

OceanaGold announces record production and the addition of gold reserves

10 February 2010 - New Zealand's largest gold mining company OceanaGold has produced over 300,000 oz of gold in a year for the first time.

Sources: OceanaGold and Lindsay Clark

OceanaGold says the record 300,044 oz for the financial year to December 31, 2009 was up 14% on the previous year.

The company said recent near-mine exploration at Macraes has meant that it now plans to reopen its Round Hill, Southern and Golden Point pits plus expansion of the Globe Progress mine at Reefton.

These additional resources and reserves had brought New Zealand gold reserves up by an additional 754,000 oz to 1.94 million oz. Total New Zealand resources are now 3.78 million oz of measured and indicated, and 3.01 million ounces of inferred.

The gold price assumption used to calculate reserves was US\$800 an oz. Current gold price is around US\$1060 an oz.

By the end of the quarter, six drill rigs were operating at the Macraes goldfield and one at the Reefton mine with most of the US\$1.9 million spending on exploration for the quarter directed at a continuing brownfields exploration programme in New Zealand.

Paul Bibby, chief executive officer of Melbourne-headquartered OceanaGold, said "The additional reserves that have been added at the Macraes open pit mine are a further reflection of the potential that exists within the Macraes goldfield to convert resources to reserves. "

"There is a significant resource base at Macraes and over the past few months we have successfully added three years to the mine life through this conversion programme, extending the operation out to at least 2016."

He said the company expects further positive results from the exploration programmes to continue over the coming months.

OceanaGold said, in its production guidance statement for 2010 was for an output of 270,000 - 290,000 oz of gold at cash costs of US\$455-US\$495/oz.

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