



Media Release

ASX: OMH

15 July 2008

OMH GROUP TARGETS FURTHER MANGANESE GROWTH FOLLOWING RECORD A\$38M FIRST QUARTER PROFIT

ON TRACK TO ACHIEVE FORECAST NET PROFIT OF NO LESS THAN A\$85M FOR 6 MONTHS TO 30 JUNE 2008

OM HOLDINGS LIMITED

(ARBN 081 028 337)

ASX code: OMH

Share price: A\$2.26
(as at close of trade on 14 July 2008)

Market capitalisation: -A\$1.07B

Ordinary shares on issue: 472.45M

Unlisted options on issue: 27.77M

Board

Non Executive Chairman
Mr John Raubenheimer

Director, CEO
Mr Low Ngee Tong

Non-Executive Director
Ms Julie Anne Wolseley

Non Executive Director
Mr Ong Beng Chong

Non Executive Director
Mr Tan Peng Chin

Non Executive Director
Mr Wong Fong Fui

Major Shareholders

Board/Management	21%
Strategic Partners	12%
HSBC Custody Nom.	13%
Zero Nominees Pty Ltd	8%
Top 20 Shareholders	78%

HIGHLIGHTS

- Record A\$37.9M net operating profit for the March 2008 Quarter.
- Underpins forecast interim net operating profit of no less than A\$85M.
- Strong quarterly performance by the Bootu Creek Manganese Mine, Northern Territory:
 - Quarterly manganese production of 163,332t @ 41.6% Mn
 - Supports targeted 700,000tpa production rate
 - Millionth tonne of manganese exported in June 2008
 - Record surplus operating cash flows and mine profitability more than doubles during the June Quarter compared to March Quarter
 - Outstanding initial results from A\$10M exploration program, confirming potential for increase in Mineral Resources
- Qinzhou Smelter, China:
 - Record production of 16,985t of High Carbon Ferro Manganese
 - On track for annual production of 41,200 tonnes
- Strong market outlook for manganese ore and alloys driven by supply shortages and robust steel demand.
- Feasibility underway on expansion opportunity at Bootu Creek through rejects re-treatment project to increase production to ~800,000tpa.

Diversified commodity trading, metals and mining house, OM Holdings Limited (ASX: OMH – “OMH”), today reaffirmed a strong production and market outlook – underpinned by the continued growth of steel demand in China and the emerging markets – after posting a **record A\$37.9 million net operating profit after tax** for the three months to 31 March 2008.

OMH said today (**Tuesday**) that the result, which was struck on consolidated revenues of A\$126.1 million, reflected a period of unprecedented financial performance from all three of its business units, the 100%-owned Bootu Creek Manganese Mine in the Northern Territory, the Qinzhou Smelter in China and its Singapore-based metal trading operations.

OMH's CEO, Mr Low Ngee Tong, said that the excellent result demonstrated that the Group was on track to exceed its previous forecast and was expecting a consolidated half yearly operating profit after tax of no less than A\$85 million for the six months to 30 June 2008.

"We are very pleased with the result and the performance of all our business units during the June Quarter, which concludes a very strong first half for the Group," Mr Low said. "We are continuing to benefit from a combination of strong production in a robust environment of record demand and prices for manganese ore and alloys, which is being driven by China's economic expansion and strong manganese fundamentals.

"Despite the very high level of volatility seen recently in financial markets, the long-term fundamentals underpinning the global market for manganese remain very positive and continue to be driven by the growth of the Chinese economy. While some weakening in steel demand is expected in the developed economies, demand is expected to remain strong globally due to the growth of the emerging markets of Brazil, India, Russia and China.

"China's apparent steel use is expected to grow by 11.5% in 2008 and 10.0% in 2009, accounting for 35% of the world total in 2008 and further to almost 37% in 2009," Mr Low continued. "With continued supply disruptions from existing manganese operations, our market intelligence indicates that the current price rally in manganese remains unique and has the potential to continue for a number of years due to a number of specific industry developments."

Against this backdrop, total manganese production from the 100%-owned Bootu Creek Mine for the June Quarter remained strong at 163,332 tonnes grading 41.6% Mn – 19% above design capacity and equating to 97% of budget for the period. Production for the quarter was below the previous record of 183,046 tonnes for the March Quarter due to increased trial processing of lower-grade material and other short-term operational reasons.

The Company's 100%-owned Qinzhou Smelter in Guangxi, China delivered record quarterly production of 16,985 tonnes of High Carbon Ferro Manganese, 37% above budget despite having only one furnace operating throughout the entire quarter with the second furnace coming on stream in early May 2008 as planned.

OM Materials (S) Pte Ltd, the Singapore-based commodity trading business, again delivered an outstanding trading and financial result, with record pricing for high-grade manganese ore contributing to the excellent result.

"Through the June Quarter, the supply of high-grade manganese ore within the Chinese market continued to tighten, making a further significant contribution to enhanced pricing fundamentals," Mr Low said. Spot manganese prices continued to trade higher than the BHP Billiton benchmark price of US\$12.20/dmtu, setting the framework for further price increases in the September 2008 Quarter. As a result, the quoted benchmark price has increased by 33% to US\$16.20/dmtu.

The Bootu Creek operation remains ideally placed to benefit from the strong market, in that it has a number of medium term expansion opportunities and is not constrained by either rail or port logistics, unlike other high-grade manganese operations based in Australia, South Africa, Gabon and Brazil. In addition, the project can continue to leverage off the logistical advantage of reduced shipping distances and relative costs from Australia to China, unlike many of its peers.

"We are aiming to ensure that our annual sustainable production rate is maintained in the short term at 700,000 tonnes per annum, which is 25% above the process plant design rate" said the Managing Director of OM (Manganese) Ltd, Mr Paul Thomas. "A feasibility study commenced during the Quarter on an expansion opportunity based around the value-added benefit of crushing and re-processing the lump rejects from the Heavy Media drum plant. The preliminary results indicate that a marketable product, albeit at a lower grade, could be generated by this process.

"If we decide to proceed with this opportunity, we expect that a rejects re-treatment plant could be commissioned at a cost of A\$12.4 million by the second quarter of 2009, which could increase our annualised production to around 800,000 tonnes," Mr Thomas added. "Other opportunities to expand production above 700,000tpa are also under consideration, subject to the success of our expanded 2008 exploration program, which got off to a great start during the Quarter with very pleasing results indicating that we should be able to significantly increase our Mineral Resource inventory by the end of the year."

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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 the capacity to produce 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.