

OceanaGold finds new underground gold mine prospect at Macraes

15 February 2008 - OceanaGold Corporation, which has just commissioned its first underground gold mine at Macraes, says it has located another underground panel under the first pit drilled at the east Otago mine.

Steve Orr, Melbourne-based chief executive officer of OceanaGold, said in an interview posted on the company's website: "It looks like we have another underground panel emerging under the very first pit drilled."

"We're quite optimistic about our ability to generate multiple underground panels from the seven legacy pits that have been mined in the Macraes gold field over the last 17 years," Mr Orr said.

Previously OceanaGold has said it completed in mid-2007 a drilling programme down-dip of its Golden Point open pit and has said it was targeting down-dip extensions of its other mined out pits at Round Hill, Southern Pit and Innes Mill.

Mr Orr also stated in the interview that the new Frasers underground mine had produced over 10,000 oz of gold in the December quarter at ore grades about twice that of Macraes open pit. The underground mine also intermittently produced gold throughout its development in 2007.

He said infill diamond drilling at the Macraes goldfield continued at Frasers underground panel 2 extension. Drill results have continued to increase confidence in the resource.

The whole Frasers underground project has been developed on the down-dip extension of the ore body currently being mined via Macraes open-pit.

Development rates exceeded targets during 2007 and now Frasers is scheduled to produce 900,000 tonnes of ore in 2008. This is more than 100,000 tonnes a year more than anticipated in the project's feasibility study.