



MEDIA RELEASE

20 September 2010

OCEANAGOLD ANNOUNCES DIDIPIO GOLD – COPPER PROJECT OPTIMISATION

(MELBOURNE) OceanaGold Corporation (ASX: OGC, TSX: OGC, NZX: OGC) (“the Company”) is pleased to announce completion of an internal economic and technical re-optimisation study for its Didipio Gold-Copper Project located in Luzon, Philippines (“2010 Study”). The 2010 Study addresses a review of mining method, schedule, process plant layout and infrastructure requirements and associated capital to recommence construction and complete the Project.

The 2010 Study has been undertaken by a variety of specialist consultants familiar with all aspects of project development in the Philippines. In accordance with Canadian regulatory requirements set out in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), the Company will file with Canadian securities regulators an updated NI 43-101 compliant feasibility study relating to the Didipio Project within 45 days.

Highlights of the study include the following:

Mine Reserve Life	20 years
Remaining Capex	US\$140 million (including contingency)
Time to completion	15-21 months from re-commencement of construction
Reserves	1.41 million ounces of gold & 374 million pounds of copper
Mining Method	(Year 1 – 6) Open Cut; including one year of transitioning to underground (Year 7 onwards) Underground; using sub-level open stoping with backfill
Average Annual Production	Year 1 - 6 = 71,000 ounces gold + 32 million lbs copper Year 7 onwards = 67,000 ounces gold + 12 million lbs copper
Cash costs	(US\$ 331) per ounce of gold net of bi-product credits* over the first 6 years. US\$ 128 per ounce of gold net of bi-product credits* over the life of the mine.
Throughput	2.5 Mtpa (Years 1-6) transitioning to 1.2 Mtpa by Year 8**

* Using US\$3.00/lb copper

** Reflects ore from underground mine only

Jim Askew, Chairman, commented, “The updated technical and economic study for the Didipio Gold-Copper project demonstrates, in our view, a robust project with a long mine life, decreased capital costs and strong economics. The potential to move to sub-level open-stoping for the underground mining method also further de-risks the project once the operation transitions to an underground operation, though it reduces feed to 1.2 Mtpa. The adjacent near surface porphyry prospects already identified within the

Didipio caldera, are expected to be a source of additional feed to supplement underground production, provided they can be proven through additional exploration that further enhances the project economics and metal output in later years.”

He went on to say, “With steady operations in New Zealand, a strengthened balance sheet and increasing mine life at the operations in New Zealand, the Company has a variety of options to unlock the embedded value at Didipio. We have also advanced the recruitment of key project management personnel to oversee the Project once development is re-commenced.”

Overview

The Didipio Project was placed on care and maintenance in late 2008 following a significant increase in capital costs to complete the project in an increasing inflationary environment and during the onset of the global financial crisis.

The Didipio Project is partially constructed with US\$80 million spent to date, including;

- the main access road to the project site is in place;
- bulk earthworks at site are approximately 60% complete;
- most long lead-time items for the processing plant (including the jaw crusher, SAG and ball mill and flotation circuit) are owned and in storage; and
- site infrastructure such as offices and accommodation facilities are partially completed.

During the intervening period of care and maintenance, the Company has maintained a high level of community relations, environmental compliance, site security and general interface with various levels of local government. The national government has supported these initiatives and welcomes the addition of yet another new project to the resurgent mining industry in the Philippines.

The new study includes proven and probable reserves of 29.7 million tonnes averaging 1.48 g/t Au and 0.57% Cu.

When compared to the June 2008 published NI 43-101 technical report entitled “Independent Technical Report for the Didipio Gold-Copper Project,” the main changes resulting from the 2010 Study include the following:

Underground Mining Method

The 2010 Study recommends an underground mining method of sub-level open stoping with backfill; as opposed to the previous mining method of sub-level caving. This change would de-risk the underground with respect to surface water ingress during periods of high rainfall (which occur infrequently).

The mining method is expected to provide greater consistency of reliable ore production, notwithstanding that it is a more a conservative approach than previously contemplated.

Process Plant Throughput

The 2010 Study assumes the process plant will operate at a capacity of 2.5 Mtpa in the first six years. In Year 6, mining begins to transition to underground and by Year 8, the sole source of ore will be from the underground mine with a design mining rate of 1.2 Mtpa. In addition, some 13 highly prospective deposits and/or anomalies have been identified within a two kilometre radius of the Didipio deposit. These may provide the opportunity to source additional open-pit material in the future and thus supplement underground production. Further brownfields exploration programs will be undertaken to confirm this. In this regard, the Company expects that an expanded Didipio regional exploration program would commence in tandem with the re-commencement of construction activities.

Mineral Resources

Mineral Resources as at September 1, 2010 have changed slightly compared to the Company's most recent resource/reserve update as at December 31, 2009.

Class	Mt	Au g/t	Cu %	Au Moz	Cu Kt
Measured	15.58	1.72	0.57	0.86	89.4
Indicated	44.49	0.80	0.41	1.14	183.0
<i>Measured & Indicated</i>	<i>60.07</i>	<i>1.04</i>	<i>0.45</i>	<i>2.00</i>	<i>272.4</i>
Inferred	21.15	0.45	0.26	0.31	54.4

Notes:

1. Mineral Resources above the 2,270mRL and below the 2,540mRL at a 1.0 g/t eqAu cut-off grade, and above the 2,540mRL at a 0.4 g/t eqAu cut-off grade . Gold Equivalence (eqAu) = Au g/t + 2.23 x Cu %, based on metal prices of US\$800/ounce for gold and US\$2.60/pound for copper.
2. There can be no assurance that those portions of mineral resources that are not mineral reserves will ultimately be converted into mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorised as mineral reserves. There is also no certainty that these inferred resources will be converted to measured and indicated categories through further drilling, or into mineral reserves once economic considerations are applied.

Mineral Reserves

Mineral reserve estimates as at September 1, 2010 have decreased by 5.1 million tonnes compared to the December 31, 2009 resource/reserve update due to the change in underground mining method which utilises a higher cut-off grade.

<u>Class</u>	<u>Tonnes (Mt)</u>	<u>Au g/t</u>	<u>Cu %</u>	<u>Au (Moz)</u>	<u>Cu (Kt)</u>
Open Cut					
Proven	6.06	1.23	0.74	0.24	44.8
Probable	7.81	0.50	0.55	0.13	43.0
Total	13.87	0.82	0.63	0.37	87.4
Underground					
Proven	5.51	2.62	0.53	0.46	29.2
Probable	10.3	1.76	0.51	0.58	52.5

Total	15.85	2.06	0.52	1.05	82.4
Combined					
Proven	11.57	1.90	0.64	0.71	74.1
Probable	18.15	1.21	0.53	0.71	96.2
Total	29.72	1.48	0.57	1.41	169.4

Notes:

1. Mineral Reserves have been calculated using US\$800/oz Au and US\$2.60/ lb Cu

Financing

The Company is currently examining a number of strategic options for funding the completion of development of the Didipio Project. The Didipio Project is unencumbered, with no hedging, project debt or off-take agreements associated with the asset, thereby creating maximum flexibility to pursue the most accretive path forward for shareholders.

Qualified Persons

Mr. Jonathan Moore (BSc (Hons) Geology, GradDip (Physics)) Resource Geologist for OceanaGold is the Qualified Person under NI 43-101 responsible for the Didipio Project resource estimates contained herein. Mr. Moore has reviewed and approved the contents of this news release.

Mr. John Wyche (BE(Min), BComm, MAusIMM(CP), MMICA) of Australian Mine Design and Development Pty Limited is the Qualified Person under NI 43-101 responsible for the Didipio Project reserve estimates contained herein. Mr. Wyche has reviewed and approved the contents of this news release.

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About OceanaGold

OceanaGold Corporation is a significant Pacific Rim gold producer with projects located on the South Island of New Zealand and in the Philippines. The Company's assets encompass New Zealand's largest gold mining operation at the Macraes goldfield in Otago which is made up of the Macraes open pit and the Frasers Underground mines. Additionally on the west coast of the South Island, the Company operates the Reefon open-pit mine. OceanaGold produces between 270,000 – 300,000 ounces of gold per annum from the New Zealand operations. The Company also owns the Didipio Gold-Copper Project in northern Luzon, Philippines.

OceanaGold is listed on the Toronto, Australian and New Zealand stock exchanges under the symbol OGC.

Cautionary Statement regarding Forward Looking Information

Statements in this release may be forward-looking statements or forward-looking information within the meaning of applicable securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Such forward-looking statements include, without limitation, statements with respect to any future resources or reserves attributable to the Didipio Project, estimated production from the Company's existing properties, development of the Didipio Project, economic analysis relating to the Didipio Project and commencement of construction and completion of the Didipio Project. Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements including, among others, the accuracy of mineral reserve and resource estimates and related assumptions, inherent operating risks and those risk factors identified in the Company's Annual Information Form prepared and filed with securities regulators in respect of its most recently completed financial year. There are no assurances the Company can fulfil such forward-looking statements and, subject to applicable securities laws, the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions based on current information available to management as of the date that such predictions are made; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking statements. It is also noted that mineral resources that are not mineral reserves do not have demonstrated economic viability.

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