OceanaGold Corporation

2010
First Quarter Report

Pictured: "Haast Eagle" sculpture at the Macraes Heritage and Art Park

OCEANAGOLD

Unlocking Embedded Value

April 29, 2010
www.oceanagold.com

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended March 31, 2010

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 settlement and cancellation of the Company's hedging facilities, the early redemption of the Company's convertible notes, 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, 2009, 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. 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 recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize 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.

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Management's Discussion and Analysis of Financial Condition and Results of Operations for the Quarter Ended March 31, 2010

HIGHLIGHTS

- Completed an institutional equity raising for gross proceeds of C$86.3 million.
- Successfully closed out remaining hedge contracts at a cost of C$73 million to become a 100% unhedged gold producer.
- Produced 65,291 gold ounces.
- EBITDA (earnings before interest, taxes, depreciation and amortization and excluding unrealized gains/losses on undesignated hedges) was $8.5 million for the first quarter.*
- Poured the three millionth ounce of gold at Macraes processing plant representing a significant milestone after 20 years of operations.
- Achieved improved recoveries of 82% in New Zealand compared to 79.7% in Q4 2009.
- Announced an increase to mineral reserves at Macraes of 259,000oz.

All statistics are compared to the corresponding 2009 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.

* EBITDA is a non GAAP measure. Refer to page 18 for explanation of non GAAP measures.

OVERVIEW

Results from Operations

OceanaGold recorded quarterly gold sales for Q1 2010 of 65,041 ounces at cash costs of $551 per ounce.

Gold sales for the quarter, as expected, were lower than the previous quarter due to mining sequencing at the Macraes open pit. However, unplanned maintenance at the autoclave in March along with lower mill throughputs at Macraes did have a negative effect on production against plan. This was offset by solid improvement in recoveries which has been an area of focus over the past two quarters.

Cash costs of $551/oz were higher quarter on quarter, predominantly due to the the component of fixed costs being spread over a smaller number of ounces sold and thus resulting in higher unit costs. Additional costs associated with the unplanned autoclave maintenance also contributed to higher unit costs.

Production guidance of 270,000 - 290,000 ounces of gold at cash costs of US$455 - $495 per ounce is maintained.

The USD:NZD exchange rate showed signs of stabilizing averaging $0.70 during the quarter. This compares to the same period last year when it averaged $0.52.

The spot gold price in New Zealand dollars also moved higher during the quarter averaging approximately NZ$1565 per ounce, an increase of NZ$55 per ounce on the previous quarter. However, average gold price received during the quarter was $743 per ounce and down significantly when compared to the previous quarter which was reported at $927 per ounce. This was on account of the much higher percentage of gold production being sold into the hedge book at prices well below spot. At the end of the quarter, the Company successfully closed out all remaining hedge contracts using proceeds from an institutional equity raising. This close out has resulted in the Company now selling 100% of its future gold production into the spot market commencing April 1, 2010.

Cash flow from operating activities decreased due to the lower average gold price received as a result of delivering a proportion of ounces into the hedgebook. The outflow from operations during the quarter was $10.3 million but included a $15.1 million outflow for settling future hedge contracts. Cash flows are therefore expected to increase significantly in future quarters with the entire production stream sold into the spot market and quarterly production increasing from first quarter levels.

Didipio Gold – Copper Project

The Didipio project remained on care and maintenance during the quarter. The Company made good progress on the internal project study of the design and capital cost. This study is now being reviewed by an independent engineering firm.

Care and maintenance activities were ongoing at the project site with accommodation and office facilities continuing to be maintained for personnel to provide site security, maintenance, environmental management and community relations.

The Company continued to fulfill all of its social, community and environmental commitments at the project. The community relations team was once again active on a number of fronts including hosting three medical missions and also rolling out a nutrition program in the local community.

- Table 1 -
Key Financial and Operating Statistics

Financial Statistics	**Q1 Mar 31 2010**	**Q4 Dec 31 2009**	**Q1 Mar 31 2009**
Gold Sales (Ounces)	65,041	72,140	81,093
	USD	**USD**	**USD**
Average Price Received ($ per ounce)	743	927	682
Cash Operating Cost ($ per ounce)	551	485	279
Cash Operating Margin ($ per ounce)	**194**	**442**	**403**
Non-Cash Cost ($ per ounce)	271	265	165
Total Operating Cost ($ per ounce)	822	750	444
Total Cash Operating Cost ($ per tonne processed)	21.83	19.90	12.99

Combined Operating Statistics	**Q1 Mar 31 2010**	**Q4 Dec 31 2009**	**Q1 Mar 31 2009**
Gold produced (ounces)	65,291	72,094	84,037
Total Ore Mined (tonnes)	2,072,090	2,222,661	1,488,861
Ore Mined grade (grams/tonne)	1.46	1.40	2.34
Total Waste Mined (tonnes) - incl pre-strip	14,595,961	15,239,910	14,350,542
Mill Feed (dry milled tonnes)	1,635,658	1,757,515	1,743,030
Mill Feed Grade (grams/tonne)	1.54	1.59	1.90
Recovery (%)	82.0%	79.7%	81.5%

Combined Financial Results	**Q1 Mar 31 2010**	**Q4 Dec 31 2009**	**Q1 Mar 31 2009**
EBITDA (excluding unrealized gain/(loss) on hedges)	8,479	28,237	31,032
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	(9,547)	(4,151)	10,639
Reported EBITDA (including unrealized gain/(loss) on hedges)	24,709	22,087	28,767
Reported earnings/(loss) after income tax (including unrealized gain/(loss) on hedges)	1,814	(8,456)	9,054

PRODUCTION

Gold production for the first quarter of 2010 was 65,291 ounces with gold sales reporting slightly lower for the period at 65,041 ounces.

The total combined operating cash costs were $551/oz which was $66 per ounce higher than Q4 2009 and the result of a higher unit costs based on lower production ounces. Costs in NZD terms were relatively stable with slight increases in diesel as well as maintenance and contractor costs due to unplanned repairs to the autoclave at Macraes.

OPERATIONS

Macraes Goldfield (New Zealand)

The Macraes operations (open-pit and underground) incurred no lost time injuries (LTI) during the quarter compared to two during the same period last year. During the quarter, the Positive Attitude Safety System (PASS) was introduced and will be fully implemented during the second quarter. PASS is a leadership based safety system first developed in Canada and today is used throughout the mining, oil and gas and contracting industries. The ultimate goal of PASS is the continuous improvements in safety thereby significantly reducing lost time accidents and injuries to employees.

Production from the Macraes Goldfield for the quarter was 44,165 gold ounces, 7% lower than the previous quarter. The lower production was partially attributable to sequencing at the open pit as mining moved through some lower grade benches within the deposit. Additionally, unscheduled maintenance to autoclave meant that the autoclave was off-line for six days in March. The Company used this opportunity to move forward regular planned maintenance originally scheduled for the second quarter which should result in above plan availabilities for the autoclave in the June quarter.

At the Frasers underground mine, mining took place primarily in the Panel 2D area. Total ore mined for the quarter was slightly lower than plan at 232,000 tonnes but this was off-set by higher stope ore grades.

Mill feed through the processing plant was 1.29 million tonnes compared to 1.41 million tonnes in the previous quarter. This was partially due to an area in the deposit where we encountered harder ore and thus more residence time in the milling circuit was required. This has prompted changes to the drill and blast parameters in this area of the open pit to improve ore fragmentation. These changes are already resulting in improved throughputs throughout the circuit.

Macraes process plant recoveries were 81.4% for the first quarter, which was a solid improvement on the previous quarter at 78.9%. This was in spite of an increase in the amount of ore that was processed through direct leach due to the unplanned maintenance in the autoclave. Improvements made in December 2009 to the cyclone classification efficiency and capacity has resulted in improved floatation performance. These improvements to the overall recoveries have been a direct result of our continuous improvement program and are a pleasing outcome. Further work is planned to seek improved performance in the Carbon In Leach (CIL) circuit over the next two quarters.

Reefton Goldfield (New Zealand)

Two LTIs occurred in the first quarter compared to four LTIs in the first quarter last year. The PASS safety system was implemented across the operation during the quarter and improvement in safety continues to be a key focus at the Reefton operation.

The Reefton operation continued to perform above expectations and has been a model of consistency.
Material movements were similar to the previous quarter as the operation achieved high equipment availabilities as well as experienced better than average weather conditions.

The process plant throughput for the quarter was 345,720 tonnes, consistent with the previous quarter's performance. Floatation recoveries however were above plan which resulted in an overall recovery rate of 84.4% which was well above the 82.8% recorded in Q4 2009.

Gold production attributed to Reefton was 21,126 ounces and was about 3,400 ounces lower than Q4 2009. The main reason for the lower ounces this quarter was due to the unplanned maintenance of the autoclave at Macraes which resulted in less Reefton concentrate being processed in March and thus a decline in ounces attributable to the operation. Processing of Reefton concentrate has now returned to normalized levels with the autoclave operating to plan.

- Table 2 -
Macraes Operating Statistics

Macraes Goldfield Operating Statistics	Q1 Mar 31 2010	Q4 Dec 31 2009	Q1 Mar 31 2009
Gold produced (ounces)	44,165	47,470	66,366
Total Ore Mined (tonnes)	1,723,459	1,828 827	1,151,078
Ore Mined grade (grams/tonne)	1.22	1.18	2.28
Total Waste Mined (tonnes) incl pre-strip	10,810,729	11,454,630	11,162,792
Mill Feed (dry milled tonnes)	1,289,938	1,410,198	1,430,128
Mill Feed Grade (grams/tonne)	1.30	1.33	1.77
Recovery (%)	81.4%	78.9%	81.7%

- Table 3 -
Reefton Operating Statistics

Reefton Goldfield Operating Statistics	Q1 Mar 31 2010	Q4 Dec 31 2009	Q1 Mar 31 2009
Gold produced (ounces)	21,126	24,624	18,204
Total Ore Mined (tonnes)	348,631	393,834	343,008
Ore Mined grade (grams/tonne)	2.63	2.42	2.06
Total Waste Mined (tonnes) incl pre-strip	3,785,232	3,785,280	3,082,893
Mill Feed (dry milled tonnes)	345,720	347,316	298,627
Mill Feed Grade (grams/tonne)	2.44	2.62	2.40
Recovery (%)	84.4%	82.8%	79.4%

DEVELOPMENT

Didipio Gold - Copper Project (Philippines)

The Didipio Gold and Copper project in Luzon province, Philippines remains under care and maintenance with a reduced workforce at the project site.

An internal project re-optimisation study was completed in the fourth quarter which examined project scope, estimated capital and timelines to complete the project. This study has been forwarded to an independent engineering firm for review and the Company is in the process of evaluating all strategic options.

During the quarter there was one lost time injury (LTI) compared to nil during the same period last year.

OceanaGold continues to maintain a community relations team at the project and is fullfilling all of its social and community commitments during the care and maintenance period.

In addition to the ongoing financial support for the Didipio Community Development Association Inc. (DCDAI), OceanaGold hosted three medical missions in remote parts of Quirino and Nueva Vizcaya provinces. More than 1,200 patients were treated or administered with free medicine during these missions which provides access to medical and dental care to communities that otherwise do not have immediate access.

The “FAITH” garden project is a new program that was rolled out during the quarter as part of an initiative to improve nutrition in the local communities. “FAITH” which stands for “Food Always in the Home” is a project which aims to introduce vegetable production through backyard gardening.

EXPLORATION

Exploration expenditure for the first quarter totalled $1.8 million.

New Zealand

Macraes Goldfield

The drilling program at the Round Hill deposit was completed during the quarter with results now being reviewed. This program consisted of both an infill and step out program and the Company expects to provide an update on the results during the second quarter.

An infill drilling program utilizing two reverse circulation (rc) rigs continued to operate at the Frasers pit stages 4C and 5. 3,554 metres of drilling was completed during the quarter and this program is aimed at improving confidence of the in-situ resource. This program is expected to be completed during the second quarter.

At Frasers underground mine, wide spaced drill holes from surface targeting extensions to the Frasers underground was the focus with two rigs operating during the quarter. A total of 4,023 metres was completed over five holes. Results are being analysed and the Company will provide an update on this program in May.

Development of the underground exploration drive is ongoing while a diamond drilling program continued simultaneously with 1,568 metres completed during the quarter. This program is expected to ramp up further in the coming quarters as the exploration drive reaches an area that will provide better access to the prospective north eastern flank of Panel 2. An additional drill program is planned in the second quarter that will target potential northern extensions of Panel 2. This will be accessed from chambers developed off a number of vertical rises.

A 570 metre reverse circulation drill program on the Stoneburn prospect in the southern region of the Macraes tenements was completed. This program was testing for potential strengthening grade tenor down dip of known mineralization. Results are pending.

In the northern region the soil sampling and trenching program was completed and the data is currently being analysed with the expectation that priority drill targets will be identified for drilling over the next two quarters.

Reefton Goldfield

The exploration team at Reefton has been significantly increased and now comprises of 13 geologists and field assistants.

As outlined in an April 12th news release, results from the first phase of a brownfields exploration program have identified a number of extensions to the gold mineralization at the General Gordon, Souvenir and Empress deposits. Followup programs are now underway at General Gordon and Souvenir and these extensions are expected to result in enlarged open pit designs and expanded reserves.

A structural and geochemical review of the goldfield was completed and this has delivered a first pass ranking of 41 drill, soil and structural targets within a five kilometre trucking distance from the processing plant. Consents have been received for the first six highly prospective drill targets and a drilling contractor has been mobilised to commence a diamond drilling program immediately.

Concurrently with the diamond drilling program, a six month regolith sampling program has commenced over the next 14 most prospective targets. This program will be undertaken by a team of five people who will utilize a backpack carried “wacker drill” to undertake a regolith grid sampling program often in steep terrain and in areas with soil and transported cover over bedrock.

Philippines

Exploration activities in the Philippines during the quarter continued to focus on the tenement areas surrounding the area covered by the Didipio Financial and Technical Assistance Agreement (FTAA) as well as some preliminary work at the Claveria prospect in the far north of Luzon Island.

Rock chip and stream sediment sampling programs over the past two quarters on Exploration Permit (EP) areas surrounding the FTAA have focused on identifying gold-copper porphyry and epithermal mineralization. Results to date have identified some indications of gold-copper mineralization from the north western boundaries of the FTAA extending to the adjacent EP areas.

The sampling programs at Claveria have also identified areas of above normal manganese values and this is currently being studied. A second stage follow up program for these manganese occurrences is being planned to help identify the source of these anomalies and to better understand the localized geologic settings.

FINANCIAL SUMMARY

The table below provides selected financial data comparing Q1 2010 with Q4 2009 and Q1 2009.

STATEMENT OF OPERATIONS	Q1 Mar 31 2010 $'000	Q4 Dec 31 2009 $'000	Q1 Mar 31 2009 $'000
Gold sales	48,299	66,849	55,270
Cost of sales, excluding depreciation and amortization	(35,364)	(34,540)	(22,342)
General & Administration	(4,380)	(3,682)	(2,055)
Foreign Currency Exchange Gain/(Loss)	(115)	(18)	113
Other expense/income	39	(372)	46
Earnings before interest, tax, depreciation & amortization (EBITDA) (excluding gains/(losses) on undesignated hedges)	**8,479**	**28,237**	**31,032**
Depreciation and amortization	(17,572)	(19,106)	(13,473)
Net interest expense	(3,791)	(3,750)	(3,364)
Earnings/(loss) before income tax and gains/(losses) on undesignated hedges	**(12,884)**	**5,381**	**14,195**
Tax on earnings / loss	3,337	(9,532)	(3,556)
Earnings after income tax and before gain/(loss) on undesignated hedges	**(9,547)**	**(4,151)**	**10,639**
Gains / (losses) on fair value of undesignated hedges	16,230	(6,150)	(2,265)
Tax on (gain)/loss on undesignated hedges	(4,869)	1,845	680
Net earnings/(loss)	**1,814**	**(8,456)**	**9,054**
Basic earnings/ (loss) per share	$0.01	($0.05)	$0.06
Diluted earnings/ (loss) per share	$0.01	($0.05)	$0.05
CASH FLOWS			
Cash flows from Operating Activities	(10,260)	29,175	22,963
Cash flows from Investing Activities	(18,095)	(20,951)	(11,570)
Cash flows from Financing Activities	74,780	(7,241)	(4,084)

BALANCE SHEET	As at Mar 31 2010 $'000	As at Dec 31 2009 $'000
Cash and cash equivalents	88,258	42,423
Other Current Assets	39,461	39,038
Non Current Assets	706,419	706,245
Total Assets	**834,138**	**787,706**
Current Liabilities	149,559	185,061
Non Current Liabilities	210,473	210,032
Total Liabilities	**360,032**	**395,093**
Total Shareholders' Equity	**474,106**	**392,613**

RESULTS OF OPERATIONS

Net earnings/(loss)

The Company reported a net profit of $1.8 million in the first quarter compared to a net profit of $9.1 million in Q1 2009. Total production of 65,291oz was 22.3% lower than Q1 in the comparative year and 9.4% lower than the December quarter. Production levels were impacted by unplanned maintenance to the autoclave as well as lower mill throughputs at associated with harder ore from the Macraes open pit. Revenue was also impacted by a decrease in the average price received as 78.4% of production was sold into "out of the money" hedges and call options. In Q1 and Q4, approximately 35% of production was delivered into hedges.

The impact of non-cash charges for marked to market gains and losses on hedges can be significant. Consequently, EBITDA (earnings before interest, tax, depreciation and amortisation excluding gains/losses on undesignated hedges) and EBIT (earnings before interest and tax before undesignated hedge gains/losses) are reported as measures of operating performance on a consistent and comparable basis.

The Company reported EBITDA before gains/losses on undesignated hedges of $8.5 million compared with $28.2 million in the Q4 2009. Lower gold sales revenue associated with a higher percentage of production sold into out of the money hedge contracts was the main contributor combined with slightly higher costs.

The EBIT before fair value adjustment of hedges was a loss of $12.9 million compared to a Q4 2009 profit of $5.4 million.

Sales Revenue

Gold revenue of $48.3 million was a 27.7% decrease over Q4 2009 due to a decrease of 9.8% in sales volumes together with a 19.8% decrease in the average price received. The lower gold price received is attributable to an increased proportion of production (78.4%) being delivered into out of the money forward gold and call contracts.

Gold sales volumes for Q1 2010 of 65,041 ounces were 9.8% lower than Q4 2009.

The average gold price received in the quarter decreased to US$743 per ounce. This was a direct result of the Company delivering 78% of its production for the quarter in to out of the money hedges.

Undesignated Hedges Gains/Losses

Undesignated hedge gains and losses calculated as a fair value adjustment of the Company's undesignated hedges were brought to account at the end of each reporting period, and reflect changes in the spot gold price. This also includes adjustments made to take account of gold deliveries into the hedge book, as the derivative liability was released. These valuation adjustments to March 31, 2010, reflect a gain of $16.2 million.

Using proceeds from the Share Placement in March all forward and call derivative instruments were settled and the final liability recorded as a current in the March financial statements, for payment to the counterparty banks.

Operating Costs & Margins

Cash costs per ounce sold were $551 in Q1, an increase of 13.6% over the previous quarter and a result of higher unit costs based on lower production ounces. NZD costs were relatively stable with slight increases in the cost of diesel as well as costs associated with the unscheduled maintenance to the autoclave during the quarter.

The cash margin of $194 per ounce resulted in earnings before interest, tax, depreciation & amortization (excluding undesignated hedge gains/losses) of $8.4 million for the quarter, compared to $28.2 million in Q4 2009.

Depreciation and Amortization

Depreciation and amortization charges are calculated on a unit of production basis and total $17.6 million for the quarter. These charges were lower than Q4 2009 as there was less pre-strip material and lower ounces produced.

The depreciation and amortization charges include amortization of mine development, deferred waste stripping costs and depreciation on equipment.

Net Interest expense

The net interest expense of $3.8 million is consistent with Q4 2009.

DISCUSSION OF CASH FLOWS

Operating Activities

Cash flows from operating activities decreased to be an outflow of $10.3 million compared to $29.2 million inflow in Q4 2009. This outflow is after the payment of $15.1 million for hedge settlements. The operating cash flow before settlements was an inflow of $4.8 million. The decrease reflects the lower production and a lower average gold sales price derived from hedging constraints.

Investing Activities

Investing activities were comprised of expenditures for pre-stripping and sustaining capital for the New Zealand operations and capitalised holding costs associated with the Didipio Gold - Copper Project.

Cash used for investing activities in totaled $18.1 million compared to $20.6 and $11.6 million in Q4 2009 and Q1 2009 respectively.

Financing Activities

Finance inflows were $74.8 million including the equity placement in March that raised $80.1 million net of costs. Out flows included loan repayments of $3.1 million and lease payments of $2.2 million.

DISCUSSION OF FINANCIAL POSITION AND LIQUIDITY

Company's funding and capital requirements

For the quarter ended December 31, 2009, the Company earned a profit of $1.8 million. As at March 31, 2010 the current liabilities of the Company exceeded current assets by $21.8 million. Current liabilities include $50.2 million of convertible notes. Cash flow projections for indicate sufficient funds will be generated to meet all operating obligations the current gold price levels.

Commitments

OceanaGold's capital commitments as at March 31, 2010 are as follows:

	Mar 31 2010 $'000
Within 1 year	140
> 1 year	-
	140

There have been no material changes in the capital and operating lease commitments as disclosed in the December 31 2009 audited financial statements.

Financial position

Current Assets

Current assets have increased by $46.3 million since December 2010 primarily due to cash funds from the equity placement, and an increase of $1.5 million in inventory.

Non-Current Assets

At the end of the quarter, non-current assets were $706.4 million compared to $706.2 million at December 2009. The expenditure on Property, Plant and Equipment, Mining Assets and noncurrent inventories was in line with depreciation and amortization. Future income tax assets decreased by $3.4 million largely due to utilization of tax losses in the New Zealand operations.

Current Liabilities

Current liabilities decreased $35.5 million during the quarter. A reduction in derivative liabilities follow deliveries into derivative instruments and the settlement of all outstanding hedges at the end of March. Accrued liabilities included an amount of $56.7 million being the final balance owing to the bank counterparties that provided derivative instruments. In addition, $50.2 million for convertible notes are classified as current as there is a put feature at the option of the bondholders in December 2010.

Non-Current Liabilities

Non-current liabilities are $210.4 million at March 31 2010 and have remained consistent since December 2009.

Current derivative liabilities

OceanaGold settled derivative instruments in relation to 74,880 ounces under forward gold sales contracts and 78,018 ounces under gold put options at the end of March.

A summary of OceanaGold's marked to market adjustment on derivatives is:

	Mar 31 2010 $'000	Dec 31 2009 $'000
Current Assets		
Gold put options	15	141
Total Assets	**15**	**3,490**

	Mar 31 2009 $'000	Dec 31 2009 $'000
Current Liabilities		
Gold forward sales contracts	-	54,557
Gold call options	-	35,318
Total Liabilities	**-**	**89,875**

Shareholders' Equity

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

	Quarter Ended Mar 31 2010 $'000
Total equity at beginning of financial period	**392,613**
Profit/(loss) after income tax	1,814
Movement in other comprehensive income	1,017
Movement in contributed surplus	209
Equity raising (net of costs)	78,453
Total equity at end of financial period	**474,106**

Shareholders' equity has increased to $474.1 million at quarter end primarily as a result of the profit earned for the quarter, funds obtained from an equity raising and gains from currency translation differences reflected in Other Comprehensive Income that arises from the translation of entities with a functional currency other than USD.

Capital Resources

As at March 31, 2010, the share and securities summary was:

Shares outstanding	228,000,392
Options outstanding	5,221,704

As at December 31, 2009, the share and securities summary was:

Shares outstanding	185,880,075
Options outstanding	5,637,259

As at April 29, 2010 share and securities summary is:

Shares outstanding	228,003,726
Options outstanding	4,990,038

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The accounting policies that involve significant management judgment 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 2009 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 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 a betterment to the mineral property. Charges represent a betterment to the mineral property when the stripping activity provides access to 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 a betterment, the charges are amortized 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 Operations.

Asset Retirement Obligations

OceanaGold recognises the fair 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 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 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 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 discount rate of the asset.

Derivative Financial Instruments /Hedge Accounting

The consolidated entity can use 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 current forward exchange rate for contracts with similar maturity profiles.

Certain derivative instruments do not qualify for hedge accounting or have not been accounted for as fair value or cash flow hedges. Changes in the fair value of these derivative instruments are recognised immediately in the statement of operations. The company does not have any designated hedges.

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 installments 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.

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.

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 the statement of operations. Differences arising from these foreign currency translations are recorded in shareholders' equity as a cumulative translation adjustment.

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 the statement of operations, with the exception of depreciation and amortization which is translated at the historical rate for the associated asset. Exchange gains and losses on currency translation adjustments are included in the statement of operations.

ACCOUNTING ESTIMATES

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.

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; 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 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

There have been no material changes from the accounting policies of FY2009.

Adoption of new accounting policies

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

Section 1582, "Business Combinations" replaces section 1581, "Business Combinations", and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – "Business Combinations". The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

Sections 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling interests", together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Section 1602 "Non-Controlling interests" establishes standards for accounting for non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27 – "Consolidated and Separate Financial Statements" and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Accounting policies effective for future periods

International Financial Reporting Standards ("IFRS")

The Canadian Institute of Chartered Accountant's (CICA's) Accounting Standards Board announced that publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011.

OceanaGold Corporation has commenced transition planning and conversion to IFRS, including assessment of the impact on its accounting systems and financial statements. The conversion project scope includes review of project structure and governance, resources, analyses of key GAAP differences, policies and implementation plan. The status of elements of the conversion project is as follows:

Project Structure and Governance

A steering committee and implementation team has been identified and management will update the audit committee on a quarterly basis.

Assessment and Diagnostic

An initial diagnostic of key areas for which adjustments will be required and accounting policy choices available upon adoption of IFRS has been undertaken in 2009. This review phase will address the impact on accounting, information technology, internal controls and disclosure.

Design, Planning, Valuation and Solution Development

An impact analysis will be performed and draft financial statements and disclosures will be prepared with an implementation plan. During this phase the impacts will be reliably quantified with judgements based relative to January 2010 for the purpose of having comparative reporting to support the conversion from January 1, 2011. Accounting policy choices and first time adoption exemption alternatives will be analysed as part of this process.

Implementation

Implementation of the required changes necessary for IFRS compliance will include approval of accounting adjustments, policies and exemptions (as applicable).

A high–level diagnostic assessment phase was conducted in the fourth quarter of 2009. At this stage the impact on the financial position and future results of the conversion has not been reliably determined so no indication or estimate is available at this time.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended June 30, 2008 through to March 31, 2010. 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
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	Mar 31 2010 $'000	Dec 31 2009 $'000	Sep 30 2009 $'000	Jun 30 2009 $'000	Mar 31 2009 $'000	Dec 31 2008 $'000	Sep 30 2008 $'000	Jun 30 2008 $'000
Gold sales	48,299	66,849	59,928	55,010	55,270	47,845	54,038	53,068
EBITDA (excluding undesignated gain/(loss) on hedges)	8,479	28,237	24,425	22,484	31,032	24,294	18,991	1,131
Earnings/(loss) after income tax and before undesignated gain/(loss) on hedges (net of tax)	(9,547)	(4,151)	1,859	5,397	10,639	1,917	2,806	(12,051)
Net earnings/(loss)	1,814	(8,456)	13,800	40,114	9,054	(13,426)	(10,905)	(19,248)
Net earnings per share								
Basic	$0.01	($0.05)	$0.08	$0.25	$0.06	($0.08)	($0.07)	($0.12)
Diluted	$0.01	($0.05)	$0.07	$0.21	$0.05	($0.08)	($0.07)	($0.12)

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. Adding to the variation are the large movements in foreign exchange rates between the USD and the NZD.

As noted in the December 2008 MD&A an adjustment in the fourth quarter 2008 to the pre-stripping account is reflected in the "December 2008" quarter above. If the adjustment is updated to the quarter to which it relates there is an equal and offsetting effect increasing Q2 2008 EBITDA by $4.9 million, earnings after tax and net earnings by $3.4 million and earnings per share by $0.02. This is considered a timing difference and therefore not significant with the details and analysis provided above.

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. As 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/(losses) is provided on page 10.

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 amortization, is provided on the next page.

	Q1 Mar 31 2010 $'000	Q4 Dec 31 2009 $'000	Q1 Mar 31 2009 $'000
Cost of sales, excluding depreciation and amortisation	35,364	34,540	22,342
Depreciation and amortisation	17,572	19,106	13,473
Total cost of sales	52,936	53,646	35,815
Add operating general & administration	447	431	304
Add selling costs	59	25	(92)
Total operating cost of sales	53,442	54,102	36,027
Gold Sales from operating mines (ounces)	65,041	72,140	81,093
Total Operating Cost ($ per ounce)	822	750	444
Less Non-Cash Cost ($ per ounce)	271	265	165
Cash Operating Cost ($ per ounce)	551	485	2798

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 December 31, 2009. 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 December 31, 2009 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 December 31, 2009.

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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