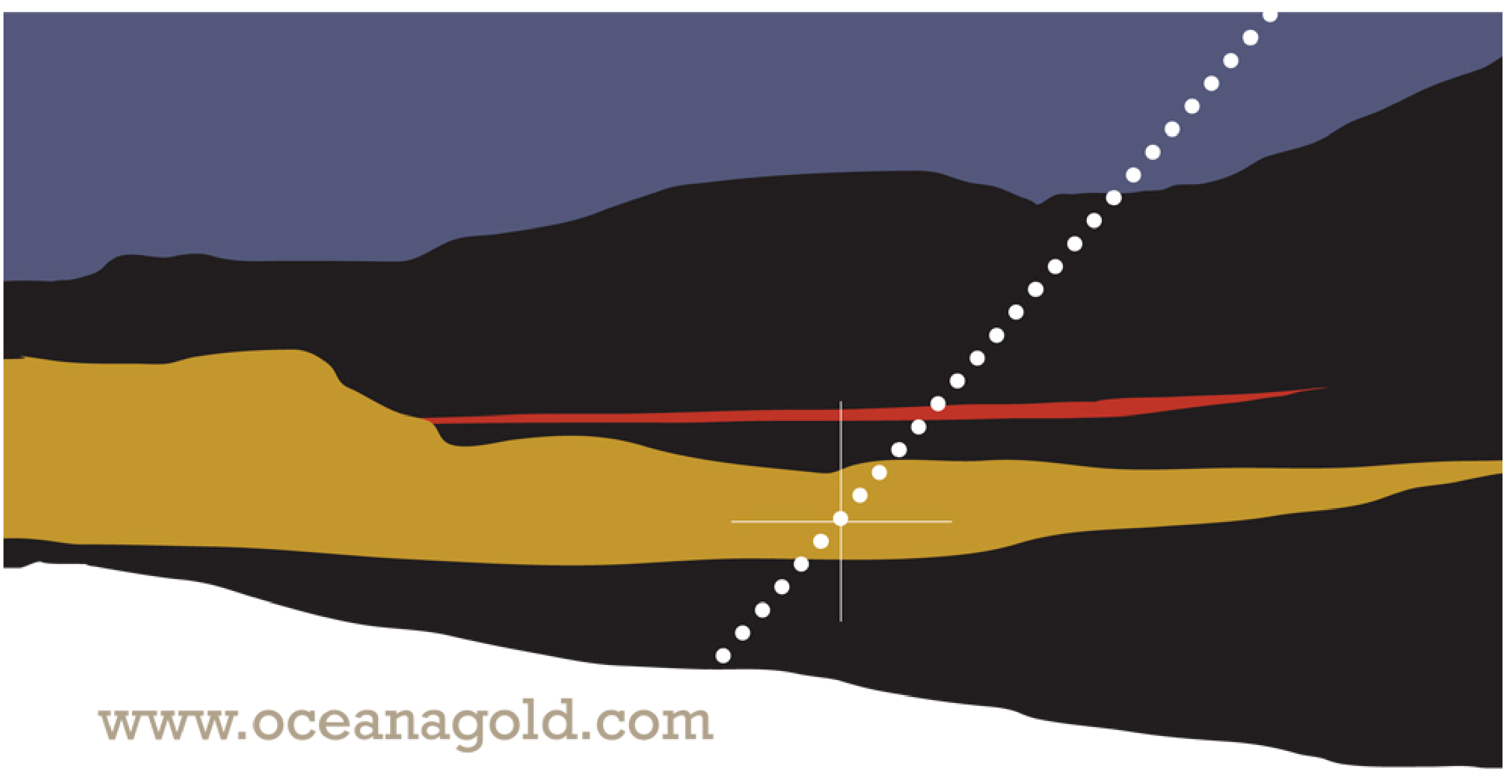
OceanaGold Corporation

2008
Third Quarter Results



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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

October 30, 2008

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended September 30, 2008

HIGHLIGHTS

- Sold 62,753 ounces during the quarter which represents an increase of 49% over the same period in 2007
- Settled 78,312 ounces of fixed-forward contracts in September representing a 25% reduction in the Company's total fixed-forward hedging position
- Achieved EBITDA (earnings before interest, taxes, depreciation and amortisation) of $19 million for the third quarter and $41.8 million for the first nine months of 2008
- Improved process recoveries for the second consecutive quarter to achieve more than an 8% improvement over the same period in 2007.
- Achieved record quarterly production of 14,130 ounces from the Frasers Underground mine
- Increased Reefton production rate to 313,321 tonnes or 25% above design capacity
- Continued limited construction work at Didipio and took delivery major componentry of the process plant SAG and ball mills.

*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 62,753 ounces during the third quarter of 2008 at a cash operating cost of $640 per ounce.

Production increased 9% over the previous quarter as the Frasers Underground operation continued to demonstrate improved performance and the Reefton mine operated consistently above nameplate throughput capacity.

Despite a declining average gold price for the third quarter in a row, the Company managed to increase the cash operating margin per ounce over the previous quarter by an additional $61 and by $259 over the same period in 2007.

Operating costs declined from the previous quarter despite the global inflationary environment which has affected virtually all inputs into the operations.

Electricity costs declined steadily during the quarter as hydro storage reservoirs returned to near normal levels and by quarter end, spot rates were NZ$ 0.06 per kilowatt-hour. Oil prices declined following the peak in mid July but this coincided with the continued decline in the New Zealand dollar/US dollar exchange rate minimizing the cost savings on diesel fuel in NZ dollar terms. However, the weaker local currency has resulted in a stronger NZ dollar gold price and higher revenues.

The Company settled the fixed forward hedge contracts that had been rolled from the first nine months of the year to the end of the third quarter. 78,312 ounces were eliminated from the hedge position resulting in a 25% reduction in the fixed forward position.

Earnings before interest, taxes, depreciation and amortisation (excluding gains/losses on hedges) for the quarter was a $19.0 million profit compared to $8.5 million loss in the third quarter of 2007. A 26% increase in the NZD gold price over the same period in 2007 and increased production were the key influencers to the strong earnings.

The Macraes Goldfield produced 45,843 ounces for the quarter. The average mill feed grade was 1.23 g/t which represents a 34% improvement over the same period in 2007 due predominantly to higher grade material from the Frasers Underground and from the open pit.

Frasers Underground continued to show improved performance and is now operating consistently to plan. A high grade quartz vein was intersected by the decline which also boosted the overall production for the quarter from this operation.

The Reefton mine performed to expectations and produced 17,427 ounces during the quarter with a mill feed grade of 2.51 g/t. The mine is now operating at 25% above nameplate throughput capacity.

Limited construction activities were undertaken at the Didipio Gold-Copper while the project remained in temporary suspension of high cash expenditure activities. These activities focused on low capex projects that will assist with facilitating rapid ramp up of full construction activities in the future.

Long lead-time items such as the mills, jaw crusher, cyclones, floatation cells and gravity concentrators are being completed and will remain secure at the vendor premises until they are required at site.

The Company is currently working through a strategic process to address the funding shortfall and expects to update the market during the fourth quarter.

Preliminary 2009 Production Guidance

Preliminary production guidance for 2009 is expected to be in the range of 280,000 - 300,000 ounces at a cash cost of $425 - $475 per ounce. The Company will update market guidance in January following the closeout of 2008.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	Quarter Ended Sep 30 2008	Quarter Ended Jun 30 2008	Quarter Ended Sep 30 2007	Nine Months Ended Sep 30 2008	Nine Months Ended Sep 30 2007
Gold Sales (Ounces)	62,753	58,831	42,107	189,308	118,919
	USD	USD	USD	USD	USD
Average Price Received ($ per ounce)	861	902	681	895	670
Cash Operating Cost ($ per ounce)	640	741	718	620	563
Cash Operating Margin ($ per ounce)	**222**	**161**	**(37)**	**273**	**107**
Non-Cash Cost ($ per ounce)	181	203	234	198	181
Total Operating Cost ($ per ounce)	821	944	952	818	744
Total Cash Operating Cost ($ per tonne processed)	23.29	26.21	15.82	23.35	12.41

Combined Operating Statistics	Quarter Ended Sep 30 2008	Quarter Ended Jun 30 2008	Quarter Ended Sep 30 2007	Nine Months Ended Sep 30 2008	Nine Months Ended Sep 30 2007
Gold produced (ounces)	63,270	58,289	43,194	184,394	119,704
Total Ore Mined (tonnes)	1,381,744	1,199,533	1,125,425	4,069,329	3,245,835
Ore Mined grade (grams/tonne)	1.66	1.66	1.35	1.64	1.27
Total Waste Mined (tonnes) - incl pre-strip	12,644,334	13,797,244	14,423,152	39,946,451	42,185,538
Total Material Mined (tonnes) – incl pre-strip	14,026,078	14,996,777	15,548,574	44,015,780	45,431,373
Total Material Moved (tonnes)	14,881,646	15,939,561	16,553,904	46,218,242	48,029,627
Mill Feed (dry milled tonnes)	1,722,753	1,662,933	1,624,064	5,046,451	4,590,367
Mill Feed Grade (grams/tonne)	1.46	1.34	1.11	1.46	1.04
Recovery (%)	81.9%	79.5%	73.7%	78.6%	77.3%

Combined Financial Results	Quarter Ended Sep 30 2008 $'000	Quarter Ended Jun 30 2008 $'000	Quarter Ended Sep 30 2007 $'000	Nine Months Ended Sep 30 2008 $'000	Nine Months Ended Sep 30 2007 $'000
EBITDA (excluding unrealized gain/(loss) on hedges)	18,991	1,131	(8,522)	41,812	(329)
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges	2,806	(12,051)	(16,169)	(5,462)	(20,534)
Reported EBITDA (including unrealized gain/(loss) on hedges)	(596)	(9,152)	(55,627)	(9,398)	(32,182)
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	(10,905)	(19,248)	(47,730)	(41,309)	(41,876)

PRODUCTION

Production for the third quarter of 2008 totalled 63,270 gold ounces, a 46% increase over the same period in 2007. Total gold sales were 62,753 ounces.

The higher production for the quarter compared to 2007 is due to the supplemental contribution from the Reefton mine and recently commissioned Frasers Underground.

Total combined cash operating costs were $640 per ounce for the quarter. This was in line with expectations and the Company is still on target to meet market guidance for cash costs of $560-$595 per ounce for 2008. Operating costs were higher compared to the corresponding quarter in 2007 due to higher diesel and other commodity costs. Oil prices peaked in mid July and then declined throughout the quarter. This coincided with a weakening New Zealand dollar which off-set a portion of the gains that were made in USD terms.

For the second quarter in a row the mining cycle dictated that the Company expense rather than capitalise a larger amount of waste stripping, resulting in an additional charge to cash operating costs of US$25 per ounce. This in part, was undertaken to reach higher grade benches that will be mined during the fourth quarter at the Macraes pit. Normal capitalized pre-stripping activities will re-commence in the fourth quarter once the vertical advance has been achieved.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes Goldfield operations (open-cut and underground) incurred nil lost time injuries (LTI) for the quarter. This marks the fourth consecutive quarter totals 1,313,149 man hours without an LTI.

Production from the Macraes Goldfield for the quarter was 45,843 gold ounces, a 51% increase over the same period in 2007. The increase was attributed to contribution from the new underground mine as well as higher grades from the open pit compared to 2007.

Total material moved at Macraes Goldfield (open pit and underground) was 11.8 million tonnes compared to 13.4 million tonnes for the same period in 2007 and was slightly behind expectations. By the end of the quarter total movement was close to plan and near budget rock movement rates are expected during the fourth quarter. A new 3.5 panel roster was developed which will be implemented in the fourth quarter and this combined with the training and maintenance programs are expected to be key components to improved truck and digger availabilities.

Frasers Underground had another strong quarter and is operating to plan. Ore mined averaged higher grade than predicted partially due to a high grade quartz vein intersected during the decline development. The underground explosives magazine was commissioned and the primary ventilation infrastructure was extended to the higher grade Panel 2 where mining will be initiated during the fourth quarter.

The Processing Plant operated to plan with throughput at Macraes for the quarter at 1.41 million tonnes compared to 1.42 million tonnes during the same period in 2007. Mill feed grade averaged 1.23 g/t Au compared to 0.92 g/t Au for the third quarter of 2007. This 34% increase can be attributed to higher grade ore processed from the pit compared to low grade stockpiles in 2007 and production from the higher-grade underground operation.

Grades through the mill are expected to improve in the fourth quarter as the higher grade portions of the Macraes open pit are accessed. This will be the key driver to increased production and increased revenue this coming quarter.

Mill recoveries were 81.7% for the quarter, a further improvement over the second quarter and an increase of 8% compared to the same period in 2007. The past six months have demonstrated consistent improvements in this area and the processing plant is now consistently achieving recoveries in line with plan.

Reefton Goldfield (New Zealand)

One LTI was incurred in the third quarter at Reefton compared with two LTIs in the third quarter of 2007.

Mined ore totalled 328 thousand tonnes exceeding plan however total material moved (including waste) fell slightly below expectation. This was primarily due to increased weather delays from heavier rainfall and due to lower availabilities of the mobile equipment.

Production from Reefton concentrate was 17,427 gold ounces which met expectations. Total material through the mill was 313 thousand tonnes and about 25% above design throughput capacity. It appears that Reefton can achieve this rate on a consistent basis. Overall gold recovery for Reefton was 82.8%, up from 73.1% during the same period of 2007 and in-line with expectations.

Community Relations

OceanaGold has been an active member of the local communities surrounding its Macraes mine in Otago, New Zealand since 1990, as well as the Reefton community where the company commissioned its second mine in 2007.

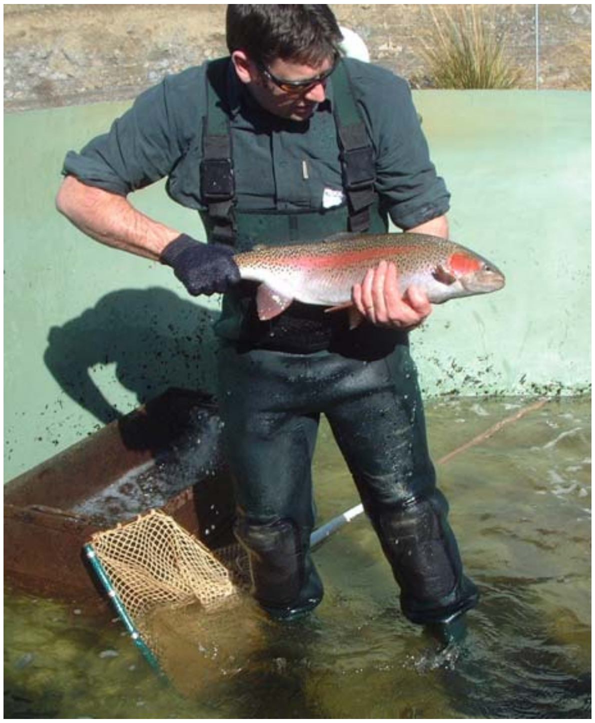
Some of the major community initiatives which the Company supports in New Zealand include:

- Macraes Trout Hatchery – a cooperative venture with Fish & Game New Zealand. The hatchery is believed to be the only one of its type located at an active mine site.
- Heritage and Art Park – a rehabilitation initiative to create a public park at Macraes. In August, our most recent artwork by internationally renowned Jae Hoon was installed in the Macraes historic Catholic Church.
- LEARNZ – a program enabling New Zealand students to 'visit' our operations through virtual reality field trips at both Macraes and Reefton.
- Inangahua Vision 2010 – a fundraising initiative which covers 16 community projects located in the Reefton district and to which OceanaGold is a major sponsor.

OceanaGold is the proud and continued supporter of a number of education and youth training programs throughout the local communities in which it operates.

The Macraes Trout Hatchery had a successful start to the season with an above average harvest of trout eggs. Last year more than 10,000 trout fry were raised from what is believed to be the only government sanctioned Trout Hatchery actively operating at a mine site.

- Figure A -
Ian Hadland of Fish & Game New Zealand holds a rainbow trout at the Macraes Trout Hatchery



- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	Quarter Ended Sep 30 2008	Quarter Ended Jun 30 2008	Quarter Ended Sep 30 2007	Nine Months Ended Sep 30 2008	Nine Months Ended Sep 30 2007
Gold produced (ounces)	45,843	40,698	30,438	131,172	98,494
Total Ore Mined (tonnes)	1,053,701	916,107	892,681	3,114,852	2,682,593
Ore Mined grade (grams/tonne)	1.49	1.48	1.18	1.47	1.08
Total Waste Mined (tonnes) - incl pre-strip	9,921,061	10,475,518	11,517,535	30,818,559	33,097,359
Total Material Mined (tonnes) – incl pre-strip	10,974,762	11,391,625	12,410,216	33,933,411	35,779,952
Total Material Moved (tonnes)	11,803,712	12,299,863	13,415,546	36,055,451	38,378,207
Mill Feed (dry milled tonnes)	1,409,432	1,401,322	1,418,022	4,172,892	4,247,521
Mill Feed Grade (grams/tonne)	1.23	1.14	0.92	1.25	0.93
Recovery (%)	81.7%	79.0%	73.7%	78.0%	77.6%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	Quarter Ended Sep 30 2008	Quarter Ended Jun 30 2008	Quarter Ended Sep 30 2007	Nine Months Ended Sep 30 2008	Nine Months Ended Sep 30 2007
Gold produced (ounces)	17,427	17,591	12,756	53,222	21,210
Total Ore Mined (tonnes)	328,043	283,426	232,741	954,477	563,242
Ore Mined grade (grams/tonne)	2.20	2.26	2.01	2.17	2.14
Total Waste Mined (tonnes) - incl pre-strip	2,723,273	3,321,726	2,905,617	9,127,892	9,088,179
Total Material Mined (tonnes) – incl pre-strip	3,051,316	3,605,152	3,138,358	10,082,369	9,651,421
Total Material Moved (tonnes)	3,077,934	3,639,698	3,138,358	10,162,791	9,651,420
Mill Feed (dry milled tonnes)	313,321	261,611	206,042	873,559	342,846
Mill Feed Grade (grams/tonne)	2.51	2.42	2.48	2.45	2.46
Recovery (%)	82.8%	82.3%	73.1%	81.2%	73.5%

DEVELOPMENT

Didipio Gold & Copper Project (Philippines)

Development at the Didipio Gold and Copper project in Luzon, Philippines remained under a temporary suspension to manage cash expenditures. The Company is currently working through a strategic process to source supplemental funding for Didipio and expects to update the market during the fourth quarter.

No LTIs were recorded in the quarter for a total of 333,936 man hours without an LTI.

During the third quarter, a limited number of activities that will facilitate rapid ramp up of full construction activities were conducted at site. Work has been focused on low cost - high impact initiatives to retain value in the project such as road drainage and environmental management activities, construction of a permanent accommodation camp, as well as the establishment of administrative offices and storage facilities. These low capex / labour intensive projects allow for retention of the majority of the local workforce during this suspension period.

Long lead-time items such as the mills, jaw crusher, cyclones, floatation cells and gravity concentrators are being completed and will remain secure at the vendor premises until they are required at site. Other vendor equipment contracts have been suspended with the intent to restart activities as soon as funding issues are resolved.

Community Relations

OceanaGold has been working with the local communities of Northern Luzon to develop capacity building programs in a number of areas including health, education and the environment.

During the third quarter, OceanaGold announced that it will again partner with the Global Fund Movement Against Malaria to help combat malaria in Northern Luzon. Through the Municipal Health Clinic of the Local Government Unit of Cabarroguis, this program supports cerebral malaria and dengue fever prevention as well as testing programs throughout the region. Under this program, the number of malaria cases reported declined from 59 in 2006 to only 5 over the first six months of 2008.

Recently, another memorandum of agreement (MOA) was renewed to provide salary assistance in the form of salaries to eight teachers of Didipio Green Valley Institute (DGVI). DGVI is a community school operating in Didipio that provides much needed secondary education in the area. This partnership between OceanaGold and the community has been an important building block to improving opportunities for many of the local youth. Students can continue their education through OceanaGold sponsored scholarships to local colleges and universities.

- Figure B -
Didipio ROM Pad & Plant Site (September 2008)

- Figure C -
Erosion Control Work

Figure D -
Flotation Cells under Construction

- Figure E -
Mill Shells Complete

EXPLORATION

The exploration programs in New Zealand and the Philippines have been temporarily reduced as a measure to manage expenditures pending finalization of a funding solution for the Didipio project.

New Zealand

Macraes Goldfield

Exploration drilling focussed both on the Frasers Underground Extension program and open-pit targets along strike of the Hyde Macraes Shear Zone. With Frasers Panel 2 now well defined, it is expected that future exploration drilling there will be accessed from underground drilling. Surface drilling will continue to focus on shallow targets that are potential open-pittable resources.

The Company is currently analysing the data from a airborne geophysical survey that was flown over the Macraes tenements as part of a larger program conducted by a New Zealand-based exploration company, Glass Earth Resources. This data set will increase our knowledge of the extent and tenor of the Macraes mineralisation along strike.

Reefton Goldfield

The detailed modelling of grade control data has been completed for the Reefton deposits and similar work is ongoing for Macraes. These modelled data will be combined with geological information from mapping and drilling to further investigate the controls on grade distribution. Ultimately, the intention is to generate additional targets for future exploration.

Philippines

Didipio & Near-Mine Prospects

Near mine exploration drilling targeted the Morning Star, Midnight J, Bongo-Bongo and D'Beau prospects. Results to date have shown the existence of several monzonite dykes which is the mineralization consistent with Didipio but drilling has yet to intersect the main monzonite body.

The first phase of near-mine drilling should be completed in the fourth quarter. The assay data from this program will be used to identify followup targets for testing.

FINANCIAL SUMMARY

The table below provides selected financial data relating to the quarter ended September 30, 2008, with comparative data from the quarters ending June 30, 2008 and September 30, 2007.

STATEMENT OF OPERATIONS	Quarter Ended Sep 30 2008 $'000	Quarter Ended Jun 30 2008 $'000	Quarter Ended Sep 30 2007 $'000	Nine Months Ended Sep 30 2008 $'000	Nine Months Ended Sep 30 2007 $'000
Gold sales	54,038	53,068	24,367	169,369	67,780
Cost of sales, excluding depreciation and amortization	(39,658)	(42,953)	(25,126)	(115,611)	(55,874)
General & Administration	(3,784)	(4,684)	(3,790)	(12,377)	(8,290)
Foreign Currency Exchange Gain/(Loss)	8,367	(4,340)	(3,983)	330	(4,141)
Other income	28	40	10	101	196
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding gain/(loss) on undesignated hedges)	**18,991**	**1,131**	**(8,522)**	**41,812**	**(329)**
Depreciation and amortization	(11,420)	(12,050)	(8,447)	(37,674)	(18,428)
Net interest expense	(4,823)	(4,873)	(3,277)	(14,163)	(8,820)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges	2,748	(15,792)	(20,246)	(10,025)	(27,577)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges	**2,806**	**(12,051)**	**(16,169)**	**(5,462)**	**(20,534)**
Release from OCI of deferred unrealized gain/(loss) on designated hedges	0	122	501	279	(16,741)
Gain / (loss) on fair value of undesignated hedges	(19,587)	(10,404)	(47,607)	(51,489)	(15,112)
Tax on (gain)/loss on undesignated hedges	5,876	3,085	15,545	15,363	10,511
Net earnings/(loss)	**(10,905)**	**(19,248)**	**(47,730)**	**(41,309)**	**(41,876)**
Basic earnings/ (loss) per share	($0.07)	($0.12)	($0.30)	($0.26)	($0.30)
Diluted earnings/ (loss) per share	($0.07)	($0.12)	($0.30)	($0.26)	($0.30)
CASH FLOW					
Cash flows from Operating Activities	(2,730)	10,803	149	27,807	5,495
Cash flows from Investing Activities	8,940	(64,670)	(24,188)	(87,667)	(95,114)
Cash flows from Financing Activities	(30,650)	(11,598)	88,921	(44,610)	140,784

BALANCE SHEET	As at Sep 30 2008 $'000	As at Dec 31 2007 $'000
Cash and cash equivalents	17,193	119,837
Restricted Cash	-	-
Other Current Assets	28,758	35,401
Total Non Current Assets	655,512	652,704
Total Assets	**701,463**	**807,942**
Total Current Liabilities	90,869	78,095
Total Non Current Liabilities	321,109	375,682
Total Liabilities	**411,978**	**453,777**
Total Shareholders' equity	**289,485**	**354,165**

RESULTS OF OPERATIONS

The company reported earnings before interest, tax, depreciation and amortization (EBITDA) and gains/losses on undesignated hedges in the third quarter of 2008 of $19.0 million compared to a loss of $8.5 million in the same period of 2007. This result was characterised by higher gold sales revenue from increased production at Macraes open pit, Reefton and Frasers Underground mines and an increased average realised gold price per ounce.

Cash and non cash costs per ounce were favourable to third quarter 2007 due to increased gold production. However on a year to date basis, operating costs are 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 and foreign exchange losses also impacted the result.

Sales Revenue

Gold sales revenue in the third quarter exceeded the comparative quarter in 2007 by 122% or $29.7 million due to strong gold sales of 62,753 ounces, augmented by a 26% ($180/oz) increase in the average gold price received.

Overall gold sales volume for the September quarter was 49% higher than the same quarter of 2007. 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.

All gold produced for the quarter was sold into the spot market. This compares to 30% of gold being sold into fixed forward contracts for the September quarter 2007.

Sales revenue for the September quarter was up 1.8% against June quarter revenue. Increased sales volume of 6.6% was offset by a reduction in average gold price received against the prior quarter of 4.5%.

On a year to date basis, September 2008 results improved over the prior year period due to a 59.2% increase in volume and 33.6% increase in average price received. This generated a $101.6 million increase in revenue.

Undesignated Hedges Gains/Losses

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

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

Operating Costs & Margins

Cash costs per ounce sold were $78 lower in the third quarter of 2008 compared to the same quarter of 2007. During September quarter 2007 the Frasers Underground mine was in development and Reefton mine was newly commissioned. The reduction in cash costs per ounce reflects improvements in the ore grade and the improving contribution from the Frasers Underground mine. The New Zealand dollar has also weakened by 10% against the USD this quarter which has improved the USD cash cost per ounce.

September quarter cash operating costs were $101 per ounce favourable to June quarter results. This reflects the reduction in consumable costs, as well as electricity prices which have come back to moderate levels after significant increases in the June quarter.

On a year to date basis, the cash operating cost per ounce sold was $57 higher than the nine months to September 2007. The impact of sharp increases in the market price of electricity; high diesel fuel prices; and the timing of capital waste stripping activities are reflected in the higher year to date cash cost results.

Average gold price received in the September quarter was favourable on both a quarterly and year to date basis versus 2007. This along with improved cash costs resulted in an operating margin increase of $259 per ounce versus September quarter 2007 and $166 per ounce on a year to date basis.

The increased margin resulted in earnings before interest, tax, depreciation & amortisation (excluding undesignated hedge losses) of $19.0 million in the quarter and $41.8 million in the nine months to September compared to losses of $8.5 million and $0.3 million in the same periods of 2007 respectively.

The September quarter EBITDA results were impacted by foreign exchange gains of $8.4 million. Year to date September results included a foreign exchange gain of $0.3 million. A significant factor in exchange gains and losses is the requirement for the group to revalue US Dollar cash holdings into Australian Dollars at period end for functional currency reporting. Revaluation back to US Dollars is then made for group financial statement presentation purposes.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a unit of production basis and are consequently higher in the third quarter and nine months of 2008 compared with the comparative periods of 2007.

The favourable movement of $0.6 million in September 2008 quarter depreciation against the June 2008 quarter is the net effect of small production increases offset by the impact a strengthening US Dollar.

The commissioning of both the Reefton mine in 2007 and Frasers Underground mine in Q1 2008 and the commencement of depreciation of these assets, together with the amortisation of deferred waste stripping costs has increased the charges on a year to date basis.

In the nine months to September, depreciation and amortisation expense increased due to the start up of the new mines which added $5.6 million and $13.6 million from the amortisation of deferred stripping costs.

Net Interest expense

Net interest for the September quarter is in line with June quarter 2008. Unfavourable variances to September quarter 2007 results relate to reduced interest income.

The increase in net interest expense in the nine months to September is a result of the higher levels of net debt carried by OceanaGold compared with the same periods of 2007.

This debt mainly relates to the convertible notes issued in 2006 and 2007, adding $3.4 million to interest for the 9 months to September. Additional equipment lease liabilities add a further $1.1 million for the nine months to September 2008, offset by the impact of the stronger US dollar.

Net earnings/(loss)

The company reported a third quarter net loss of $10.9 million compared with a net loss tax of $47.7 million in the same quarter of 2007. The impact of undesignated hedge gains and losses was influential in both periods with undesignated hedge losses of $19.6 million in the third quarter 2008 and $47.6 million for the corresponding period in 2007. EBITDA before undesignated hedge gains/losses enables operating performance to be measured on a consistent basis.

The company produced EBITDA (excluding undesignated hedge gains/losses) of $19.0 million in the quarter, compared with loss of $8.5 million in the same period of 2007.

For the nine months to September 2008 the EBITDA (excluding undesignated hedge losses) was $41.8 million, compared with a loss of $0.3 million in the same period of 2007. Improvements in EBITDA for the quarter and first nine months of the year was primarily the net result of higher gold production from the combined operations and the increased average realised gold price received. Higher cash costs per ounce offset some of these gains.

DISCUSSION OF CASH FLOWS

Operating Activities

September quarter 2008 cash flows from operating activities were unfavourable to the comparative quarter 2007. Increased gold sales were offset by higher cash expenditures associated with termination of a number of Didipio contracts. Excluding Didipio, cash flow generated from New Zealand operations was $5.4 million.

Cash flows from operating activities for the nine months to September 2008 were favourable compared to 2007. Gold sales were significantly higher than the 2007 results. Resulting improvements to EBITDA were partially offset by increased working capital requirements, hedge settlements and higher net interest payments.

Investing Activities

Cash inflows due to investing activities in the third quarter were $8.9 million. A cash inflow of $27.0 million resulted from transfers from restricted bank account to cash during the period supporting settlement of gold forward sales contracts. This was offset by Didipio Project spend of $9.1 million and sustaining capital and pre-stripping for the NZ operations.

On a September year to date basis, cash outflows from investing activities of $87.7 million reflect the expenditures on the Didipio Project development, as well as pre-stripping and sustaining capital for the New Zealand operations.

Financing Activities

Cash flows from financing activities in the quarter were a net outflow of $30.7 million. This was comprised of a $3.2 million part repayment of the project debt facility and a $1.5 million repayment of finance lease liabilities. Gold forward hedge contracts were settled for $25.9 million.

Financing cash outflow for the nine months to September 2008 was $44.6 million resulting from repayments of borrowings of $12.8 million and finance lease liabilities of $5.9 million and the Q3 gold hedge settlement.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

The Company expects to continue to fund its operations and development through a combination of cash balances as at September 30, 2008 of $17.2 million, cash flow from operations (including sales through derivative instruments), financing facilities, the capital markets or the strategic opportunities available through discussions with various parties regarding the Didipio project.

The company has a number of financing facilities in place as shown on the balance sheet. As at September 30, 2008 all of the facilities are fully utilised.

The company is pursuing a number of alternatives to secure additional capital including a combination of asset sales or restructure, additional funding facilities or equity raising. Nevertheless, there is no assurance that these initiatives would be successful.

The company's ability to continue as a going concern is dependent upon its ability to generate positive cash from the above strategies. The September financial statements do not reflect the adjustment to the carrying values of the assets and liabilities and the reported expenses and balance sheet classifications that would be necessary where the going concern assumption is inappropriate.

Capital commitments

OceanaGold's existing capital commitments as at September 30, 2008 are as follows:

	Payments due by period as at September 30, 2008		
	$'000 Total	$'000 < 1 year	$'000 1 – 5 years
Capital commitments	6,739	6,712	27

Financial position

Total Current Assets

Total current assets have declined by $109.3 million since December 2007. This is the net result of reductions in cash, inventories and future income tax assets

Total Non Current Assets

During the period to September 2008 the asset increase of $2.8 million included mine development activities at the Didipio project and the pre-stripping and sustaining capital activities of the New Zealand mines. These were offset by depreciation and the appreciation in the U.S. dollar which has generated foreign currency translation differences associated with Property, Plant and Equipment and Mining Assets.

Total Current Liabilities

The increase of $12.8 million in the nine months to September 30, 2008 was a result of a $13.5 million increase in the current unrealised derivative liabilities as well as increases in the spot price of gold and increased accounts payables as a result of timing of creditor payments. These were offset by reductions in interest bearing liabilities in line with project debt payments repayment schedules adjusted for the depreciation of the U.S. dollar.

Total Non Current Liabilities

The decrease of $54.6 million in the quarter was due to a $32.9 million decrease in interest-bearing loans and borrowings, a $7.8 million reduction in future income tax liabilities related to capital expenditure deductions in NZ and a $9.0 million reduction in non current derivative liabilities balance due to reclassification to current derivatives.

Current and non-current derivative liabilities

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

During September 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 241,476 ounces (2007: 319,788 ounces) at NZ$773, undesignated gold put options for 187,728 ounces (2007: 248,538 ounces) with an average exercise price of NZ$1,000 and undesignated gold call options sold for 104,024 ounces (2007: 104,024 ounces) of forecast 2010 production with an average exercise price of NZ$1,062.

A summary of OceanaGold's derivatives is:

	Sep 30 2008 $'000	Dec 31 2007 $'000
Current Assets		
Gold put options	787	1,084
Non Current Assets		
Gold put options	3005	4,097
Total Assets	**3,792**	**5,181**

	Sep 30 2008 $'000	Dec 31 2007 $'000
Gold forward sales contracts	43,906	30,402
Non Current Liabilities		
Gold forward sales contracts	49,268	67,322
Gold call options	29,849	20,894
	79,117	**88,216**
Total Liabilities	**123,023**	**118,618**

Shareholders' Equity

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

	9 months ended Sept 30 2008 $'000
Total equity at beginning of financial period	**354,165**
Profit/(loss) after income tax	(41,309)
Movement in other comprehensive income	(24,645)
Movement in contributed surplus	1,274
Total equity at end of financial period	**289,485**

Shareholders' equity has decreased to $289.5 million as at September 30, 2008 primarily as a result of the loss incurred during the nine months to September 2008 and currency translation differences reflected in other comprehensive income.

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 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 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.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended December 31, 2006 through to September 30, 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 2006 $'000	Mar 31 2007 $'000	Jun 30 2007 $'000	Sep 30 2007 $'000	Dec 31 2007 $'000	Mar 31 2008 $'000	Jun 30 2008 $'000	Sep 30 2008 $'000
Gold sales	21,635	20,769	22,644	24,367	36,615	62,263	53,068	54,038
EBITDA (excluding undesignated gain/(loss) on hedges)	975	5,404	2,787	(8,522)	9,057	21,690	1,131	18,991
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges	(536)	(300)	(4,066)	(16,169)	(5,880)	3,783	(12,051)	2,806
Net earnings/(loss)	(2 431)	(10 656)	16 510	(47 730)	(27 162)	(11 156)	(19 248)	(10,905)
Net earnings per share								
Basic	($0.02)	($0.08)	$0.12	($0.30)	($0.17)	($0.07)	($0.12)	($0.07)
Diluted	($0.02)	($0.08)	$0.11	($0.30)	($0.17)	($0.07)	($0.12)	($0.07)

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.

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 12.

Cash and non cash costs per ounce are other such non-GAAP measures and a reconciliation of these measures to cost of sales including depreciation and amortisation is provided below.

	Quarter Ended Sep 30 2008 $'000	Quarter Ended Jun 30 2008 $'000	Quarter Ended Sep 30 2007 $'000	Nine Months Ended Sep 30 2008 $'000	Nine Months Ended Sep 30 2007 $'000
Cost of sales, excluding depreciation and amortisation	39,658	42,953	25,126	115,611	55,874
Depreciation and amortisation	11,420	12,050	8,447	37,674	18,428
Total cost of sales	51,078	55,003	33,573	153,285	74,302
Add operating general & administration	552	630	545	2,090	1,454
Less selling costs	(114)	(112)	(50)	(362)	(230)
Total operating cost of sales	51,516	55,521	34,068	155,013	75,526
Gold Sales from operating mines (ounces)	62,753	58,831	35,760	189,308	101,133
Total Operating Cost ($ per ounce)	821	944	952	818	744
Less Non-Cash Cost ($ per ounce)	181	203	234	198	181
Cash Operating Cost ($ per ounce)	640	741	718	620	563

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 at September 30, 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 September 30, 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 September 30, 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 September 30, 2008 have been reviewed in accordance with Canadian generally accepted standards for a review of interim financial statements by the company's auditor, PricewaterhouseCoopers. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of, and having discussion with, persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, they do not express such an opinion. An interim review does not provide assurance that they would become aware of any or all significant matters that might be identified in an audit.

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