

*Strengthening our
foundation for growth*

20 January 2006

REPORT FOR THE QUARTER ENDED 31 DECEMBER 2005

HIGHLIGHTS

- Production from OceanaGold's Macraes Mine in the fourth quarter increased to 48,281 ounces of gold;
- Cash costs continue to improve and achieved A\$347 (US\$257) per ounce;
- The definitive feasibility study for the Frasers Underground was successfully completed and the project generates a 29% rate of return;
- A\$45 million was raised through the issue of convertible notes to fund the development of the new mines;
- More high-grade drilling results were received for the Frasers Underground Panel 2 Extension area, including significant stockwork mineralisation;
- Exploration drilling at the Globe Progress deposit intersected additional ore grade mineralisation beneath the current pit design;
- Exploration drilling commenced at the Inkerman Prospect in the Reefion Goldfield;
- The Macraes Gold Mine poured its two millionth ounce of gold in November.

OPERATIONS

Gold production for the Fourth Quarter was 48,281 ounces, as compared to 47,524 ounces for the same period last year. As forecast, mining for the Fourth Quarter transitioned from the relatively low grade stockwork system into higher grade ore associated with the Macraes shear zone hanging wall. Mined grades improved in each month of the Quarter as the proportion of higher grade hanging wall ore increased in the deeper benches of the Frasers Stage 3 Pit. These higher grades are expected to continue until completion of the Stage 3 Pit in the Second Quarter of 2006.

All five (5) planned new Caterpillar 789C haul trucks were commissioned and operational by the end of October. The extra trucking capacity combined with the new EX3600 Hitachi digger and shorter hauls in the developing Frasers South Stage 2 Pit have improved excavator productivity and total movement during the Quarter.

During the year, OceanaGold increased the SAG mill speed and circuit pumping capacity to improve mill throughput. Processing throughput for the Quarter was 1.3 million tonnes at an average rate of 611 tonnes per hour (tph) which is 2% higher than the Fourth Quarter of 2004. This increase was achieved despite an unplanned outage of the autoclave to repair a damaged valve. Further throughput improvement activities and optimisation of ore blending are planned for Q1 2006 to bring the treatment rate to 5.4Mtpa.

Overall recovery of 82.9% was 2.5% below the equivalent quarter in 2004 due to the presence of higher carbonaceous material in the ore.

-Table 1-

	Quarter Ended	Quarter Ended
Operating Statistics	31 December 2005	31 December 2004
Gold produced (ounces)	48,281	47,524
Gold sold (ounces)	46,953	47,580
Sulphide		
Ore Mined (tonnes) > .70 g/t	1,265,698	1,322,276
Ore Mined grade (grams/tonne)	1.48	1.43
Waste Mined (tonnes)	4,142,170	3,829,515
Prestrip (tonnes)	5,752,352	3,834,048
Sulphide		
Mill Feed (dry milled tonnes)	1,290,507	1,233,880
Mill Feed Grade (grams/tonne)	1.40	1.37
Recovery (%)	82.89	85.40
Oxide		
Mill Feed (dry milled tonnes)	0	29,868
Mill Feed Grade (grams/tonne)	0.00	1.36
Recovery (%)	0	80.40
Autoclave feed (concentrate tonnes)	37,618	40,530
Autoclave availability (%)	86.19	96.20

FINANCIAL

Gold sales during the Fourth Quarter of 2005 improved 13% on the Third Quarter of 2005 to 46,953 ounces as production transitioned from the lower grade stockwork ore to the higher grade hanging-wall ore structures. Gold sales for the Fourth Quarter were 1% lower than the equivalent period last year due to timing of gold shipments.

The average price received per ounce of A\$661 was similar to A\$667 per ounce received in the Fourth Quarter 2004.

OceanaGold is benefiting from a cost management program that has yielded immediate and sustained operating cost reductions. During the Fourth Quarter, cash costs continued to improve due to increased gold production and benefits from this program. The Company recorded cash costs of A\$347 per ounce, which is 2% lower than the Third Quarter of 2005.

As at 31 December 2005, OceanaGold had 480,000 ounces of fixed forward sales at an average delivery price of NZ\$698 per ounce (with a present value of NZ\$690 per ounce), of which 291,000 ounces at a present value of NZ\$719 per ounce were undesignated. The spot gold price at 31 December 2005 was

NZ\$746.90 per ounce. As a result, an unrealised mark to market charge of A\$7.7 million (NZ\$8.2 million) will be reported against the 2005 full year earnings. This charge is only an accounting entry recognition of the difference between the market gold price and the value of the undesignated hedges at the close of business on 31 December 2005. The actual realised impact will be based on the market price when the future contract expires.

Capital spending for the Fourth Quarter of 2005 totalled A\$11.1 million with A\$1.2 million attributable to development activities at the Globe Progress project and A\$6.2 million for pre-stripping at Macraes.

Towards the end of the year, OceanaGold successfully completed a convertible note issue to raise A\$45m, with a further A\$10m available, subject to shareholder approval. The proceeds will be used for the development of the new mines on the South Island of New Zealand. The effective conversion price of A\$0.925 per share for the 7 year note represents a 34% premium to the prevailing share price at the time. The cash coupon has been set at 5.75%.

At the end of the Fourth Quarter in 2005, OceanaGold had A\$47.7 million in cash.

-Table 2-

Financial Statistics	Quarter Ended	Quarter Ended	Variance (%)
	31 December 2005	31 December 2004	
Gold Sales (ounces)	46,953	47,524	(1)
	AUD	AUD	
Average Price Received (\$ per ounce)	661	667	(1)
Cash Operating Cost (\$ per ounce)			
Cash Cost (\$ per ounce) excl Royalty *	340	352	3
Royalty (\$ per ounce)	7	8	13
Total Cash Operating Cost (\$ per ounce) *	347	360	4
Gross Operating Margin (\$ per ounce) *	314	307	2
	USD	USD	
Average Price Received (US\$ per ounce)	489	512	(4)
Total Cash Operating Cost (US\$ per ounce) *	257	276	(7)
Gross Operating Margin (US\$ per ounce) *	232	236	(2)

* Comparative analysis to the equivalent period in 2004 is not relevant, since OceanaGold transitioned to Australian International Financial Reporting Standards (AIFRS) at mid year 2005.

DEVELOPMENT PROJECTS

Globe Progress Surface Mine

The infrastructure required for development of the Globe Progress Project is virtually complete with construction of the civil embankments for the tailings impoundment finished during the fourth Quarter along with the major silt retention structures (see Figures 1 and 2). The access road is expected to be completed by the end of the First Quarter of 2006, within the project budget.

The local transmission authority has completed erection of poles for the 33 kV transmission line to the concentrator site, and is only awaiting completion of the final portion of the access road to install the transformer at site and finalise the line installation.

During the Fourth Quarter, detailed mine designs were completed on Globe Progress to incorporate additional mineralisation delineated during the recently completed exploration program. This mine design forms the basis for the Definitive Feasibility Study and the tendering for the mining contract. A full revision of the resource model is currently underway incorporating the favourable exploration results

achieved through the latter part of 2005. This revision of the resource model is likely to again expand the current pit shell to the south and west, and may require another revision of the latest mine design at the Globe Progress Project.

The tender document for the mining and pre-stripping of the initial Globe Progress pit were prepared during the Fourth Quarter. A contract is expected to be awarded by March 2006, with pre-stripping anticipated to begin by the end of the Second Quarter of 2006. Stockpiling of ore will begin almost immediately after initial pre-stripping activities.

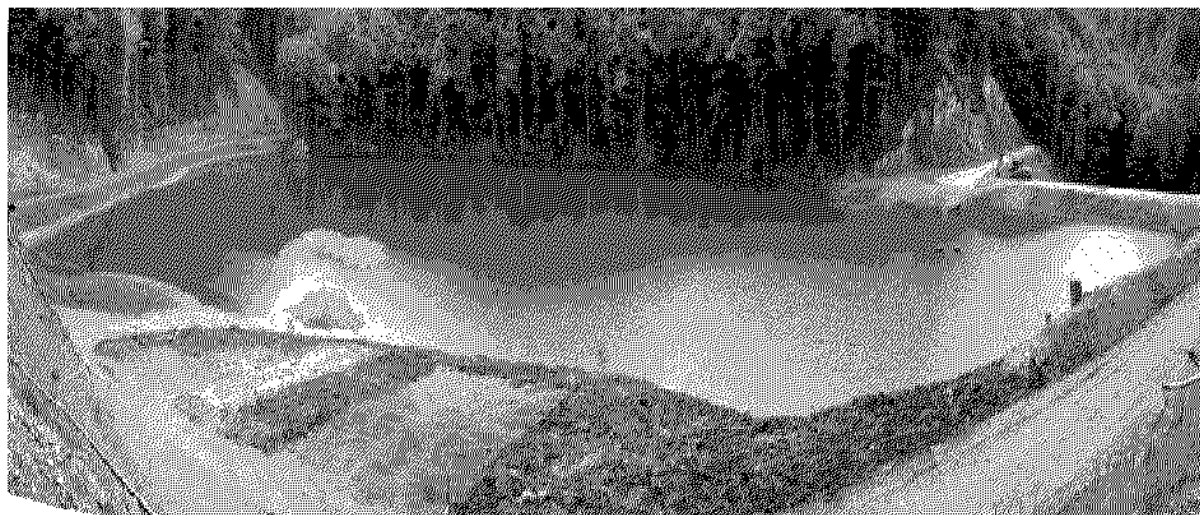
Additional contracts are expected to be awarded during the First Quarter of 2006, including a contract to complete pre-stripping and levelling of the plant site as well as the contract for Engineering, Procurement and Construction Management (EPCM) of the concentrator and its related services. OceanaGold expects to complete construction on Globe Progress and commission the project by the end of 2006.

- Figure 1 -
Fossicker's Creek Tailings Dam
Globe Progress Project



- Figure 2 -

Completed Devils Creek Silt Dam, with Reclamation Trial Plots in Foreground
Globe Progress Project-Reefton



Frasers Underground Mine

During the Fourth Quarter, OceanaGold issued the Definitive Feasibility Study for the Frasers Underground Project.

As shown in the following table, the study concluded that the Project was robust and would support debt financing for its development.

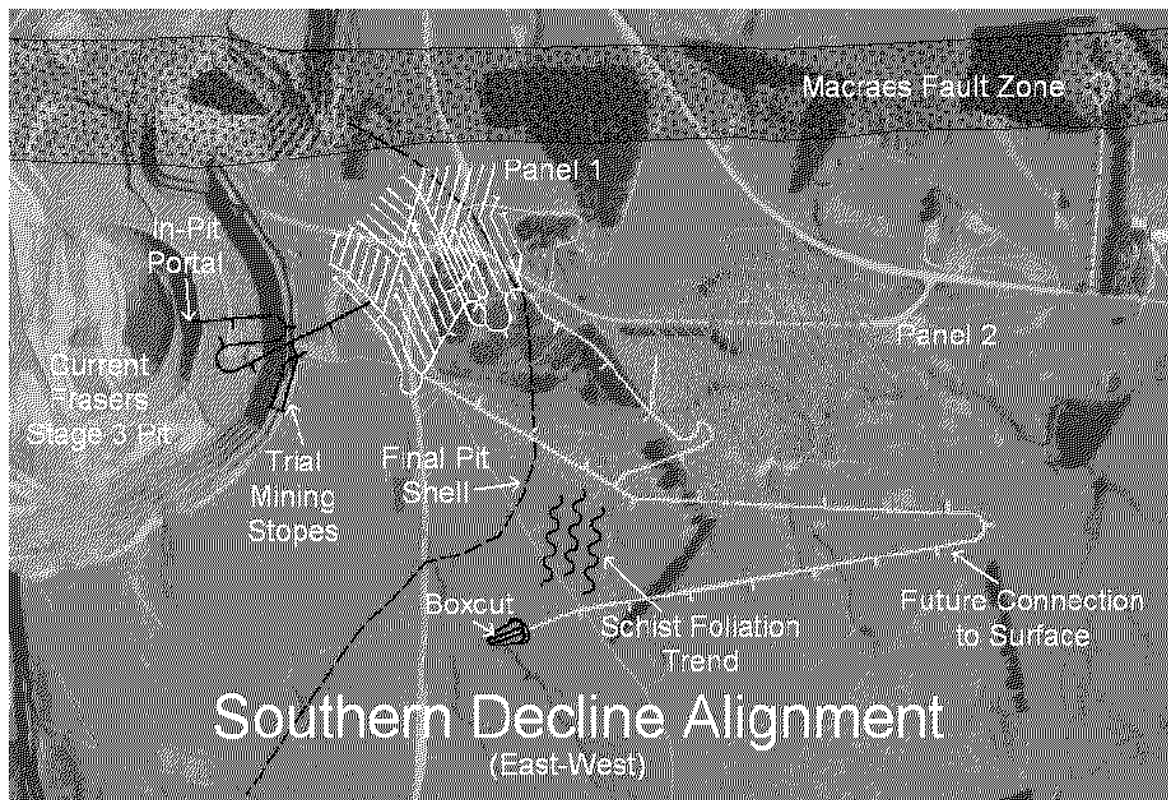
-Table 3-

Cash Costs	NZ\$401 per ounce
Capital Payback Period	29 months
Project Duration	95 months
Total Pre-production Capital Cost	NZ\$55 million
Internal Rate of Return	29.1%
Net Present Value (NPV@10%)	19.4 million

Since release of the Study, work has been completed on the box cut required for development of access from the Frasers open cut, and design and installation of services such as power and water to the proposed portal entry are underway (Figure 3). A contract mining tender was finalised and released to prospective Bidders for the initial development and trial mining of the Frasers Underground Project. Evaluation of the Bidders

submissions is expected to be completed by the First Quarter of 2006, and a contract award made shortly thereafter. Mobilisation and commencement of development work utilising the underground mining fleet owned by OceanaGold is expected to commence by April 2006. The Frasers Underground Project is planned for commissioning by the First Quarter of 2008.

- Figure 3 -
Underground Access Design
Fraser's Project



EXPLORATION

Fraser's Underground

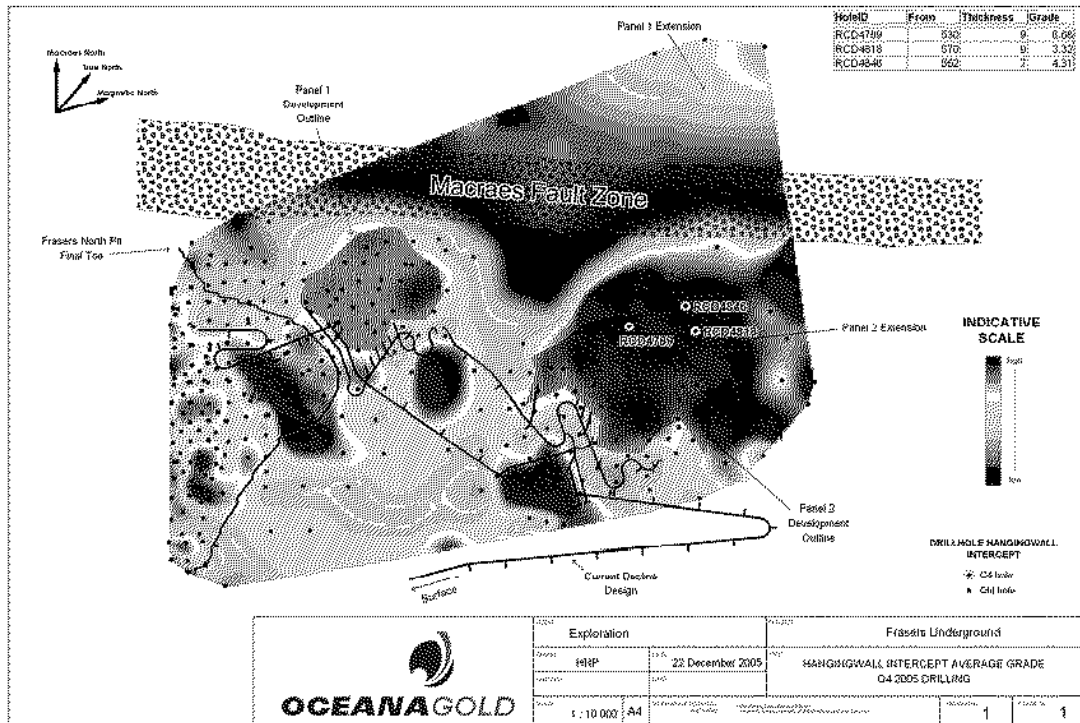
Assay results were received for 3 holes from the Panel 2 Extension area as detailed in Table 4 below and shown on Figure 4. High-grade results from these latest holes are consistent with the hanging-wall mineralisation thickness and grades previously observed in the Extension area.

Significant thicknesses of stockwork mineralisation were also intersected in holes RCD4818 and RCD4846 (see Table 4). This style of mineralisation has not generally been observed for this part of Panel 2 and the results suggest that there may be other pods of potentially economic mineralisation beneath the hanging-wall.

-Table 4-
Fraser's Underground
Significant Drilling Intersections

Hole ID	Panel	From (m)	To (m)	Length (m)	Grade (g/t Au)
RCD4789	Panel 2 Ext	530	539	9	6.88
RCD4818	Panel 2 Ext	570	579	9	3.32
		579	599	20	2.85
RCD4846	Panel 2 Ext	562	569	7	4.31
		580	596	16	1.57

- Figure 4 -
Fraser's Underground Drilling



Macraes Exploration

Assay results were received for the final holes completed at the Panel 1 Extension prospect (See Figure 4). Intersections provided in Table

5 below indicate that the mineralised structure is narrow, but the area is still considered prospective for a blind ore shoot.

-Table 5-
Macraes Exploration
Significant Drilling Intersections

Hole ID	Prospect	From (m)	To (m)	Length (m)	Grade (g/t Au)
RCD4816	Panel 1 NE	489	491	2	2.44
RCD4822	Panel 1 NE	515	517	2	1.38

A review of geological and drilling data has been completed during the Fourth Quarter in order to prepare and rank open-pit and

underground exploration targets for testing in 2006.

Reefton Goldfield

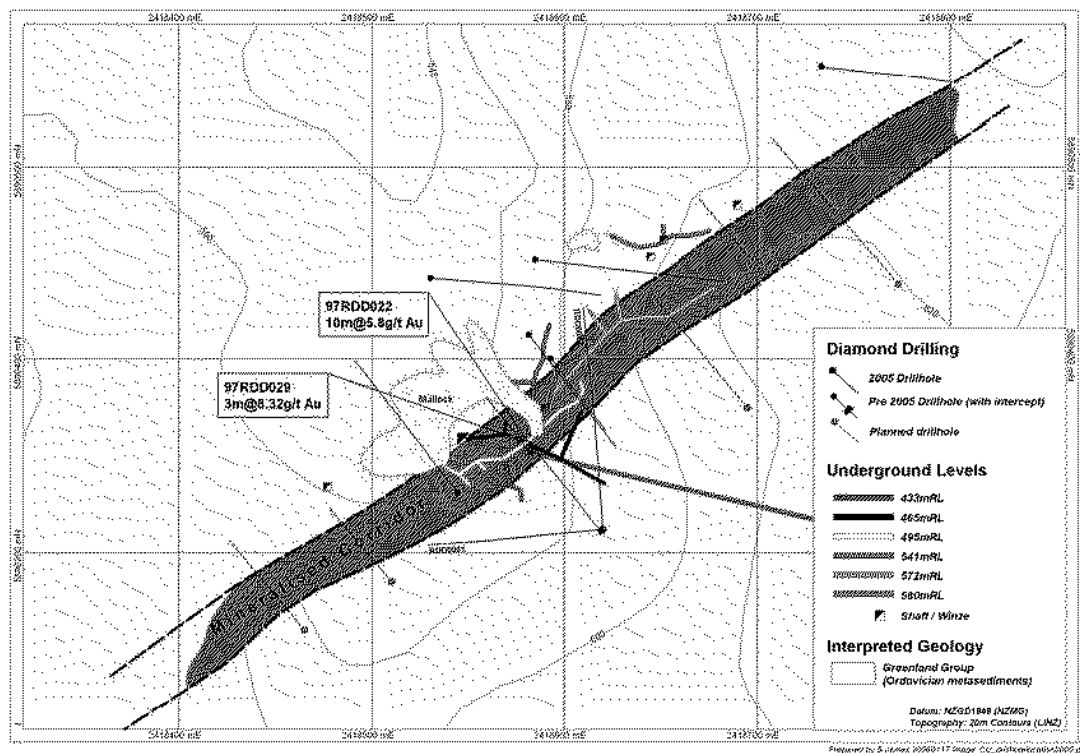
Diamond drilling commenced at the Inkerman prospect in December 2005, testing a mineralised structure 2.5 km south of the Globe Progress deposit. Exploration at the Inkerman prospect was last undertaken in 1997, when drilling intersected significant gold mineralisation associated with quartz veining. These intersections are noted in Figure 5 as holes 97RDD022 and 97RDD029.

During the Quarter, 2 new holes have been drilled (RDD0001 and RDD0002 in Figure 5) for

a total of 321.2 metres of diamond coring. The first drill hole intersected sulphidic shear zones at 62-73m, 79-88m and then sporadically to 170m depth downhole. No assay results have been received. The second hole is expected to intersect the target area early in January 2006.

A further 6 holes are planned to test the Inkerman prospect area and drilling will continue in the First Quarter of 2006.

- Figure 5 -
Inkerman Prospect Drilling



Globe Progress

The current programme of diamond drilling at the Globe-Progress deposit was completed during the Fourth Quarter. A total of 5 holes were completed to test further extensions of mineralised shoots beyond the limit of the current Globe open pit design.

Assays were received during the Quarter for 11 holes which intersected the Globe and Oriental Lodes. Results are indicated below in Table 6

and locations are shown schematically on Figure 6. As expected from geological logging, the drill holes intersected additional ore grade mineralisation.

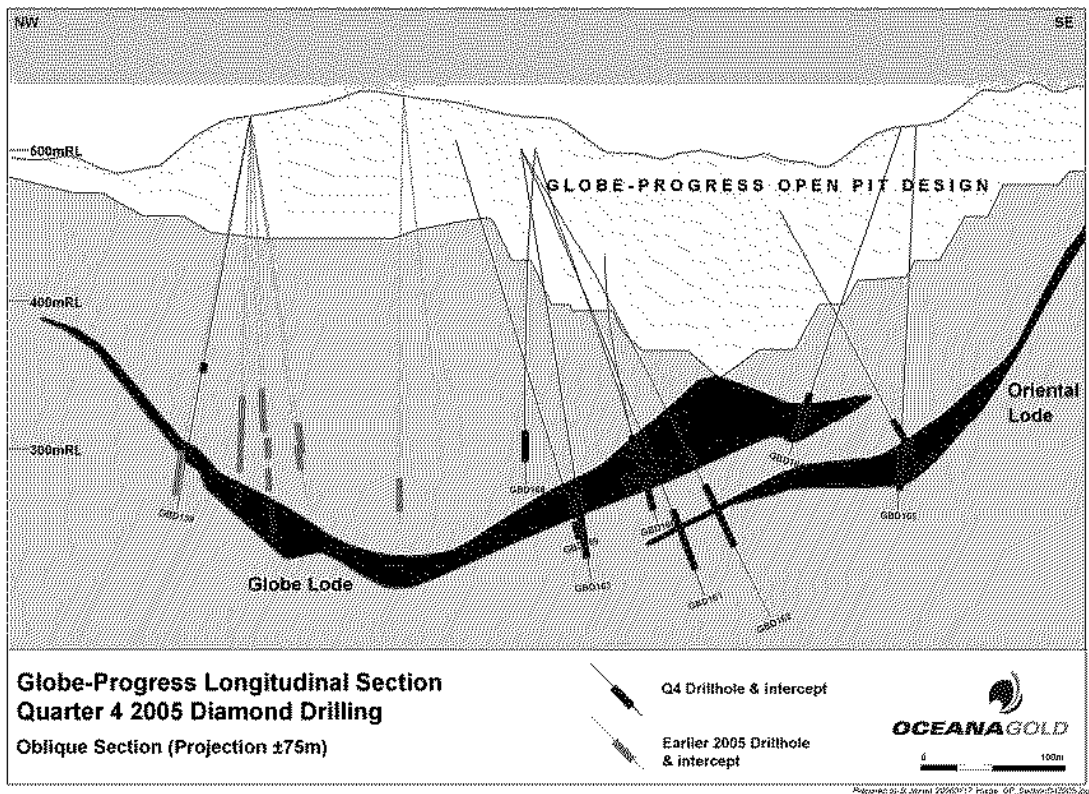
The geological model for the Globe Progress deposit has been updated and all new assay data will be incorporated into a new resource estimate for the deposit.

-Table 6-
Globe Progress
Significant Drilling Intersections

Hole ID	Structure	From (m)	To (m)	Length (m)	True Width (m)	Grade* (g/t Au)
GBD159	Globe Lode W	178	183	5	3.6	0.83
		236	237	1	0.7	5.0
GBD160	Globe Lode	208	217	9	8.9	3.35
		234	235	1	0.9	2.07
		238	253	15	14.8	0.8
GBD161	Globe Lode	266	283	17	12.9	5.83
		Incl.	274	279	5	3.8
GBD162	Oriental Lode	294	311	17	15.4	7.31
		Globe/	267	284	17	13.7
	Oriental Lode	286	296	10	8.1	2.32
		297	298	1	0.9	2.99
GBD163	Globe Lode	300	308	8	7.4	2.95
		240	250	10	8.6	4.06
	Oriental Lode	255	258	3	2.6	2.06
267		280	13	11.9	3.08	
GBD164	Globe Lode	208	213	5	2.7	1.23
		224	230	6	3.2	1.25
		235	250	15	9.9	2.97
GBD165	Oriental Lode	251	275	24	21.8	2.71
GBD166	Globe Lode	178	201	23	17.0	2.59
GBD167	Oriental Lode	171	182	11	10.7	5.07
GBD168	Globe Lode	212	227	15	8.3	2.02
GBD169	Globe Lode	268	282	14	9.3	4.40

* Note grades are uncut

- Figure 6 -
Globe Progress Drilling



STEPHEN ORR
 Chief Executive Officer

Information in this report which relates to Mineral Resources and Ore Reserves is based on information compiled by Lachlan Reynolds (a full-time employee of OceanaGold) who is a member of the Australasian Institute of Mining and Metallurgy. Mr Reynolds has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code of Reporting of Identified Mineral Resources and Ore Reserves. Mr Reynolds consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.