

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 3

23 December 2005

Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

COMPLETION OF GEMCO ACQUISITION AND SENIOR MANAGEMENT APPOINTMENTS

Highlights

- **Bootu Creek Resources Pty Ltd completes the acquisition of Groote Eylandt Mining Company Pty Ltd's remaining 25% interest in the Bootu Creek Manganese Project.**
- **Proposed 20,000 metre drilling programme to test strike and depth extensions accelerated to commence early in the June 2006 quarter and expected to increase the Project's manganese resource.**

Further to the Company's announcement dated 5 December 2005, the Company is pleased to advise that its wholly owned subsidiary Bootu Creek Resources Pty Ltd ("BCR") has satisfied all requisite conditions precedent under the Sale and Purchase Agreement ("SPA") with Groote Eylandt Mining Company Pty Ltd ("GEMCO") and has completed and settled upon the acquisition of GEMCO's 25% interest in the Bootu Creek Manganese Project ("the Project"). BCR now controls 100% of the Project.

Pursuant to the SPA, the total consideration comprised US\$15.32 million, of which US\$10 million has been paid with US\$2.66 million due on or before 31 December 2006 and US\$2.66 million due on or before 31 December 2007.

Security for the remaining instalments has been provided by way of guarantees from the Commonwealth Bank of Australia. The guarantees have been provided as an extension to the existing A\$20 million limited recourse project financing facility with the Commonwealth Bank of Australia that is being used to fund BCR's remaining capital and working capital obligations for the Project.

BCR will now control the entire Project production anticipated to be approximately 550,000 to 600,000 tonnes of manganese ore per annum.



OMH has committed to accelerate the commencement of a 20,000 metre drilling programme following the abatement of the wet season in April 2006 to pursue the exploration potential of the underexplored manganese province with the aim to extend the current planned mine life of the Project.

The Board is also pleased to announce that Mr Geoff Chapman has been appointed to the senior management team as Geology Manager for BCR with effect from January 2006. Mr Chapman, a geologist, has had a successful career in the resources sector over the past 20 years including senior roles with Kalgoorlie Consolidated Gold Mines and WMC Resources. Mr Chapman will be responsible for developing and implementing the strategic direction of the Project's regional exploration activities.

In addition Mr Mark Laing has also been appointed to the position of Mine Manager for BCR with effect from January 2006. Mr Laing a mining engineer will play a pivotal role supporting the Project's General Manager, Operations. Mr Lang has held a number of senior mining engineering roles most recently with Minara Resources Ltd.

The Board of OMH considers that these senior appointments will further complement the operating and exploration expertise within the existing management structure.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley

Company Secretary

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BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH was listed on the ASX in March 1998 and has grown into a fully integrated miner, processor and trader of manganese product with operations in Australia, China and Singapore.

Through its wholly owned subsidiary, Bootu Creek Resources Pty Ltd ("BCR"), OMH controls 100% of the Bootu Creek Manganese Project located 110 km north of Tennant Creek in the Northern Territory.

The Bootu Creek Manganese Project is presently under development and is expected to produce at an annual rate of 550,000 to 600,000 tonnes of manganese ore. The Project also has excellent exploration potential.

Product from the Project will be exclusively marketed by OMH's successful trading division with a proportion of production from the Project shipped to OMH's wholly owned Qinzhou smelter located in south west China.

Through its Singapore based commodity trading activities, OMH has established itself as a significant manganese supplier to the Chinese market. The development of the Bootu Creek Manganese Project will facilitate and further strengthen OMH's position in this market.

OMH has a strong, lowly geared financial position and has paid regular dividends since 1998.

OMH holds a 25% shareholding in Territory Iron Ltd, a company presently advancing a number of haematite iron ore projects in the Northern Territory.