

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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19 December 2008

Company Announcements Office
ASX Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

CLOSE OUT OF FOREIGN EXCHANGE CONTRACTS AND FURTHER INVESTMENT BY CONSOLIDATED MINERALS LIMITED

The Board of OM Holdings Limited ("OMH" or "the Company") advises that OM (Manganese) Ltd ("OMM") has reviewed its capital management program and agreed with its hedge facility provider regarding ongoing arrangements for its remaining December 2008 and 2009 forward foreign exchange contracts.

Close out of Foreign Exchange Contracts

As part of the Company's review of its hedging profile and strategy, OMM has closed out its longer dated foreign exchange contracts covering the period 30 June 2009 to 31 December 2009, with a value of US\$85.4 million, realising a mark-to-market loss of A\$13.1 million.

As previously announced OMM expects to close out further forward foreign exchange contracts maturing by 31 December 2008 with an expected mark-to-market loss of A\$4.7 million, assuming an AUD/USD exchange rate of 0.70.

Remaining Foreign Exchange Contracts

OMM's remaining short dated 2009 forward foreign exchange contracts total US\$61 million at an average AUD/USD exchange rate of 0.8258 with a current notional mark-to-market loss of A\$13.3 million, assuming an AUD/USD exchange rate of 0.70.

Foreign Exchange Contracts – Set-off Account

OMM has agreed with its hedge facility provider to deposit short term cash cover equivalent to the December 2008 and remaining 2009 mark-to-market exposure, plus 10%.

Based on an AUD/USD rate of 0.70, approximately A\$21 million will be placed on deposit. The funds on deposit will earn commercial rates of interest and will be used exclusively for the purpose of closing out the remaining December 2008 and 2009 contracts (if required). OMM will be required to top up (or will be entitled to a reduction in) the security set-off deposit depending on the mark-to-market exposure of the contracts as determined on a weekly basis.

OMM will continue to assess its options whether to deliver against the 2009 forward exchange contracts as per the original maturity schedule, or to close them out progressively or in a lump sum depending on the prevailing market conditions and assessments made as part of the Company's ongoing capital management program.

OMM has no other debt financing obligations and is in compliance with its existing arrangements with the hedge facility provider.



Update on Investment by Consolidated Minerals Limited

As recently announced, Consolidated Minerals Limited ("ConsMin"), through a wholly owned subsidiary, acquired an 11% shareholding in the Company.

The Company has ascertained that ConsMin has recently acquired a further interest in the Company, taking its disclosed investment position to 57,231,393 shares or 12% of the Company's issued capital.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

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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 up to 700,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,364 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.

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