

**MEDIA STATEMENT**

24 November 2005

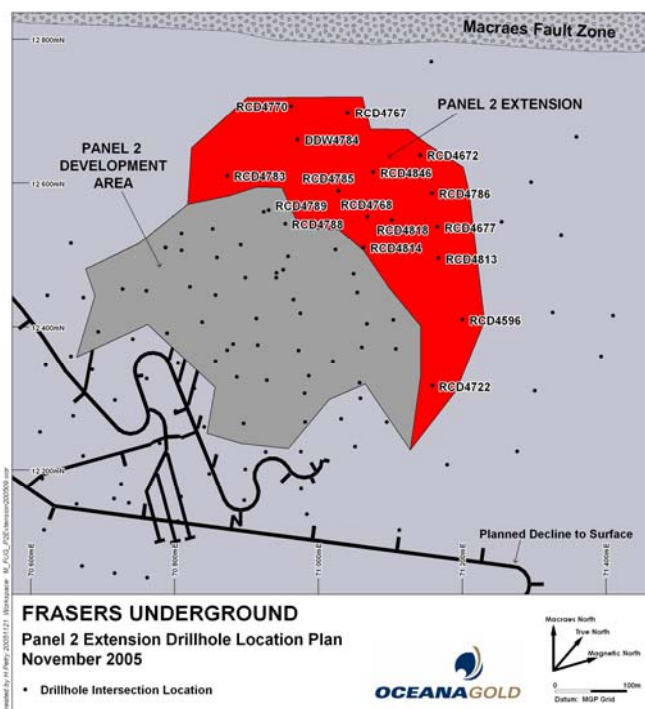
**OceanaGold Completes Frasers Bankable Feasibility Study**

OceanaGold today announced that it has completed the bankable feasibility study (BFS) for its Frasers underground mine. The study has been independently reviewed by technical auditors RSG Global and the project’s economic return is robust and sufficient to support debt financing.

During 2005, the Company redesigned the Frasers Underground project to improve the expected profit margin and reduce the initial capital required for development. In addition, ongoing exploration drilling extended the resource at depth and improved the ore grade. The resulting redesign work incorporated a more selective mining method to maximise mined grade and development capital was reduced significantly.

The BFS is based on production of 4.5 million tonnes at a grade of 2.83g/t (diluted) for 360,000 ounces. Cash costs are expected to be NZ\$401 per ounce. This incorporates the current proven and probable reserve and 62% of the deeper Panel 2 Extension area, where higher grade intersections have confirmed the continuity of mineralization extending down-dip from Panel 2 (See Figure 1). An Inferred Resource of 1.28 million tonnes (Mt) at 4.44 grams per tonne (g/t) gold has been estimated for this Panel 2 Extension area which is still open at depth.

**-Figure 1-  
Panel 2 Extension Drillhole Location Plan**



**- Table 1 –  
Panel 2 Extension Drillhole Intersections**

Hole ID	From (m)	To (m)	Length (m)	Grade (g/t Au)
DDW4784	546	550	4	7.00
RCD4596	578	582	4	3.81
RCD4672	580	587	7	3.65
RCD4677	592	599	7	4.39
RCD4722	566	573	7	5.59
RCD4767	571	576	5	2.52
RCD4768	573	589	16	5.78
RCD4770	561	567	6	3.00
RCD4783	594	601	7	6.79
RCD4785	587	599	12	6.82
RCD4786	598	605	7	4.18
RCD4788	529	536	7	5.04
RCD4789	530	539	9	6.68
RCD4813	611	626	15	6.12
RCD4814	568	576	8	4.75
RCD4818	570	579	9	3.32
RCD4846	562	569	7	4.31

The Frasers Underground operation will be mined in conjunction with the Macraes open pit at a production rate of 0.8 million tonnes per annum (Mtpa) achieved from mid 2008. This mine will increase annual production at the Macraes operation to around 225,000 ounces from mid 2008. Supplementary production from Globe Progress will further increase the company's total gold production to around 300,000 ounces per annum.

Based on the study's productivities and costs, the project generates an un-gearred Internal Rate of Return (IRR) of 29% with capital payback occurring in 29 months. Highlights of the study are as follows:

- Annual Production Rate 800,000 tonnes per annum
- Plant Recovery 88%
- Total Ounces Produced 360,000
- Cash Costs NZ\$401 per ounce
- Pay Back Period (from time of maximum drawdown) 29 months
- Project Duration 95 months
- Total Pre Production Capital Cost NZ\$55 million
- Total Capital Cost NZ\$70 million

The underground mine will initially be accessed from the open pit starting in April 2006, through a decline that will be mined on the ore body. This strategy was adopted to minimise the capital expenditure and facilitate initial trial mining in order to optimise ground control and dilution control techniques prior to full-scale production. The development and trial mining will be conducted with the existing underground mining fleet that was purchased from the administrators of mining contractor, HWE.

The mine development and trial stoping will be conducted by mining contractors over a two year period followed by long term production.

Frasers Decline	2005	2006				2007			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Pre Production</b>									
Update Operating Systems									
Source Supplies									
Prepare Mining Fleet									
Construct Infrastructure									
Mobilise Mining Contractor									
<b>Mine Development</b>									
Construct Portal Entry									
Decline Development									
Trial Mining									
Establish Ventilation raise									
Commission Mine									

CEO, Steve Orr said "This study confirms that the Frasers Underground is a robust project. As further higher grade Panel 2 extension ore is incorporated, we expect to increase the project's mining life and further improve the project's economic return. Additionally, the deposit still has significant potential to add more reserves at depth."

OceanaGold is currently negotiating a debt facility to fully fund the Frasers Underground development and its Globe Progress surface mine in the Reefton Goldfield. The Company expects to complete the Globe Progress bankable feasibility study in December 2005.

A more detailed document summarising the Frasers BFS is available on our website at [www.oceanagold.com](http://www.oceanagold.com).

- ENDS -

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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.