)	**(11,156)**	**(10,656)**
Basic earnings/ (loss) per share	($0.07)	($0.08)
Diluted earnings/ (loss) per share	($0.07)	($0.08)
CASHFLOW		
Cashflows from Operating Activities	19,372	8,305
Cashflows from Investing Activities	(31,938)	(36,726)
Cashflows from Financing Activities	(2,362)	47,327
BALANCE SHEET	**As at March 31 2008 $'000**	**As at December 31 2007 $'000**
Cash and cash equivalents	110,323	119,837
Other Current Assets	41,675	35,401
Total Non Current Assets	694,227	652,704
Total Assets	**846,225**	**807,942**
Total Current Liabilities	99,555	78,095
Total Non Current Liabilities	390,198	375,682
Total Liabilities	**489,753**	**453,777**
Total Shareholders' equity	**356,472**	**354,165**

RESULTS OF OPERATIONS

The company reported earnings/(loss) after income tax and before unrealised gains and losses on hedges in the first quarter of 2008 of $3.8 million compared to ($0.3) million in the same period of 2007. This result was driven by increased production from the Macraes open pit mine, gold production from both the Reefton and Frasers Underground mines and an increased average realised gold price. Offsetting this were increases in depreciation and amortisation expenses associated with the start of the Reefton and Frasers Underground mines, amortisation of capitalised stripping costs, increased interest costs associated with higher levels of debt and an unrealised foreign exchange loss on cash holdings.

Sales Revenue

Gold sales revenue in the first quarter exceeded the comparative quarter in 2007 by 200% or $41.5 million due to excellent gold sales volume of 67,724 ounces, augmented by a 46% increase in the average gold price received.

Overall gold sales volume was 75% higher than the same quarter of 2007. This was driven by increased production from the Macraes open pit mine due to the mining of higher grade ore, the commissioning of the Frasers Underground mine and the contribution from the Reefton mine.

Sales revenue was further augmented by the 46% increase in the average gold price to $919 per ounce sold. This occurred due to the combination of higher gold spot prices and rolling forward to the second quarter gold forward sales contracts which would otherwise have been due for settlement in the first quarter. During the quarter all gold was sold into spot market compared to 56% in the equivalent quarter of 2007.

Unrealized Hedge Losses

In the first quarter of 2008 unrealized hedge losses recorded in the Income Statement were $21.3 million compared with $15.5 million in the same quarter of 2007.

These unrealised losses are a function of movements in the spot gold price.

The unrealized hedge gains or losses required to be brought to account do not represent a realized gain or loss incurred by OceanaGold and therefore have no influence upon the cash revenue generated in the period, nor does the accounting for unrealized hedges reflect their real value in terms of locking in a future price that exceeds the cost of production, or their value as a prudent approach to risk management.

The derivative instruments used to manage the risk of adverse movements in gold prices and foreign exchange rates are discussed below.

Operating Costs & Margins

The increasing production from the Macraes open pit mine drove improved cash cost per ounce sold result in the quarter. This reduced to $496 per ounce compared to $544 in the fourth quarter of 2007.

Cash costs were higher than in the first quarter of 2007 and were negatively effected by the continued strength of the New Zealand dollar which has increased the cost per ounce expressed in US$ terms. Rising diesel fuel prices and higher electric power costs driven by a drier than usual summer and low water levels in the hydro-electric dams also contributed to slightly higher cash costs for the quarter.

The increased average gold price received more than offset the cash cost per ounce increase and resulted in a significantly increased cash operating margin of $423 per ounce in the quarter. This represents a 100% increase on the cash operating margins of the comparative period of 2007.

The increased margin delivered earnings before interest, tax, depreciation & amortisation (excluding unrealized hedge losses) of $21.7 million in the quarter $16.3 million higher than the same quarter of 2007.

This result was achieved despite the negative impact of a $3.7 million unrealised foreign exchange loss on cash holdings.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a units of production basis and are consequently higher in the first quarter of 2008 compared with the comparative quarter of 2007.

In addition, the commissioning of both Reefton and Frasers Underground mines and the commencement of depreciation of these assets, together with the amortisation of deferred waste stripping costs have further increased the charge.

In the quarter, the start up of the new mines has added $5.3 million and the amortisation of deferred stripping costs has added $4.3 million to depreciation & amortisation expense.

Interest expense

The increased interest expense in the quarter is a result of the higher levels of debt carried by OceanaGold compared with the same period of 2007.

This debt mainly relates to the convertible notes issued in March 2007, adding $0.6 million in interest, additional drawdown of the project debt facility and additional equipment lease liabilities, together adding a further $1.1 million to interest expense.

Net earnings/(loss)

The company reported total loss after tax in the first quarter of 2008 of $11.2 million compared with $10.7 million in the same quarter of 2007. The impact of unrealised hedge gains and losses was influential in both periods. Earnings/(loss) before interest, tax, depreciation and amortisation (EBITDA) is an alternative and more relevant measure of performance in each period.

The company produced EBITDA (excluding unrealised hedge losses) of $21.7 million in the quarter, compared with $5.4 million in the same period of 2007.

As detailed above, the higher EBITDA for the year was primarily the result of higher gold production at Macraes, the contributions to gold production from both the Frasers underground and Reefton mines and the increased average realised gold price received.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were higher in the first quarter of 2008 compared to the first quarter of 2007 as a result of the increased gold sales revenue, partially offset by increased mining costs, an increase in net interest payments associated with the higher debt levels and an increase in working capital driven by increased inventory balances.

Financing Activities

Cash flows from financing activities in the quarter were minor compared to an inflow of $47.3 million in the same quarter of 2007

This was principally due to net inflows from the issue of convertible notes and the drawdown of finance lease and debt facilities in the first quarter of 2007.

The financing cashflows in the first quarter of 2008 mainly consisted of repayments of finance lease liabilities.

Investing Activities

Cash outflows due to investing activities in the first quarter were principally for the construction and development of the Didipio Project in the Philippines and totalled $13.9 million.

Expenditure of $12.9 million was also incurred in pre-stripping at the NZ operations and $5.1 million was spent on sustaining capital, exploration and further development of the Frasers Underground mine.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company expects to continue to fund its planned growth and development through a combination of the cash balance as at March 31, 2008 of $110.3 million, cash flow from operations (including sales through derivative instruments), from various financing facilities, from the exercise of listed share options, or from the capital markets.

Current financing facilities available to the group include finance lease facilities of NZ$83.5 million of which NZ$75.7 million has been drawn and a fully drawn NZ$41 million project debt facility. In addition a consortium of banks provides a 548,715 ounce hedging facility, secured by a pledge of the assets of OceanaGold NZ Ltd.

The Company’s principal requirements for cash over the next twelve months will be for the development of the Didipio Project in the Philippines.

Capital commitments

OceanaGold’s existing capital commitments as at March 31, 2008 are as follows:

	Payments due by period as at March 31, 2008		
	$’000 Total	$’000 < 1 year	$’000 1 – 5 years
Capital commitments	63,678	59,048	4,630

Financial position

Total Current Assets

Total current assets have fallen by $3.2 million since December 2007. This is the net result of reductions in cash and inventories partially offset by an increase in future income tax assets due to the increase in derivative liabilities and an increase in trade receivables.

Total Non Current Assets

The increase of $41.5 million was driven by increased Mining Asset balances resulting from the mine development activities at the Didipio Gold and Copper project and the pre-stripping and sustaining capital activities at the New Zealand mines. In addition, the depreciation in the U.S. dollar has generated material foreign currency translation differences related to Property, Plant and Equipment and Mining Assets.

Total Current Liabilities

The increase of $21.5 million in the quarter to March 31, 2008 was driven by a $16.2 million increase in the current unrealised derivative liability balances due to the increase in the spot price of gold. There was also an increase in interest bearing liabilities due to the reclassification of part of the project debt facility to current and due to the depreciation of the U.S. dollar.

Total Non Current Liabilities

The increase of $14.5 million in the quarter was driven by $7.0 million increase in the non current unrealised derivative liability balances due to the increase in the spot price of gold and an increase in interest bearing liabilities largely due to the depreciating U.S. dollar.

Current and non-current derivative liabilities

OceanaGold currently maintains some derivative instruments to manage the risk of adverse movements in gold prices and foreign exchange rates.

Primary instruments are undesignated forward gold sales contracts for over 319,788 ounces (2007: 319,788 ounces) at NZ$773, undesignated gold put options over 228,927 ounces (2006: 248,538 ounces) with an average exercise price of NZ$1,000 and undesignated gold call options over 104,024 ounces (2006: 104,024 ounces) of forecast 2010 production with an average exercise price of NZ$1,062.

A summary of OceanaGold's derivatives is set out below:

	Mar 31 2008 $'000	Dec 31 2007 $'000
Current Assets		
Gold put options	702	1,084
Non Current Assets		
Gold put options	3,368	4,097
	4,070	**5,181**
Current Liabilities		
Gold forward sales contracts	46,675	30,402
Gold call options	-	-
Non Current Liabilities		
Gold forward sales contracts	68,853	67,322
Gold call options	26,334	20,894
	141,862	**118,618**
Net Liabilities	**137,792**	**113,437**

Shareholders' Equity

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

	Quarter ended March 31 2008 $'000
Total equity at beginning of financial period	**354,165**
Profit/(loss) after income tax	(11,156)
Movement in other comprehensive income	12,834
Movement in contributed surplus	629
Total equity at end of financial period	**356,472**

Shareholders' equity has increased to $356.5 million as at March 31, 2008 primarily as a result of the movement in other comprehensive income driven by currency translation differences. This was offset by the loss incurred during the quarter.

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 2007 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 Earnings 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 Earnings.

Asset Retirement Obligations

OceanaGold recognises the fair value of a future asset retirement obligation 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.

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 ("US$") and have been translated to US$ using the current rate method described below. The controlled entities of OceanaGold have either Australian dollars ("A$") or New Zealand dollars ("NZ$") 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 detailed in Note 1 of the 2007 audited consolidated financial statements of OceanaGold Corporation.

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.

ADDITIONAL INFORMATION

Additional information referring to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.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 March 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 March 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 March 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.

REVIEW BY AUDITORS

The unaudited interim consolidated financial statements for the quarter ended March 31, 2008 have been reviewed by the company's auditor, PricewaterhouseCoopers.

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