

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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

Dear Sir/ Madam

SUBSTANTIAL INCREASE TO PROJECT RESOURCES AND RESERVES

The Board of OM Holdings Limited ("OMH") is pleased to provide the following update on the Mineral Resource and Ore Reserve estimates for its Bootu Creek Manganese Mine, located in the Northern Territory of Australia.

HIGHLIGHTS

- **Ore Reserves increased by 3.1 million tonnes or 43% to 10.3 million tonnes at 24.5% Mn** with significant uplifts achieved at the Chugga South and Tourag deposits.
- **Mineral Resources (including Ore Reserves) increased by 1.85 million tonnes or 12% to 17.75 million tonnes at 25.7% Mn.**
- Life of mine plan supports a **mine life of 8.5 years at 700,000 tonnes per annum production rate.**
- Exploration results now vindicate pursuing **production expansion opportunities beyond 700,000 tonnes per annum.**
- **Extensive exploration program for 2008 has commenced with at least A\$7 million** to be dedicated to further extending the mine life and reinforce the operations capability as a world class and long life asset.



December 2007 – Mineral Resource Update:

All defined Bootu Creek manganese Mineral Resources were revised as at 31 December 2007 following the completion of a 22,965 metre (422 hole) reverse circulation (“RC”) resource delineation program and taking into account ore depletion arising from mining activities in the Shekuma and Gogo pits throughout 2007. The purpose of the 422 hole RC drill program was to increase the level of confidence in the manganese deposits defined within the Bootu Creek Project which are all located on Mineral Lease 24031.

Table 1: Bootu Creek Project – Mineral Resource Summary as at 31 December 2007

Deposit:	Measured		Indicated		Inferred		Combined	
	M tonnes	% Mn	M tonnes	% Mn	M tonnes	% Mn	M tonnes	% Mn
Chugga North	0.7	27.0	1.5	24.5	0.7	24.4	2.9	25.1
Chugga South	1.0	24.8	1.7	24.5	0.4	24.1	3.1	24.5
Gogo	0.5	28.5	2.1	28.0	0.3	28.9	2.9	28.2
Shekuma	0.2	30.4	1.7	27.6	1.0	27.1	2.9	27.6
Tourag	0.2	25.4	2.2	25.8	0.6	25.1	3.0	25.7
Xhosa	0.3	24.5	0.3	24.2	0.1	25.0	0.7	24.4
Zulu	0.4	24.3	1.1	23.9	0.5	24.2	2.0	24.0
Mine Stocks	0.25	16.6	-	-	-	-	0.25	16.6
Total	3.55	25.7	10.6	25.9	3.6	25.6	17.75	25.7

This table of Mineral Resources is inclusive of Ore Reserves.

Comparison	31 December 2006		31 December 2007		Change
	M tonnes	% Mn	M tonnes	% Mn	M tonnes
Total	15.9	25.3	17.75	25.7	1.85

The above Mineral Resource summary includes resources depleted by mining activities at the Bootu Creek Manganese Mine throughout 2007 and adds a further 1.85 million tonnes as a result of exploration success.

Both the previous and current Mineral Resources were estimated using a cut off grade of 18% Mn. The recent Mineral Resource estimates were constrained by the optimised pit depth for each deposit, based on the 2008 Mn budget price assumptions.

The 2007 RC delineation drilling program added significant new Mineral Resources to the Chugga South, Gogo, Xhosa, Zulu and Tourag deposits. Increased price assumptions applied in the December 2007 pit optimisation study resulted in increased optimum pit depths for all the Bootu Creek Project deposits.

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Figure 1: Location of Bootu Creek Manganese Project Mineral Resources

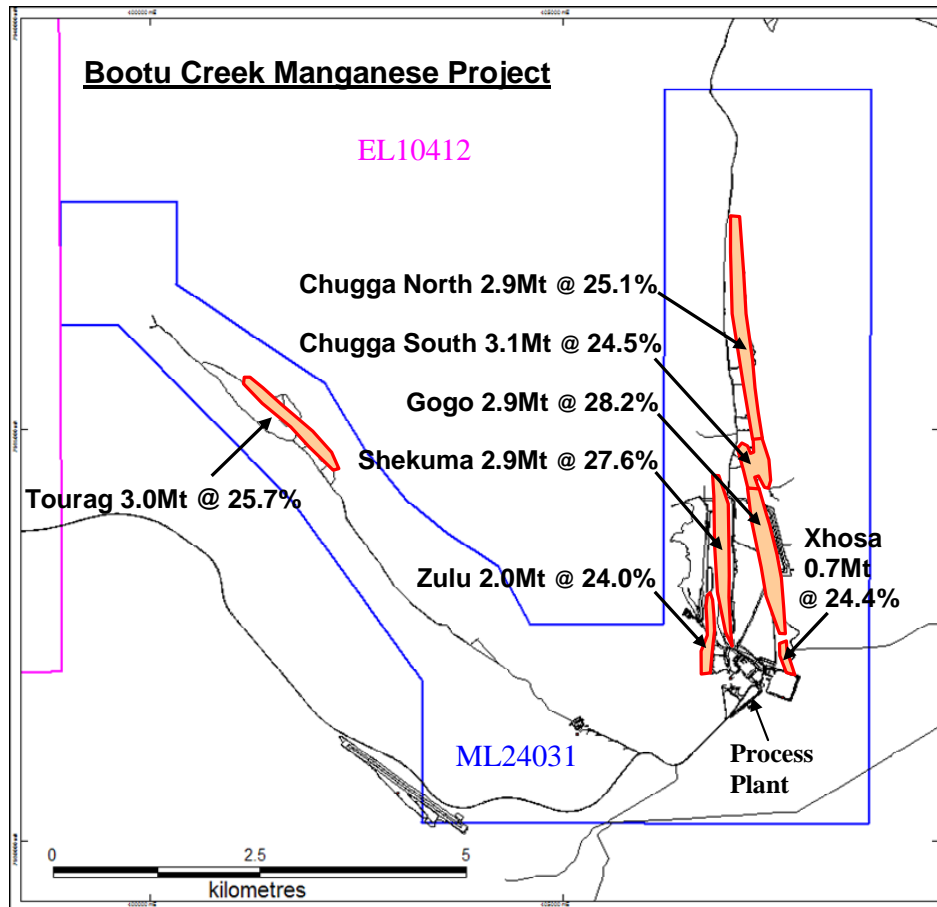
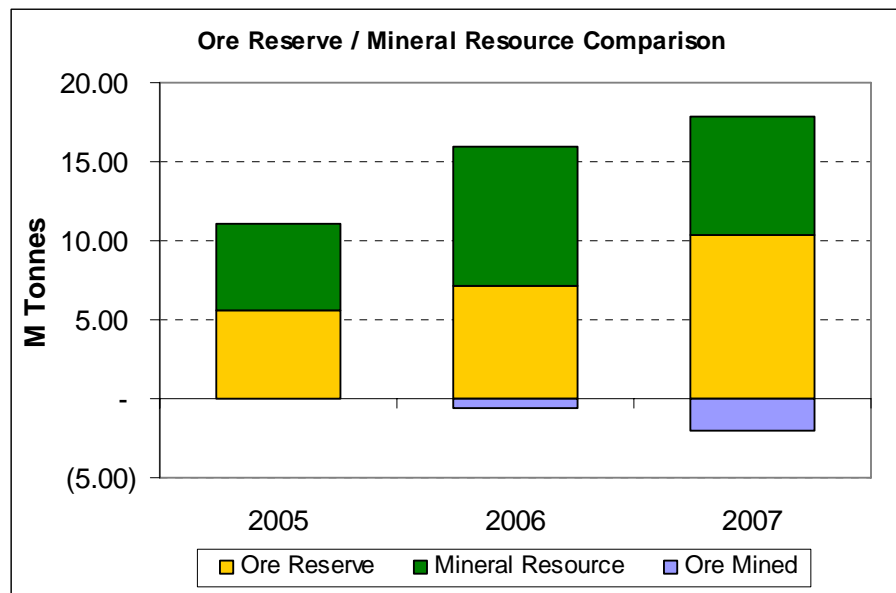


Figure 2: Histogram of Mineral Resource and Ore Reserve Growth since Commencement of Production





December 2007 - Ore Reserve Update:

Table 2: Bootu Creek Project - Ore Reserve Summary as at 31 December 2007

Deposit:	Proved		Probable		Combined	
	M tonnes	% Mn	M tonnes	% Mn	M tonnes	% Mn
Chugga North	0.6	25.6	0.8	23.7	1.4	24.5
Chugga South	0.9	23.0	1.4	22.7	2.3	22.8
Gogo	0.4	26.3	2.0	25.9	2.4	26.0
Shekuma	0.2	28.3	1.4	25.7	1.6	26.0
Tourag	0.2	23.5	2.0	24.0	2.2	24.0
Xhosa	0.2	22.4	0.2	22.4	0.4	22.4
Total	2.5	24.6	7.8	24.5	10.3	24.5

Comparison	December 2006		December 2007		Change
	M tonnes	% Mn	M tonnes	% Mn	M tonnes
Total	7.2	25.0	10.3	24.5	3.1

The December 2007 Ore Reserve replaced the 1.39 million tonnes at 24.9% Mn mined from Shekuma and Gogo pits during 2007 and added a further 3.1 million tonnes to the December 2006 Ore Reserve position.

The substantial increases in Ore Reserves resulted from the significant RC resource delineation drill program undertaken 2007, which both extended and increased resource confidence levels, and from the increase in the long term base case price assumption to US\$4.50/dmtu (FOB) and a USD/AUD exchange rate of 0.80 which deepened the optimum pit depth of all the Mineral Resource blocks.

The optimised Ore Reserve tonnes incorporated were reported with a 95% mine recovery factor and a 92.5% grade dilution assumption. The ore body dips average around 30° and range between 15° and 45°. The recovery factor and grade dilution assumptions reflect experience from mining and treatment of ore from the Shekuma and Gogo pits.

The Zulu Mineral Resource was withheld from the Ore Reserve pending metallurgical test work as was the northern half of Chugga North pending closer spaced infill drilling.

Exploration Objectives for 2008

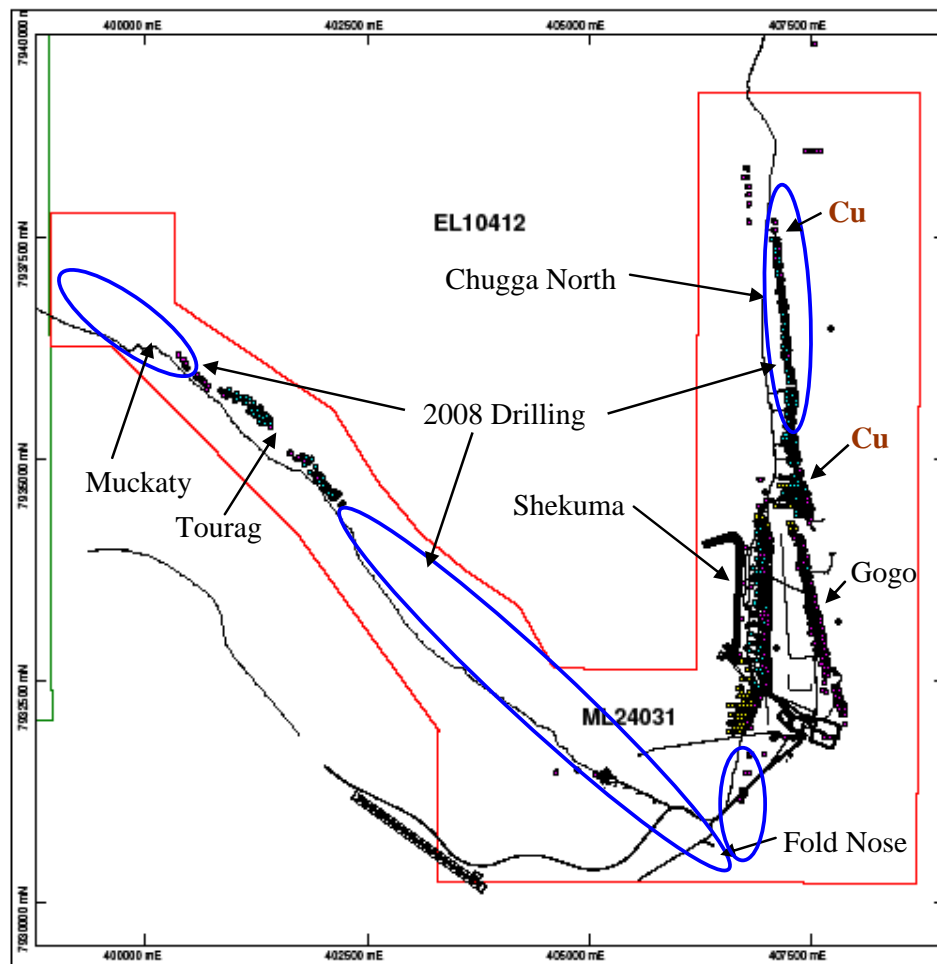
OM (Manganese) Ltd ("OMM") plans to significantly expand its manganese exploration program in 2008 to replace and further expand the Mineral Resources and Ore Reserves inventory and support long term production planning as well as to evaluate opportunities for future expansion beyond 700,000 tonnes per annum. A minimum A\$7 million has been budgeted in 2008 to demonstrate OMM's commitment to further extend the mine life.



The key objectives for the 2008 exploration program are as follows:

- To identify new manganese deposits on adjacent exploration licences;
- To significantly expand the current Mineral Resource base by delineating new manganese deposits identified by 2007 exploration drilling;
- To extend and further increase confidence in the existing Mineral Resources;
- To replace Ore Reserves depleted by mining activities and further expand to support increased production scenarios; and
- To evaluate the potential of footwall copper intersections encountered in 2007 exploration drilling.

Figure 3: Bootu Creek Project - Priority Exploration Drill Targets for 2008



Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



Resource Estimation Details

The Mineral Resource estimates were completed by resource consultants Hellman and Schofield Pty Ltd based on data and a geological interpretation supplied by OM (Manganese) Ltd (“OMM”).

Grades were modelled using a 3D Ordinary Kriging approach with searches aligned parallel to the strike and dip of the mineralization. SG was calculated by regression and supplied by OMM.

The location, quantity and distribution of the current data were sufficient to allow the classification of Measured, Indicated and Inferred Mineral Resources. Search distances are consistent with previous work by consultants to OMM.

Tonnes were rounded to the nearest 10,000 tonnes and grade to the nearest 0.1% Mn.

The information in this report which relates to resources and reserves is based on information compiled by Mr Craig Reddell and Mr Mark Laing both full time employees of OM (Manganese) Ltd and Members of the Australasian Institute of Mining and Metallurgy, and modelled by Mr Robert Spiers a full time employee of Hellman and Schofield Pty Ltd and who is a Member of the Australian Institute of Geoscientists. Mr Reddell, Mr Laing and Mr Spiers have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Reddell, Mr Laing and Mr Spiers consent to the reporting of this information in the form and context in which it appears.

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BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products and subsequently in processing ores into ferro-manganese intermediate products. The OMH Group now operates commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd, OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110 km north of Tennant Creek in the Northern Territory.

Bootu Creek has a design capacity of 600,000 to 650,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 2,872 km².

Bootu Creek’s manganese product is exclusively marketed by the OMH Group’s own trading division with a proportion of the product consumed by the OMH Group’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. Product from Bootu Creek has strengthened OMH’s position in this market.

OMH also holds a 11% shareholding in Territory Resources Ltd, a company presently operating the Frances Creek iron ore project in the Northern Territory.