2013 Second Quarter Results

July 25, 2013

www.oceanagold.com

Management Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended June 30, 2013

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 and drilling programs, timing of filing of updated technical information, anticipated production amounts, 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; adverse judicial decision, 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, 2012, 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 actual results, performance, achievements or events to differ from those anticipated, estimated or intended. Also, many of the factors are outside or beyond the control of the Company, its officers, employees, agents or associates. Forward-looking statements and information contained herein are made as of the date of this Management Discussion & Analysis and, subject to applicable securities laws, the Company disclaims any obligation to update any forward-looking statements and information, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information due to the inherent uncertainty therein. All forward-looking statements and information made herein are qualified by this cautionary statement. This Management Discussion & Analysis may use the terms “Measured”, “Indicated” and “Inferred” Resources. U.S. investors are advised that while such terms are recognised and required by Canadian regulations, the Securities and Exchange Commission does not recognise them. “Inferred Resources” have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resources will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Resources may not form the basis of feasibility or other economic studies. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Resources will ever be converted into reserves. U.S. investors are also cautioned not to assume that all or any part of an Inferred Resource exists, or is economically or legally mineable. This document does not constitute an offer of securities for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”)) (“U.S. Person”), or in any other jurisdiction in which such an offer would be unlawful.

Technical Disclosure

Dr Michael Roache, (PhD) - Head of Exploration, Mr Jonathan Moore - Group Mine Geology Manager, and Mr Knowell Madambi - Technical Services Manager all of OceanaGold, are responsible for the technical disclosure in this document, and are Qualified Persons under the Canadian Securities Administrators’ National Instrument 43-101 – Standards of Disclosure of Mineral Projects (“NI 43-101”). Dr Roache is a member of both the AusIMM and Australasian Institute of Geoscientists while Messrs. Moore and Madambi are both members and Chartered Professionals with the AusIMM. Dr Roache, Messrs Moore and Madambi have sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activities which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (“JORC Code”). Soil samples, and drill samples collected at 1 metre intervals or less, from both reverse circulation chips and sawn diamond core, were prepared and assayed by fire assay methods at either the SGS facilities at Macraes, Reefton, Westport and Waihi, New Zealand, or the ALS facilities in Brisbane and Townsville, Australia. Philippine soil samples were prepared and assayed at McPhar laboratories in Manila, Philippines. Standard reference materials were inserted to monitor the quality control of assay data. Dr Roache and Messrs. Moore, and Madambi consent to the inclusion in this document of the matters based on their information in the form and context in which the information appears.

For further scientific and technical information (including disclosure regarding mineral resources and mineral reserves) relating to the Reefton Project, the Macraes Project and the Didipio Project please refer to the NI 43-101 compliant technical reports available at sedar.com under the Company’s name.

Management Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended June 30, 2013

HIGHLIGHTS

- Total Company gold production of 68,353 ounces and copper production of 5,710 tonnes in the second quarter of 2013.
- Total Company gold sales were 70,706 ounces at cash costs* net of by-product credits of $682 per ounce.
- Didipio cash costs* on a by-product basis for the second quarter were negative $586 per ounce on gold sales of 11,086 ounces and copper sales of 5,073 tonnes. New Zealand cash costs* for the second quarter were $918 per ounce on gold sales of 59,620 ounces.
- Revenue of $131.2 million for the second quarter of 2013.
- Commercial production at Didipio declared effective April 1, 2013. All revenue and costs from Didipio reported to the income statement effective this date.
- Company announced a change to the mine schedule at Reefton whereby the final cutback at the Globe Progress Pit has been deferred resulting in the mine transitioning into a care and maintenance phase mid-year 2015.
- Partnered with the International RiverFoundation to identify new opportunities in water management and to promote and educate our communities in managing local tributaries and initiatives to minimise the adverse impacts from small scale mining.

All statistics are compared to the corresponding 2012 period unless otherwise stated.

OceanaGold has adopted USD as its presentation currency and all numbers in this document are expressed in USD unless otherwise stated.

* Cash costs and EBITDA (earnings before interest, taxes, depreciation and amortisation, excluding gain/(loss) on undesignated hedges) are non GAAP measures. Refer to page 24 for explanation of non GAAP measures.

OVERVIEW

Production and Costs Results

In this second quarter 2013 Management Discussion and Analysis ("MD&A"), the revenue and costs associated with the Didipio Mine are reported to the Consolidated Statement of Comprehensive Income. OceanaGold (the "Company") declared commercial production at Didipio effective April 1, 2013.

The Company recorded revenue of $131.2 million in the second quarter of 2013.

Gold production for the second quarter of 2013 was 68,353 ounces (Table 1), slightly higher than in the previous quarter. The increase was attributable to increased production from Didipio which has successfully ramped up to commercial production rates in just over three months from commencement of first ore through the mills in December 2012.

In the Philippines, the second quarter cash costs net of copper by-product credits was negative $586 per ounce and on a co-product basis was $748 per gold equivalent ounce. The gold equivalent ounces have been calculated by converting copper revenue using an average gold price received of $1,270 per ounce.

In New Zealand, the second quarter cash costs were $918 per ounce on 59,620 ounces of gold sold from the operations. Cash costs were higher than in the previous quarter on account of less capitalised pre-strip and decreased gold in circuit.

The average gold price received by the Company in the second quarter 2013 was $1,398 per ounce versus $1,632 per ounce in the first quarter of 2013. The average copper price received by the Company for the quarter was $7,094 per tonne.

The Company has reviewed the carrying value of its assets and as a result of the significant decline in the gold price and hence the reduction in the mine schedule at Reefton (reported June 27th), an impairment charge of $85.5 million has been taken. Further detail is outlined on Page 20.

The cash balance at the end of the quarter was $17.9 million.

The gold industry, guided by the World Gold Council (WGC) is in the process of adopting a consistent, industry-wide standard in calculating the All-In Sustaining Costs (AISC). On June 27, 2013, the WGC released a guidance note on the AISC outlining the new metrics that have been designed to provide additional transparency in the total cost to produce an ounce of gold. In Table 2, OceanaGold has outlined its estimated AISC for FY2013.

The Company will continue to report cash costs against its cash cost guidance and intends to provide AISC guidance on an annual basis.

Table 1 – Second Quarter 2013 Production and Costs Summary

Group Operating Statistics Summary	Didipio	Macraes	Reefton	Group
Gold Produced (ounces)	13,676	40,063	14,614	68,353
Copper Produced (tonnes)	5,710	-	-	5,710
Gold sales (ounces)	11,086	42,352	17,268	70,706
Copper sales (tonnes)	5,073	-	-	5,073
Average Gold Price Received ($ per ounce)	1,270	1,422		1,398
Average Copper Price Received ($ per tonne)	7,094	-		7,094
Cash Operating Costs ($ per ounce)	(586)	918		682

Table 2 – FY2013 Cash Cost Guidance and All-in Sustaining Costs Forecasts (net of copper by-product credits)

Corporate Operating Costs Summary	FY2013 Cash cost guidance *(per ounce)*	FY2013 All-in Sustaining Costs *(per ounce)*
New Zealand Consolidated	$880 - $950	$1,190 - $1,260
Didipio	($370) - ($50)	($10) - $290
Group Consolidated	**$650 - $800**	**$930 - $1,080**

Note: Assumes NZD:USD of 0.80; expansionary and growth capital expenditures are excluded from the AISC, these include the construction of Didipio & Macraes tailings storage facilities as well as the various construction projects associated with Year 1 at Didipio

Philippines Overview

Commercial production was declared at Didipio effective April 1, 2013.

In the second quarter, gold production was 13,676 ounces of gold and 5,710 tonnes of copper. In the first half of 2013, Didipio produced 20,553 ounces of gold and 9,373 tonnes of copper. The Company also commissioned the gold gravity circuit during the quarter and shipped the first doré from the mine for processing in Perth, Australia.

Shipments of copper-gold concentrate commenced in early April. Four shipments were made during the quarter with an additional two shipments completed in July. Each shipment is approximately 5,000 wet tonnes of concentrate. The concentrate is trucked to the San Fernando port on the west coast of Luzon where it is then loaded and shipped to markets in Asia.

The total feed through the mill in the second quarter was 727,550 tonnes of ore grading 0.75 g/t gold and 0.91% copper. Recoveries in the second quarter were 77.5% gold and 87.3% copper. The head grade and recoveries are expected to increase in the second half of the year as mining progresses deeper into the orebody.

As reported in the first quarter, OceanaGold (Philippines), Inc. is currently a party to a legal suit in relation to the Philippines Mining Act and its FTAA as described later in the MD&A. The Company is working closely with the Department of Environment and Natural Resources (DENR), the other respondents in the case, and the mining industry to defend the Mining Act and the validity of its FTAA.

New Zealand Operations Overview

In the second quarter, New Zealand operations produced 54,677 ounces of gold, lower than the previous quarter but in line with expectations. This decrease was attributable to lower grade ore processed at Macraes. Grades were lower as a result of adjustments made to the mine schedule in January due to the pit wall movement reported in the first quarter and to severe wet weather that hampered mining activities over a 10-day period in June at Macraes. During this period, low grade stockpiles were fed through the mill. This decrease was partly offset by higher production from Reefton due to additional tonnage mined, higher grade ore processed and better recoveries.

Mill throughput in New Zealand for the second quarter of 2013 was 1.8 million tonnes, similar to the previous quarter. Mill feed grade in second quarter was 1.12 g/t, lower than the previous quarter on account of lower grade ore mined from the Macraes Open Pit and the treatment of low grade stockpiled ore.

The overall recovery for the second quarter was 82.1%, an increase from the previous quarter.

In light of the decline in the gold price over the past few months, the Company has been reviewing its operations in order to maximise profitability at each of its mines. The Company announced that the final cutback at Reefton has been deferred and as a result, the mine will transition into a care and maintenance phase mid-year 2015. In order to de-risk the next two years of production at Reefton, the Company has entered into a zero cost collar hedging program. The program entails a series of bought gold put options at NZD1,600 per ounce and sold call options at NZD1,787 per ounce. The reduction in mine life at Reefton reduces the Company's capital expenditure by NZD40 – 45 million (USD32 – USD36 million) over the next two years.

At Macraes, the Company has deferred the Frasers 6 cutback pending an improvement in the gold price. This will result in a reduction of capitalised stripping over the next two to three years and the Company will examine opportunities to target the mineralization through underground mining methods.

Sustainability Overview

In the second quarter of 2013, the Company invested in infrastructure, education and health programs at Didipio and neighbouring communities under the Social Development Management Plan ("SDMP"). Construction of the OceanaGold sponsored Camamasi-Belet-Capisaan-Wangal road project connecting Didipio to the municipalities of Kasibu, Solano and Bambang in Nueva Vizcaya continued to advance well. Additionally, the preparation of a 12 hectare central development site at Didipio commenced.

The Company continued its support of social service sectors through the provision of salaries and subsidies for local high school and elementary school teachers and community health workers. During the quarter, nearly 1,000 community residents benefitted from free medical consultations, medicines and eye glasses.

Table 3 – Key Financial Statistics for Group Operations

Group Operating Statistics Summary	Group
Gold Produced (ounces)	68,353
Copper Produced (tonnes)	5,710
Gold sales (ounces)	70,706
Copper sales (tonnes)	5,073
Average Gold Price Received ($ per ounce)	1,398
Average Copper Price Received ($ per tonne)	7,094
Cash Operating Costs * ($ per ounce)	682

* net of by-product copper credits

Table 4 – Key Financial Statistics for Didipio Operations

Didipio Financial Statistics	Q2 Jun 30 2013
Gold Sales (ounces)	11,086
Copper Sales (tonnes)	5,073
	USD
Average Price Received ($ per ounce)	1,270
Average Price Received Copper ($ / tonne)	7,094
Cash Operating Costs * ($ per ounce)	(586)
Cash Operating Margin * ($ per ounce)	**1,856**

* net of by-product copper credits

Table 5 - Key Operating Statistics for Didipio Operations

Didipio Operating Statistics	Q2 Jun 30 2013	Q1 Mar 31 2013
Gold Produced (ounces)	13,676	6,877
Copper Produced (tonnes)	5,710	3,663
Total Ore Mined (tonnes)	1,729,314	1,837,081
Ore Mined Grade Gold (grams/tonne)	0.55	0.49
Ore Mined Grade Copper (%)	0.64	0.65
Total Waste Mined (tonnes) including pre-strip	4,342,999	2,750,042
Mill Feed (dry milled tonnes)	727,550	448,703
Mill Feed Grade Gold (grams/tonne)	0.75	0.59
Mill Feed Grade Copper (%)	0.91	0.92
Recovery Gold (%)	77.5	79.8
Recovery Copper (%)	87.3	88.6

Note: Q1 figures are pre-commercial production

Table 6 – Key Financial Statistics for New Zealand Operations

Financial Statistics for New Zealand Operations	Q2 Jun 30 2013	Q1 Mar 31 2013	Q2 Jun 30 2012	Half Year Jun 30 2013	Half Year Jun 30 2012
Gold Sales (ounces)	59,620	58,585	53,756	118,205	105,608
	USD	USD	USD	USD	USD
Average Price Received ($ per ounce)	1,422	1,632	1,613	1,526	1,660
Cash Operating Cost ($ per ounce)	918	687	1,029	804	1,077
Cash Operating Margin ($ per ounce)	**504**	**945**	**584**	**722**	**583**

Table 7 – Key Operating Statistics for New Zealand Operations

Combined Operating Statistics for New Zealand Operations	Q2 Jun 30 2013	Q1 Mar 31 2013	Q2 Jun 30 2012	Half Year Jun 30 2013	Half Year Jun 30 2012
Gold Produced (ounces)	54,677	60,586	55,709	115,263	106,551
Total Ore Mined (tonnes)	1,789,769	1,985,330	1,571,658	3,775,099	2,979,007
Ore Mined Grade (grams/tonne)	1.06	1.31	1.29	1.19	1.29
Total Waste Mined (tonnes) including pre-strip	13,818,227	16,389,898	14,006,959	30,208,125	27,615,741
Mill Feed (dry milled tonnes)	1,831,729	1,798,616	1,909,670	3,630,345	3,716,374
Mill Feed Grade (grams/tonne)	1.12	1.28	1.15	1.20	1.12
Recovery (%)	82.1	79.8	79.0	81.1	80.2

Table 8 – Macraes Operating Statistics

Macraes Operating Statistics	Q2 Jun 30 2013	Q1 Mar 31 2013	Q2 Jun 30 2012	Half Year Jun 30 2013	Half Year Jun 30 2012
Gold Produced (ounces)	40,063	48,139	39,012	88,202	73,863
Total Ore Mined (tonnes)	1,414,405	1,643,432	1,303,293	3,057,837	2,391,530
Ore Mined Grade (grams/tonne)	0.96	1.28	1.23	1.13	1.20
Total Waste Mined (tonnes) including pre-strip	9,432,040	12,393,410	9,226,327	21,825,450	18,409,342
Mill Feed (dry milled tonnes)	1,442,860	1,462,409	1,477,749	2,905,269	2,869,809
Mill Feed Grade (grams/tonne)	1.04	1.27	1.03	1.16	1.01
Recovery (%)	81.8	80.2	79.1	81.0	79.9

Table 9 – Reefton Operating Statistics

Reefton Operating Statistics	Q2 Jun 30 2013	Q1 Mar 31 2013	Q2 Jun 30 2012	Half Year Jun 30 2013	Half Year Jun 30 2012
Gold Produced (ounces)	14,614	12,447	16,697	27,061	32,688
Total Ore Mined (tonnes)	375,364	341,898	268,365	717,262	587,477
Ore Mined Grade (grams/tonne)	1.45	1.47	1.57	1.46	1.66
Total Waste Mined (tonnes) including pre-strip	4,386,187	3,996,488	4,780,632	8,382,675	9,206,399
Mill Feed (dry milled tonnes)	388,869	336,207	431,921	725,076	846,565
Mill Feed Grade (grams/tonne)	1.41	1.35	1.53	1.38	1.49
Recovery (%)	83.1	78.3	78.8	81.2	80.9

PRODUCTION

Gold production for the second quarter of 2013 was 68,353 ounces, slightly higher than in the previous quarter due to increased production from Didipio and from Reefton. The increase was offset by lower production from Macraes. Copper production from Didipio for the quarter was 5,710 tonnes.

The Company has been reviewing its operations in order to maximise profitability at each of its mines. On June 27, the Company announced a change to the mine schedule at Reefton whereby the final cutback at the Globe Progress Pit has been deferred resulting in a two year reduction in the mine schedule and the mine transitioning into a care and maintenance phase mid-year 2015 pending an improvement in the gold price to extract the remaining resource. In order to de-risk the production at Reefton, the Company entered into a zero cost collar hedging program over the estimated 115,650 ounces of gold production during that period. The program entails a series of bought gold put options at NZD1,600 per ounce and sold call options at NZD1,787 per ounce. The reduction in mine life at Reefton reduces the Company's capital expenditure by NZD40 – 45 million (USD32 – 36 million) over the next two years.

At Macraes, the Company has deferred the Frasers 6 cutback pending an improvement in the gold price. This will result in a reduction of capitalised stripping over the next two to three years and the Company will examine opportunities to target the mineralization through underground mining methods.

Didipio Mine (Philippines)

In the second quarter of 2013, the Didipio Mine incurred no lost time injuries and as at the end of June 2013, the operations had recorded over five million man hours worked without a lost time injury.

In the second quarter, gold production was 13,676 ounces of gold and 5,710 tonnes of copper. Didipio has produced 20,553 ounces of gold and 9,373 tonnes of copper year-to-date. The gravity circuit was commissioned in the second quarter and produced its first doré in May which was subsequently shipped for processing in Perth, Australia.

In the second quarter, the Company made four shipments of copper-gold concentrate totalling approximately 20,000 dry metric tonnes from the San Fernando port on the west coast of Luzon to markets in Asia.

Mining operations in the second quarter focused on providing supply to the process plant, building stockpiles on the ROM pad and on providing competent waste rock for the stage 2 lift of the Tailings Storage Facility(TSF). The construction of the second stage of the TSF lift is on target for completion in the third quarter.

The total material movement in the second quarter was 6.1 million tonnes including 1.7 million tonnes of ore, most of which was stockpiled.

The total feed through the mill in the second quarter was 727,550 tonnes of ore, grading 0.75 g/t gold and 0.91% copper. Recoveries in the second quarter were 77.5% gold and 87.3% copper. The head grade and recoveries are expected to increase in the second half of the year as mining progresses deeper into the orebody.

As stated in the first quarter 2013 report, the Department of Environment and Natural Resources of the Philippines ("DENR"), along with a number of mining companies (including OceanaGold Philippines Inc.), are parties to a case that began in 2008 whereby a group of Non-Governmental Organisations (NGOs) and individuals challenged the constitutionality of the Philippines Mining Act ("Mining Act") and the Financial or Technical Assistance Agreements ("FTAAs") in the Philippines Supreme Court. The petitioners initiated the challenge despite the fact that the Supreme Court had upheld the constitutional validity of both the Mining Act and the FTAAs in an earlier landmark case in 2005. The parties made various written submissions in 2009 and 2010, and there were no significant developments in the case between 2011 and 2012. In early 2013, the Supreme Court requested the parties to participate in oral debates on the issue, which has generated some media interest in the matter. The oral debates are continuing and it is expected that further written submissions will be requested by the Court over the second half of the year before a decision is handed down. Notwithstanding the favourable legal precedent, the Company is cognisant that litigation is an inherently uncertain process and that the outcome of the case may adversely affect the operation and financial position of the Company. Therefore, it is working closely with the DENR, the other respondents in the case, and the mining industry to defend the Mining Act and the validity of its FTAA.

Macraes Goldfield (New Zealand)

The operation sustained one lost time injury during the quarter when an underground miner was injured. The Company has investigated the incident and has renewed the focus on task based observations made by supervisors and management.

Production from the Macraes Goldfield was 40,063 gold ounces, compared to 48,139 gold ounces in the previous quarter. This decrease was attributable mainly to lower grade ore processed. Grades were lower as a result of adjustments made to the mine schedule in January due to the pit wall movement reported in the first quarter and to severe wet weather that hampered mining activities over a 10-day period in June. During this period, low grade stockpiles were fed through the mill.

The inclement weather at Macraes in June consisted of rain for a seven day period including two days of heavier rainfall resulting in 130 millimetres of accumulation which was then followed by 700 millimetres of snow over the following three days. As a result, the pit floor in the eastern section of the open pit became flooded restricting access to higher grade ore and required restoration of some haul roads. The Company expects to have the pit pumped out over the course of the next two months subject to weather conditions. An adjustment to the mine schedule has been made with mining of the higher grade eastern section of the pit to commence late in the third quarter and into the fourth quarter. The Company now expects production in New Zealand to progressively increase over the remainder of the year with the strongest quarter being the fourth quarter.

Mining activities continued in the Frasers 5 and Frasers West areas. During the quarter, the Company continued to review the operations at Macraes to maximise profitability due to the decrease in gold price. As a result, the Company has deferred pre-stripping of the Frasers 6 cutback. This will have no impact on production over the near-term but could affect production in later years of the mine life which is currently projected to 2020 barring changes to the gold price.

The total material movement from the open pit decreased 23% due to the major rain and snow storms in June and to the deferment of the pre-stripping at Frasers 6 cutback.

At the Frasers Underground, mining continued in Panel 2 with a small amount of ore mined from Panel 1. Ore mined was up slightly on the previous quarter at 219,980 tonnes.

Mill throughput of 1.4 million tonnes was similar to the previous quarter as low grade stockpiled ore was milled in place of mined ore during the weather event. The mill feed grade of 1.04 g/t was lower than the previous quarter due to lower grade ore mined from the open pit and the need to mill lower grade stockpile ore during the weather event in June.

Overall recovery was 81.8% compared to 80.2% in the previous quarter. In the first quarter, the autoclave was unavailable for a period of 24 days due to a planned rebricking. As a result, the ore bypassed the autoclave and was directly leached resulting in lower CIL recoveries. With the maintenance work completed in the first quarter, the autoclave had higher availability in the second quarter thus direct leaching was not required resulting in higher CIL recoveries.

Reefton Goldfield (New Zealand)

In the second quarter of 2013 there was one LTI recorded at the Reefton operation when a mining technician strained his back lifting equipment. The worker returned to work after a few days of recovery. Retraining of the proper lifting techniques was delivered to the operations personnel.

Gold production from the Reefton Goldfield was 14,614 ounces versus 12,447 ounces in the previous quarter. This increase was driven primarily by additional tonnes milled but also by slightly higher grades and improved recoveries over the previous quarter. The Company mined ore from both the Globe Pit and the Empress Pit during the quarter. The Empress Pit is a mineralised open pit that had been previously mined and the updated resource model identified remaining ore to be accessed. Empress will revert to a waste stack later in the year when the ore has been completely mined.

Mining activities continued with the development of the stage 6 and stage 7 cutbacks including the associated pre-strip and waste movements. These developments will support the exposure of ore, which will be mined over the balance of the mine schedule to mid-year 2015. The final cutback (stage 8) has been deferred pending an improvement in the gold price to extract the remaining resource.

The total ore mined for the second quarter was 375,364 tonnes, a 10% increase from the previous quarter. The increase was due to additional ore available for mining from the Empress Pit. Additionally, the operations had shorter haulage cycles compared to the previous quarter where haulage cycles were longer due to restricted access to the process plant during the relocation of the tailings delivery pipeline, which was completed early in the second quarter.

Process plant throughput was 388,869 tonnes at 1.41 g/t in the second quarter versus 336,207 tonnes at 1.35 g/t in the previous quarter.

Gold recovery for the quarter increased from 78.3% in the previous quarter to 83.1% in the second quarter of 2013. The increase in recovery was as a result of more consistent ore feed grade throughout the quarter.

EXPLORATION

Philippines

Exploration expenditure in the Philippines for the second quarter of 2013 totalled $0.6 million.

Exploration drilling within the Didipio near-mine area commenced during the quarter (Mine permit area; Figure 1). A single 461 metre hole was completed at the Morning Star prospect (drill hole MSDH212). In late June, drilling commenced at the D'Beau prospect (drill hole DBDH202).

Drilling within the Morning Star prospect, located 700 metres southwest of Didipio intersected monzonite porphyry intrusion from 288 metres to 331 metres with intermittent narrow monzonite dikes from 350 metres to 400 metres (Figure 1). The monzonite contains weak copper mineralization in the form of chalcopyrite-pyrite-quartz veinlets. Assays are pending.

On the D'Beau prospect, about one kilometre southwest of Didipio, the first of a four-hole drilling program commenced. The first hole is intended to test for coherent mineralised intrusion below the artisanal workings (Figure 1).

At the Cabinwangan prospect located to the northwest of Didipio, channel samples were assayed returning results of 6 metres averaging 1.4 g/t Au and 1.22% Cu. Additional work is planned in the second half of this year to further delineate surface mineralisation and define potential drill targets.

New Zealand

Exploration expenditure in New Zealand for the second quarter was $1.1 million.

Reefton Goldfield

During the second quarter, exploration activity at Reefton moved from target drilling to target generation. A desktop study was completed in the quarter which assessed the structural setting of all the significant gold mineralisation occurrences in the Reefton Goldfield. The study identified several important structural attributes that appear critical for the formation of an economic gold deposit in the Reefton Goldfield. Identifying these structural attributes in the field through detail (1:500 scale) mapping will drive future target rankings.

At the Globe Progress Pit an updated resource estimate was compiled incorporating an infill diamond drill program completed in late 2012. In addition, an updated resource estimate for the Supreme prospect located 2.5 kilometres south of the Reefton operation was completed. Both of these updates will be integrated into the annual end of year update.

Macraes Goldfield

During the second quarter, the Company completed infill and step out resource definition drilling at the Coronation prospect, which is located at the northern end of the Hyde Macraes Shear Zone (Figure 2). The drilling program comprised of 56 holes for 4,500 meters. An updated resource estimate has been compiled which will be integrated into the annual end of year update.

Following the Coronation drilling program, the Company's focus moved south to the Deepdell prospect where a program of 23 holes for 2,845 metres of resource infill and step out drilling were completed by quarter's end. As at the end of the quarter, results of this drilling were still outstanding.

Figure 1 – Didipio FTAA and Exploration Areas

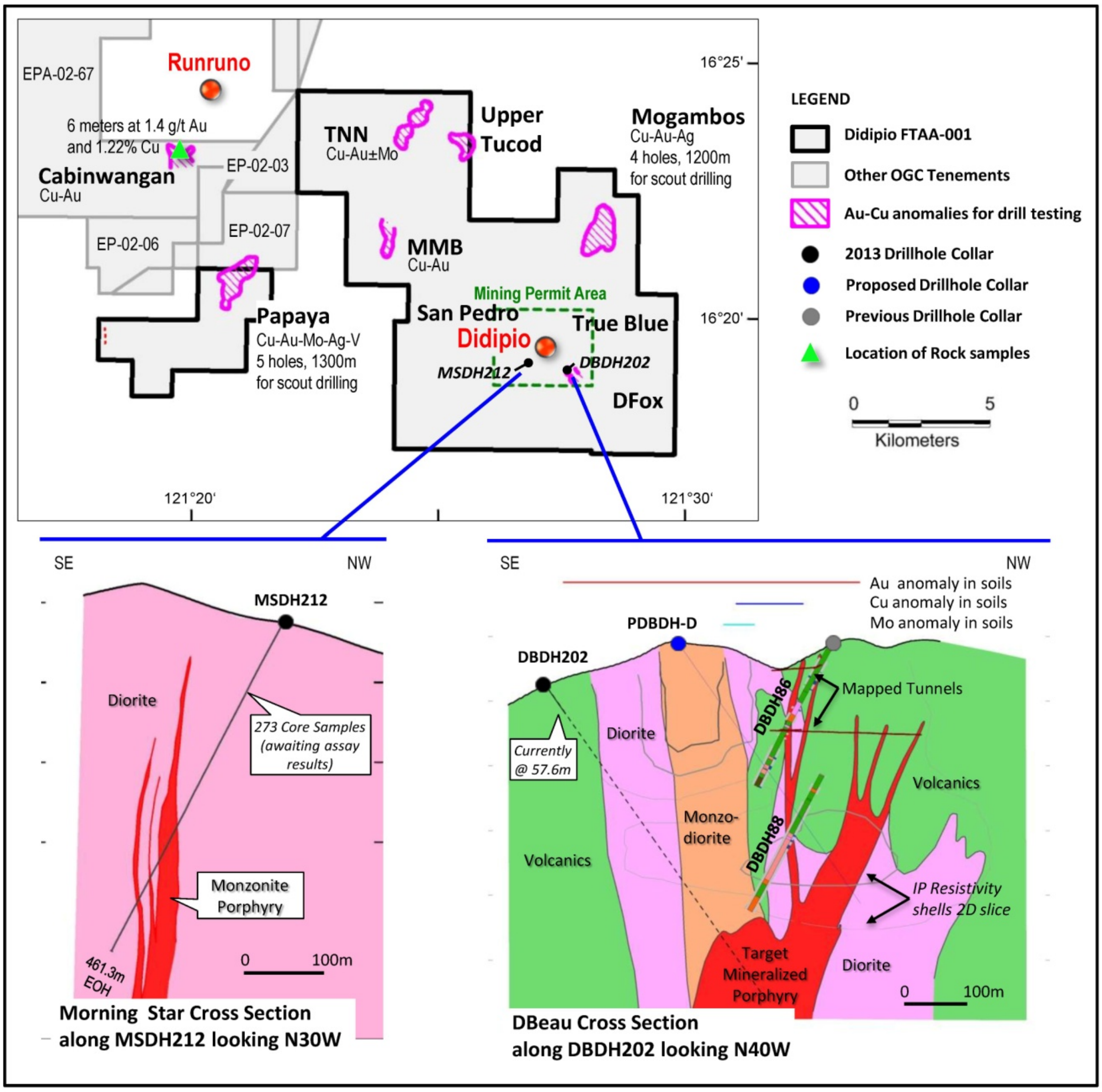
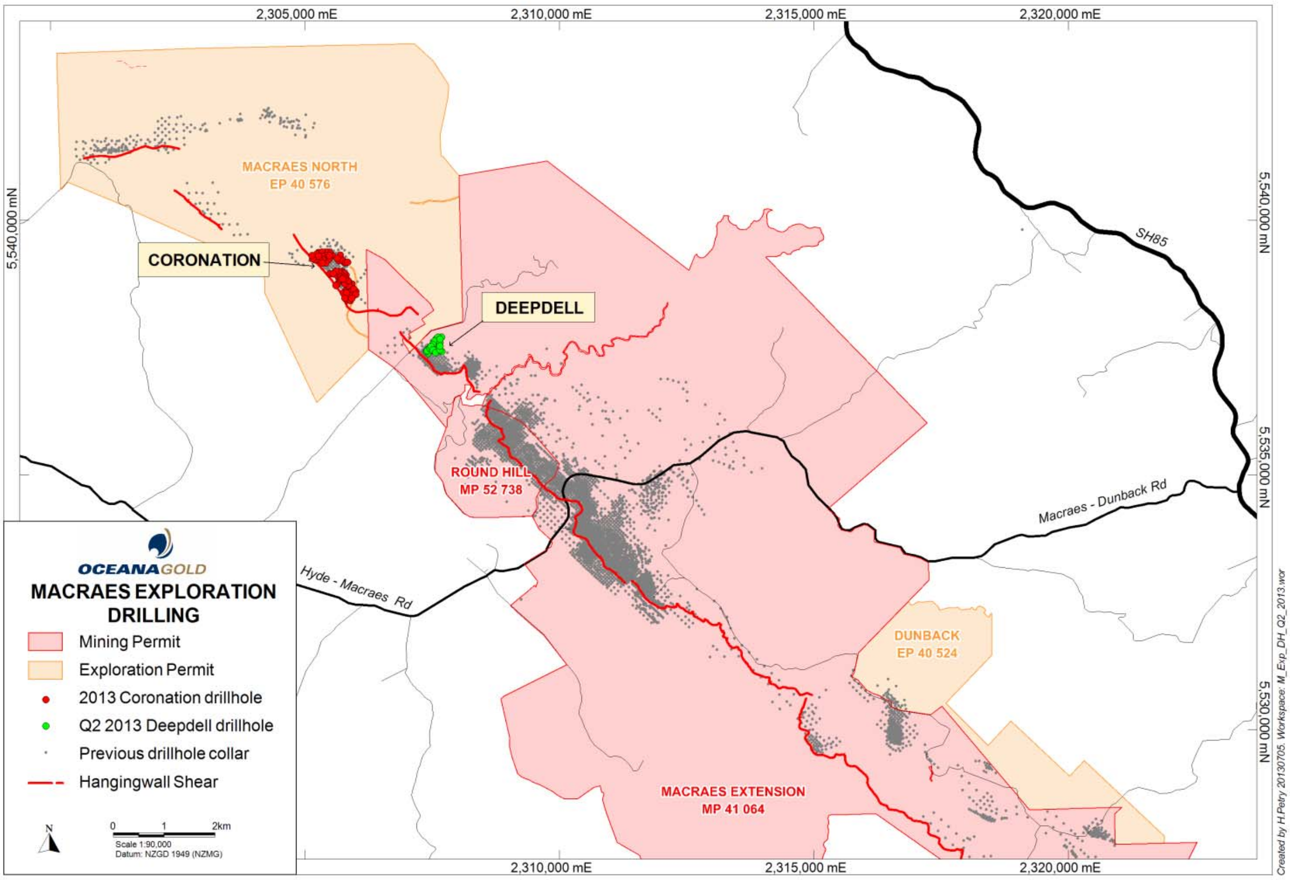


Figure 2 – Macraes Exploration drilling showing the location of infill drilling at the Coronation prospect and proposed drilling program at the Deepdell prospect.



Project Development

Project works at Didipio continued in the second quarter to provide life of mine maintenance and ancillary accommodation infrastructure such as the permanent mine maintenance workshop, process plant workshop, heavy vehicle wash facilities and employee gym facility. These works are on track for completion by the fourth quarter of 2013.

Scoping studies continued to progress well. These studies include the high voltage power line supply to site and the Didipio mine optimisation. Results of these studies will be completed in the second half of 2013.

In New Zealand, construction of stage 1 of the new tailings storage facility at Macraes continued during the quarter. Major foundation work was completed, under drains installed and embankment fill material placed to a dam height of about six metres. Construction of the new tailings storage facility is expected to be completed by the end of the year.

Sustainability

In the second quarter of 2013, the Company continued to invest through the Social Development Management Plan (“SDMP”) in infrastructure and education and health programs at Didipio and neighbouring communities. These community development initiatives were primarily focused on access road improvements, salary and subsidy assistance, enterprise development and agriculture.

Construction of the OceanaGold sponsored Camgat-Surong road improvement project was completed in the second quarter. The Camamasi-Belet-Capisaan-Wangal road project connecting Didipio to the municipalities of Kasibu, Solano and Bambang in Nueva Vizcaya continued to advance well in the quarter. The Company has spent approximately 50% of its planned US$1.4 million expenditure to date. The Company also undertook the construction of hanging bridges, rehabilitation and extensions on two community halls, construction of school facilities and as well as church improvements in Didipio and surrounding communities.

In the quarter, the development of a 12 hectare central development site at Didipio commenced with upgrades to the access roads, site levelling and the start of the new Didipio high school. The Company retained the services of an urban development planner to prepare the overall design of the site.

The Company continued its support of social service sectors through the provision of salaries and subsidies for local high school and elementary school teachers and community health workers. Medical, dental and optical missions were carried out in the quarter where nearly 1,000 community residents benefitted from free medical consultations, medicines and eye glasses.

In the second quarter, the Company renewed the road maintenance contract and signed a new copper concentrate hauling contract with DiCorp, a mine services corporation owned by the long term residents of Didipio.

Preparations for the development of the central nursery in the Barangay Tucod for the agroforestry programs of the company are on-going while identification of the planting sites for an additional 100 hectares is underway through close coordination with the Environment and Natural Resources offices both from the provincial and local governments.

In the second quarter, the Company partnered with the International RiverFoundation (IRF). The IRF is an international public benefit organisation that works in partnerships around the world to fund and promote the sustainable restoration and management of river basins. The IRF’s vision is to achieve improved ecosystem and human health with positive economic and social outcomes through integrated river basin management. Together with the IRF, OceanaGold will identify new opportunities in water management and will promote and educate members of its communities to become champions in sustainable rivers through the effective management of local tributaries and initiatives to minimise the adverse impacts from small scale mining.

FINANCIAL SUMMARY

The table below provides selected financial data comparing Q2 2013 with Q1 2013 and Q2 2012.

STATEMENT OF OPERATIONS	Q2 Jun 30 2013 $000	Q1 Mar 31 2013 $000	Q2 Jun 30 2012 $000	Half Year Jun 30 2013 $000	Half Year Jun 30 2012 $000
Sales	131,213	95,639	86,719	226,852	175,277
Cost of sales, excluding depreciation and amortisation	(80,437)	(39,875)	(57,523)	(120,312)	(118,211)
General & Administration	(6,764)	(6,162)	(3,561)	(12,926)	(6,655)
Foreign Currency Exchange Gain/(Loss)	(1,528)	(418)	(31)	(1,947)	(1,652)
Other income/(expense)	11	(2,108)	28	(2,097)	158
Earnings before interest, tax, depreciation & amortisation (EBITDA) (excluding gain/(loss) on undesignated hedges and impairment charge)	**42,495**	**47,076**	**25,632**	**89,570**	**48,917**
Depreciation and amortisation	(39,824)	(29,547)	(20,009)	(69,371)	(41,832)
Net interest expense and finance costs	(6,322)	(6,376)	(4,034)	(12,698)	(8,036)
Earnings/(loss) before income tax and gain/(loss) on undesignated hedges and impairment charge	**(3,651)**	**11,153**	**1,589**	**7,501**	**(951)**
Tax (expense)/ benefit on earnings/loss	1,004	(4,663)	(854)	(3,659)	(2,177)
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges and impairment charge	**(2,647)**	**6,490**	**735**	**3,842**	**(3,128)**
Impairment charge	(85,500)	-	-	(85,500)	-
Gain/(loss) on fair value undesignated hedges	(8,977)	813	-	(8,164)	-
Tax (expense)/benefit on gain/loss on undesignated hedges and impairment	26,633	(244)	-	26,389	-
Net Profit/(loss)	**(70,491)**	**7,059**	**735**	**(63,432)**	**(3,128)**
Basic / Diluted earnings per share	$(0.24)	$0.02	$0.00	$(0.22)	$(0.01)
CASH FLOWS					
Cash flows from Operating Activities	9,864	21,441	20,912	31,305	41,729
Cash flows used in Investing Activities	(25,218)	(64,982)	(69,261)	(90,200)	(134,406)
Cash flows used in Financing Activities	(4,459)	(25,710)	(4,561)	(30,169)	(8,176)

BALANCE SHEET	As at Jun 30 2013 $'000	As at Dec 31 2012 $'000
Cash and cash equivalents	17,924	96,502
Other Current Assets	131,184	89,276
Non Current Assets	767,080	845,878
Total Assets	**916,188**	**1,031,656**
Current Liabilities	215,527	199,413
Non Current Liabilities	154,627	222,383
Total Liabilities	**370,154**	**421,796**
Total Shareholders' Equity	**546,034**	**609,860**

RESULTS OF OPERATIONS

Net Earnings

The Company declared commercial production at Didipio effective April 1 2013. As such, the revenue and costs associated with the Didipio Mine are reported to the Consolidated Statement of Comprehensive Income on a consolidated basis in the second quarter.

In the second quarter, the Company reported a net loss of $70.5 million versus a net profit of $7.1 million in the first quarter 2013. The loss was associated with an impairment charge, net foreign exchange hedging losses, lower average gold price received, lower capitalised pre-strip, decreased gold in circuit and increased depreciation and amortisation in New Zealand. The net loss was offset by a weaker New Zealand dollar and the contribution made by the Philippines operations.

The Company reported EBITDA (excluding loss on undesignated hedge and impairment charge) of $42.5 million in the second quarter of 2013 compared to $47.1 million in the first quarter of 2013.

The earnings before income tax and before gain/(loss) on undesignated hedges and impairment charge was a loss of $3.6 million for the second quarter of 2013 compared to a profit of $11.2 million in the first quarter of 2013.

Sales Revenue

Philippines

Sales revenue (net of metal deductions and selling costs) in Philippines was $46.4 million of which copper sales revenue was $36.0 million (nil in first quarter 2013).

The average gold price received was $1,270 per ounce, and the average copper price received was $7,094 per tonne.

New Zealand

Gold revenue in New Zealand in the second quarter was $84.8 million compared with the first quarter of $95.6 million. This 11% decrease over the previous quarter was due mainly to a lower average price of gold received that was offset by a slightly higher number of ounces sold.

The average gold price received in the second quarter was $1,422 per ounce compared to $1,632 per ounce received in the previous quarter for New Zealand. Gold sold in the second quarter was 59,620 ounces compared to the first quarter of 58,585 ounces. This increase in ounces sold was due mainly to a reduction of gold in circuit at Reefton with more ounces being processed, offset by lower ounces produced at Macraes.

Operating Costs and Margins per Ounce

Philippines

Operating cash costs (net of copper by-product credits) was negative $586 per ounce sold for the second quarter.

New Zealand

Operating cash costs per ounce sold was $918 for the second quarter of 2013, compared to $687 per ounce in the first quarter 2013. This result was largely attributable to lower capitalised pre-strip costs and a decrease in gold in circuit.

The average cash margin was $504 per ounce for the second quarter 2013 versus $945 for the first quarter 2013. This reflected the lower average gold price received per ounce and the higher cash cost per ounce sold.

Depreciation and Amortisation

Depreciation and amortisation charges include amortisation of mine development, deferred pre-stripping costs and depreciation on equipment.

Depreciation and amortisation charges are mostly calculated on a unit of production basis and totalled $39.8 million for the second quarter 2013 compared to $29.5 million in the previous quarter. The second quarter included depreciation and amortisation for the Philippines operations for the first time.

Impairment Charge

An impairment charge of $85.5 million was recognised this quarter, after an impairment assessment was made on the New Zealand cash generating unit. More details on the impairment charge are noted on page 20 Critical Accounting Estimates and Judgement.

Net Interest Expense and Finance Costs

The net interest expense and finance costs of $6.3 million for the quarter were in line with the previous quarter.

Undesignated Hedges Gains/Losses

Unrealised gains and losses calculated as a fair value adjustment of the Company's undesignated hedges are brought to account at the end of each reporting period and reflect changes in the spot gold price and changes in market premiums of AUD forwards. These valuation adjustments as at June 30, 2013, reflect a loss of $9.0 million compared to a gain for the first quarter of $0.8 million.

Details of the derivative instruments held by the Company at year end are summarised below under “Derivative Assets/ Liabilities”.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash inflows from operating activities were $9.9 million for the second quarter of 2013 compared to $21.4 million in the previous quarter. The decrease was the result of lower average gold price received, higher costs of sales and working capital increases, offset partly by higher group ounces of gold sold and copper sales in the Philippines.

Investing Activities

Cash used for investing activities totalled $25.2 million in the second quarter of 2013 compared to $65.0 million in the first quarter of 2013.

Investing activities comprised expenditures for pre-strip capitalised mining expenditure, sustaining capital and exploration expenditure at both the New Zealand and Philippines operations. At the Didipio Mine, expansionary capital expenditures included the stage 2 tailings storage facility lift and the purchase of trucks for copper-gold concentrate haulage.

Financing Activities

Financing net outflows for the second quarter of 2013 were $4.5 million compared to a net outflow of $25.7 million in the last quarter.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the quarter ended June 30, 2013, the Company recorded a net loss of $70.5 million. As at that date, cash funds held were $17.9 million. Net current liabilities were $66.4 million at quarter end which includes a current liability of the convertible bonds repayment due in December 2013.

At June 30, 2013, undrawn funds from the banking facilities established in 2012 were $141.8 million. This undrawn amount includes the term facility that will be used to cover the A$110.8 million convertible notes that mature in December 2013. With the additional $30 million available under the revolving credit facility, the Company had immediately available liquidity of $47.9 million.

Additionally, the Company has a $25 million convertible revolving credit facility whereby it has the option to repay any drawn down funds with cash or the issuance of ordinary shares under this facility, subject to the ASX listing rules.

Commitments

OceanaGold’s capital commitments as at June 30, 2013 are as follows:

	June 30, 2013 $’000
Within 1 year	29,812

This includes mainly equipment for New Zealand operations and contracts supporting the operations of the Didipio Mine.

Financial Position

Current Assets

Current assets were $149.1 million compared to $185.8 million at the end of the prior year. The reduction in the current assets of $36.7 million was due mainly to a decrease in cash used for repaying net debt of $20 million in the first quarter and financing Didipio operations prior to first shipment, offset partly by increases in inventories, trade receivables, and prepayments.

Non-Current Assets

Non-current assets were $767.1 million compared to $845.9 million at December 31, 2012. The decrease mainly reflects the impairment charge recognised this quarter which reduced the carrying value of mining assets and property, plant and equipment, partly offset by increases in input tax credits paid, increases in capitalised mining costs, and additions to property, plant and equipment..

Current Liabilities

Current liabilities were $215.5 million as at June 30, 2013 compared to $199.4 million as at December 31, 2012. This increase was attributable mainly to the reclassification of $25 million of the working capital facility from non-current to current being a tranche repayable June 2014, offset by a decrease in trade creditors, a lesser convertible note liability as a result of the strengthening of the United States dollar and an increase in derivatives liability related to the Australian dollar foreign exchange forwards.

Non-Current Liabilities

Non-current liabilities were $154.6 million as at June 30, 2013, compared with $222.4 million at December 31, 2012. The decrease resulted from a net repayment of $20 million of the working capital banking facilities in the first quarter, and a decrease in deferred tax liabilities which was also impacted by the impairment charge recognised in the quarter.

Derivative Assets / Liabilities

In prior year, the Company had purchased forward contracts as a hedge against foreign exchange movements to ensure that the potential US denominated credit facility draw downs would be sufficient in the repayment of the AUD denominated convertible notes. As at June 30, 2013, a forward purchase contract for A$110.8 million remained outstanding, maturing in December 2013.

On June 24, 2013, the Company entered into a gold bullion collar zero cost agreement to buy gold puts at average strike NZD1,600 per ounce and sell gold calls at average strike NZD1,787 per ounce for 115,650 ounces for the period from July 2013 to June 2015.

The above hedges are undesignated and do not qualify for hedge accounting.

A summary of OceanaGold's marked to market derivatives is as per below:

	Jun 30 2013 $'000	Dec 31 2012 $'000
Current Assets		
Forward rate agreements	2,351	552
Gold put/call options	2,006	89
	4,357	641
Non Current Assets		
Gold put/call options	1,980	-
Total Assets	6,337	641

	Jun 30 2013 $'000	Dec 31 2012 $'000
Current Liabilities		
Forward rate agreements	13,593	151
Total Liabilities	13,593	151

Shareholders' Equity

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

	Period Ended June 30, 2013 $'000
Total equity at beginning of financial period	620,920
Profit/(loss) after income tax	(70,491)
Movement in other comprehensive income	(5,112)
Movement in contributed surplus	542
Issue of shares/ (Equity raising costs)	175
Total equity at end of financial period	546,034

Shareholders' equity has decreased by $74.9 million to $546.0 million at June 30, 2013, mainly as a result of a net loss after tax for the quarter of $70.5 million, and currency translation differences reflected in "Other Comprehensive Income" that arise from the translation of entities with a functional currency other than USD.

Capital Resources

As at June 30, 2013, the share and securities summary was:

Shares outstanding	293,574,584
Options and share rights outstanding	9,839,456

As at July 25, 2013 there was no change in shares and securities:

Shares outstanding

293,574,584

Options and share rights outstanding 9,839,456

As at December 31, 2012, the share and securities summary was:

Shares outstanding	293,517,918
Options and share rights outstanding	8,624,268

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes.

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable resources, and active work is continuing.

Accumulated costs in relation to an abandoned area are written off to the Statement of Operations in the period in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Mining Properties in Production or Under Development

Expenditure relating to mining properties in production and development are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs, including the estimated future capital costs over the life of the area of interest, is provided on the production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

Costs associated with the removal of overburden and other mine waste materials that are incurred in the production phase of mining operations are included in the costs of inventory in the period in which they are incurred, except when the charges represent getting better access to a component of the mineral property.

Charges are capitalised when the stripping activity provides better access to components of the ore body and reserves that will be produced in future periods that would not have been accessible without the stripping activity. When charges are deferred in relation to such activity, the charges are amortised over the reserve in the betterment accessed by the stripping activity using the units of production method.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount, the excess is written off to the Statement of Comprehensive Income.

Asset Retirement Obligations

OceanaGold recognises the present value of future asset retirement obligations as a liability in the period in which it incurs a legal obligation associated with the retirement of long-lived assets that results from the acquisition, construction, development and/or normal use of the assets. OceanaGold concurrently recognises a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset.

The key assumptions on which the present value of the asset retirement obligations are based include the estimated risk-adjusted future cash flows, the timing of those cash flows and the risk-free rate or rates on which the estimated cash flows have been discounted. Subsequent to the initial measurement, the liability is accreted over time through periodic charges to earnings. The amount of the liability is subject to re-measurement at each reporting period if there has been a change to the key assumptions.

Asset Impairment Evaluations

The carrying values of exploration, evaluation, mining properties in production or under development and plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the discounted future cash flows from these assets, the assets are written down to the fair value of the estimated future cash flows based on OceanaGold's discount rate for the asset.

Non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be fully recoverable. During the quarter, the Group identified two indicators of potential impairment. Firstly, the trading price of the company's shares declined such that the company's market capitalization was below the carrying value of net assets. Secondly, market prices of gold declined significantly to below levels used in the company's forecasts, resulting in a decision to initiate a potential two year reduction in the previously announced mine life at Reefton.

The Group has two cash generating units (CGUs), New Zealand and Philippines. The Group has further analysed the indicators of impairment and isolated the potential impairment to the New Zealand CGU. As a result of these indicators, an impairment assessment on the company's New Zealand CGU was performed.

The carrying value of the New Zealand CGU has been assessed using the Fair Value Less Costs to Sell (FVLCS) approach, using discounted cash flows and the Company determined that an impairment charge of $85.5 million was required, as the carrying value was greater than the FVLCS. The FVLCS assessment was based on the following key assumptions:

- Production profile and costs as per the Life of Mine Plan (LoMP) for the current operating mines in New Zealand, and also including production from certain identified exploration targets where there is a higher degree of confidence in the economic extraction of minerals, although these do not currently qualify for inclusion in proven or probable ore reserves.

- Revenue was projected using broker average forecast gold prices and currently observable spot prices for by-products.

- Pre-tax nominal discount rates of 8%-11% depending on the risk profile of the different projects within the CGU.

The inter-relationship of the above key assumptions upon which estimated future cash flows are based is such that it is impracticable to reasonably estimate the extent of possible effects of a change in the key assumptions in isolation.

It is reasonably possible, on the basis of existing knowledge, that should outcomes during the next financial year significantly differ from the assumptions made with respect to current and future projects, it could require a material adjustment to the carrying value of the New Zealand CGU.

The Group has determined that there is no indicator of impairment for the Philippines CGU on the basis that the Company's long term outlook for gold and copper prices has not changed which are the prices used for the calculation of reserves. The Group believes that the current decline in prices will not continue to be seen for a significant proportion of the remaining 16 years expected life of the Didipio mine.

Derivative Financial Instruments/Hedge Accounting

The consolidated entity has used derivative financial instruments to manage commodity price and foreign currency exposures from time to time. Derivative financial instruments are initially recognised in the balance sheet at fair value and are subsequently re-measured at their fair values at each reporting date.

The fair value of gold hedging instruments is calculated by discounting the future value of the hedge contract at the appropriate prevailing quoted market rates at the reporting date. The fair value of forward exchange contracts is calculated by reference to the current forward exchange rate for contracts with similar maturity profiles.

Stock Option Pricing Model

Stock options granted to employees or external parties are measured by reference to the fair value at grant date and are recognised as an expense in equal 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. Deferred tax assets including tax losses are recognised to the extent that it is probable that the Company will generate sufficient future taxable income. Utilisation of the tax losses also depends on the ability of the entities to satisfy certain tests at the time the losses are recouped.

Foreign Currency Translation

The consolidated financial statements are expressed in United States dollars ("USD") and have been translated to USD using the current rate method described below. The controlled entities of OceanaGold have either Australian dollars ("AUD"), New Zealand dollars ("NZD") or United States dollars ("USD") as their functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognised in the statement of income.

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.

Didipio commencement of Commercial Production

Management declared the Didipio commencement of Commercial Production to be April 1, 2013. The criteria used to assess the start date were determined based on the unique nature of the mine including its complexity and location. Management considered various relevant criteria to assess when the mine was substantially complete and ready for its intended use and had moved into the production stage. The major criteria that were considered included, but were not limited to, the following: (1) all major capital expenditures to bring the mine to name plate capacity had been completed; (2) at least 5,000 tonnes of concentrate had been produced that met specifications; (3) the process plant, power plant and other facilities had been transferred to the control of the Operations team from the Commissioning team; (4) the mine or mill had reached 80% percentage of design capacity ; (5) gold and copper recoveries were at or near expected levels; (6) the open pit mine had the ability to sustain ongoing production ore at the required cut-off grade; and (7) costs were under control or within expectations.

RISKS AND UNCERTAINTIES

This document contains some forward looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by those forward looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; possible variations of ore grade or recovery rates; changes in project parameters; procurement of required capital equipment and operating parts and supplies; equipment failures; unexpected geological conditions; political risks arising from operating in certain developing countries; inability to enforce legal rights; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; operating performance of current operations; ability to secure long term financing and capital, water management, environmental and safety risks; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies including tax and trade laws and policies; ability to maintain and further improve labour relations; general business, economic, competitive, political and social uncertainties and other development and operating risks.

For further detail and discussion of risks and uncertainties refer to the Annual Information Form available on the Company's website.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Adoption of new accounting policies

The accounting policies adopted during the quarter are consistent with those of the previous financial year and corresponding interim reporting period

Accounting policies effective for future periods

The following accounting policies are effective for future periods:

IFRS 9 – *Financial instruments*

This standard will replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 has two classification categories: amortized cost and fair value.

Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A 'simple' debt instrument is measured at amortised cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument solely represent payments of principal and interest.

All other financial assets, including investments in complex debt instruments and equity investments must be measured at fair value.

All fair value movements on financial assets must be recognised in profit or loss except for equity investments that are not held for trading (short-term profit taking), which may be recorded in other comprehensive income (FVOCI). However, in December 2012, the IASB proposed limited amendments which would introduce a FVOCI category for certain eligible debt instruments.

For financial liabilities that are measured under the fair value option, entities will need to recognise the part of the fair value change that is due to changes in the entity's own credit risk in other comprehensive income rather than profit or loss.

New hedging rules will also be included in the standard . These will make testing for hedge effectiveness easier which means that more hedges are likely to be eligible for hedge accounting. The new rules will also allow more items to be hedged and relax the rules on using purchased options and non-derivative financial instruments as hedging instruments.

This standard is effective for years beginning on/after January 1, 2015. The Group has not assessed the impact of this new standard.

IAS 39 – Financial instruments

Amended to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty ("CCP") meets specified criteria.

This amendment is effective for years beginning on/after January 1, 2014. Since the group has not novated any hedging contracts in the current or prior

periods, applying the amendments will not affect any of the amounts recognised in the financial statements.

IAS 36 – Impairment of assets

The AASB has made small changes to some of the disclosures that are required under AASB 136 Impairment of Assets.

This amendments is effective for years beginning on/after January 1, 2014. These may result in additional disclosures if the group recognises an impairment loss or the reversal of an impairment loss during the period. They will not affect any of the amounts recognised in the financial statements. The group intends to apply the amendment from 1 January 2014.

IFRIC 21 – Levies

The standard sets out the accounting for an obligation to pay a levy imposed by a government in accordance with legislation. It clarifies that a liability must be recognised when the obligating event occurs, being the event that triggers the obligation to pay the levy.

This standard is effective for years beginning on/after January 1, 2014. The Group has not assessed the impact of this new standard.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended September 30, 2011 through to June 30, 2013. 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. On adoption to IFRS there were no material differences to the income statements and management believes the results are comparable as they were prepared on a consistent basis.

STATEMENT OF OPERATIONS	Jun 30 2013 $'000	Mar 31 2013 $'000	Dec 31 2012 $'000	Sep 30 2012 $'000	Jun 30 2012 $'000	Mar 31 2012 $'000	Dec 31 2011 $'000	Sep 30 2011 $'000
Sales Revenue	131,213	95,639	119,018	91,153	86,719	88,558	106,603	103,455
EBITDA (excluding gain/(loss) on undesignated hedges and impairment charge)	42,495	47,076	67,100	28,614	25,632	23,285	43,622	43,270
Earnings/(loss) after income tax and before gain/(loss) on undesignated hedges (net of tax and impairment charge)	(2,647)	6,490	23,120	328	735	(3,863)	14,336	10,912
Net Profit/(Loss)	(70,491)	7,059	24,197	(397)	735	(3,863)	14,336	10,912
Net earnings/(loss) per share								
Basic	$(0.24)	$0.02	$0.09	$(0.00)	$0.00	$(0.01)	$0.05	$0.04
Diluted	$(0.24)	$0.02	$0.09	$(0.00)	$0.00	$(0.01)	$0.05	$0.04

The most significant factors causing variation in the results are the volatility of the gold price; the variability in the grade of ore mined from the Macraes and Reefton Open Pit mines;the timing of waste stripping activities; movements in inventories and large movements in foreign exchange rates between the USD and the NZD.

NON-GAAP MEASURES

Throughout this document, we have provided measures prepared according to IFRS ("GAAP"), as well as some non-GAAP performance measures. As non-GAAP performance measures do not have a standardised 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 amortisation (EBITDA) is one such non-GAAP measure and a reconciliation of this measure to net Profit /(Loss) is provided on page 25.

Cash costs per ounce are other such non-GAAP measures and a reconciliation of these measures to cost of sales, is provided on the next page.

STATEMENT OF OPERATIONS	Q2 Jun 30 2013 $'000	Q1 Mar 31 2013 $'000	Q2 Jun 30 2012 $'000	Half Year Jun 30 2013 $'000	Half Year Jun 30 2012 $'000
Cost of sales, excluding depreciation and amortisation	80,437	39,875	57,523	120,312	118,211
General & Administration & Selling costs	3,786	365	116	4,151	230
Corporate Administrative Adjustment	-	-	(2,324)	-	(4,701)
Copper By-product credits	(35,988)	-	-	(35,988)	-
Total Cash Costs (Net of copper by-product credits)	48,235	40,240	55,315	88,475	113,740
Gold Sales from operating mines (ounces)	70,706	58,585	53,756	129,291	105,608
Cash Operating Costs ($/ounce)	682	687	1,029	684	1,077

ADDITIONAL INFORMATION

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

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Company's disclosure controls and procedures as at June 30, 2013. 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 June 30, 2013 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of OceanaGold, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the design and operation of the Company's of the internal controls over financial reporting and disclosure controls and procedures as of June 30, 2013.

Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that they were effective at a reasonable assurance level.

There were no significant changes in the Company's internal controls, or in other factors that could significantly affect those controls subsequent to the date the Chief Executive Officer and Chief Financial Officer completed their evaluation, nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

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