

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



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12 August 2008

Company Announcements Office  
ASX Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **ON-MARKET SHARE BUY-BACK**

The Board of OM Holdings Limited (“the Company” or “OMH”) is pleased to advise that the Company will implement an On-Market Share Buy-Back (“Buy-Back”) of up to 24 million ordinary shares, representing approximately 5% of the Company’s issued capital.

The Buy-Back will continue for a twelve month period from 13 August 2008, and the prices to be paid will comply with the ASX Listing Rules, being no more than 5% above the average of the market price paid for OMH shares over the five previous trading days. All shares purchased under the Buy-Back will be held as treasury shares, with the Company precluded from exercising any rights in respect of those shares, including the right to attend and vote at meetings, as well as any entitlement to dividends, etc. The total number of shares purchased by the Company will depend on market conditions.

The Company considers that the current market price of OMH shares does not reflect the underlying value, strong earnings and future potential of the OMH Group assets. Furthermore in the current environment of significant volatility in equity markets world-wide, the Board considers that there are several advantages to having a program in place that would allow the Company to buy-back its ordinary shares as part of its capital management initiatives.

Directors who currently hold shares either directly or indirectly in the Company are not intending to offer their shares to the Company under the Buy-Back.

The Buy-Back will not affect the OMH Group’s organic growth strategy, particularly its short term plans to further increase the mine life and production capability at the 100%-owned Bootu Creek Manganese Mine and to advance the construction of a dedicated sinter ore production facility at the Qinzhou smelter in China.

The Company’s dividend policy of declaring interim and final dividends will also not be impacted by the Buy-Back. The Company will be announcing its audited result for the half year ended 30 June 2008 on or around 27 August 2008. The half year result will include the declaration of an interim dividend which is yet to be determined by the Board pending its approval of the half year result.

The OMH Group has been generating significant operating cash flows and has a very strong balance sheet, with no material debt and over A\$60 million in cash as at 30 June 2008. The long term fundamentals underpinning the global market for manganese continue to remain very positive, with manganese prices remaining buoyant underpinned by ongoing restrictions in the global supply of high-grade manganese.

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The Directors believe that the Buy-Back will benefit all Shareholders by delivering long-term value and maximising returns.

Yours faithfully

**OM HOLDINGS LIMITED**

Heng Siow Kwee/Julie Wolseley  
**Company Secretary**

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## **BACKGROUND PROFILE OF OM HOLDINGS LIMITED**

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*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 up to 700,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,364 km<sup>2</sup>.*

*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.*

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