

Reefton mine exceeds expectations again for OceanaGold

11 March 2009 - OceanaGold's Globe Progress gold mine near Reefton on the South Island West Coast more than doubled production of gold during 2008 while near-mine exploration drilling to identify possible high grade reserves is underway.

The company's report for the full 2008 year says the concentrate plant produced 76,132 oz of gold compared with 37,897 oz in the 2007 year.

The Reefton operation had an "exceptional performance". OceanaGold says.

Gold output in the fourth quarter to December 31 was 22,910 gold ounces which slightly exceeded expectations. This was substantially above the third quarter output of 17,427 oz and well above the 16,687 oz produced in the fourth quarter of 2007.

The Reefton plant's dry and wet commissioning began in early 2007 with official commissioning in mid 2007.

OceanaGold says total material through the mill in the 2008 fourth quarter was 319,000 tonnes. This was a further improvement on the third quarter and about 27% above design throughput capacity. Continued improvement in both mining and processing areas was demonstrated over the year.

Total throughput for the 2008 year was just under 1.2 million tonnes and almost 20% above design capacity. Overall gold recovery for Reefton remained stable at 82.5% for the quarter, resulting in 81.8% for the year.

Oceana Gold says a drill programme began during the fourth quarter to test for extensions of mineralised zones on the Globe-Progress mining permit. Analysis of these results would continue early into 2009.

An exploration programme in 2007 successfully extended the mine's life by one year to 7 plus years.

The company plans to upgrade some of its 1.4 million oz of resource at Reefton to reserves, which are currently 530,000 oz.

Sources: OceanaGold and Lindsay Clark