

OM HOLDINGS LIMITED

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

Dear Sir/Madam

UPDATE – TAKEOVER PROTECTION PROVISIONS

OM Holdings Limited (ASX: OMH – “OMH” or “the Company”) provides the following update to shareholders in relation to the Company’s proposal for the adoption of takeover protection provisions.

On 23 December 2008, OMH dispatched a Notice of Special General Meeting and Explanatory Statement for a meeting of shareholders to be convened on 15 January 2009.

The Special General Meeting will consider an amendment to the Company’s Bye-laws to include takeover protection provisions which are broadly based on the provisions in Chapter 6 of the Australian Corporations Act.

OMH has received correspondence from one of the Company’s shareholders, Stratford Sun Limited (a company controlled by Consolidated Minerals Limited (“ConsMin”)), requesting the meeting be deferred. Stratford has also claimed a number of defects on the proposed takeover protection provisions which, it alleges, prejudice its position.

OMH rejects these claims completely and unequivocally.

The Special General Meeting will proceed on schedule on 15 January 2009. The timing of the Special General Meeting was determined on the basis of urgent, timely and prudent action by the Board following advice from ConsMin of their accumulated shareholding of 11% on 27 November 2008.

OMH is of the firm belief that it is in the best interests of ALL shareholders, especially small minority shareholders, for the proposed takeover protection provisions to be adopted as soon as possible.

Currently any person can acquire over 20% of the Company without extending an offer to all shareholders. The proposed takeover protection provisions seek to address this concern and require compliance with an appropriate procedure should a person wish to acquire control of OMH.

As a Bermudan incorporated company, it is simply not possible for the entire Australian takeovers regime to apply to OMH. What is important however is that the key principles upon which the Australian takeovers regime is founded are incorporated, namely:

- the acquisition of control takes place in an efficient, competitive and fully informed market;
- OMH shareholders know the identity of any person who proposes to acquire a substantial interest in OMH;
- OMH shareholders have a reasonable time to consider any corporate proposal and are given enough information to assess the merits of that proposal; and
- as far as is practicable, OMH shareholders have a reasonable and equal opportunity to participate in any such proposal, irrespective of shareholding size.



The proposed takeover protection provisions encapsulate these key principles.

In respect of public statements made by ConsMin, and reported publicly today, the Board of OMH assures shareholders that they are acting in the best interests of ALL shareholders in proposing the takeover protection provisions.

The Board is acutely aware that it has continuing obligations to act in shareholders' best interests in applying the takeover protection provisions and if they are adopted will continue to do so. By contrast, ConsMin is only required to act in its own interests and its statements and assertions should be read in this context only.

The Company has to date received very strong shareholder support for the proposed takeover protection provisions (from both its large strategic and institutional shareholders through to its smaller shareholder base).

As first disclosed to the market by OMH in late November 2008, OMH understands that over the past 4 months a company controlled by ConsMin has accumulated a shareholding in OMH without any requirement to notify the Company or ASX of that interest. So far as OMH is aware, that shareholding is now approximately 12%.

The Company has sought details of ConsMin's intentions in respect to its shareholding in OMH, but is yet to receive a satisfactory response. The Company has also invited ConsMin to meet to resolve its alleged concerns regarding the proposed takeover protection provisions. To date, ConsMin has declined that invitation.

OMH Executive Chairman Low Ngee Tong said: "The Board is always very pleased to see investor interest in the Company – it is very positive for both the Company and all of its shareholders.

"However, it is vitally important that as far as is practicable, ALL OMH shareholders have equal opportunity to participate should a takeover offer or other corporate proposal emerge which could result in a change in control.

"This is what the Company is seeking to achieve with these takeover protection provisions, none of which prevent any party from making an offer for OMH or OMH shareholders having the ability to decide whether to accept a compliant offer.

"As shareholders do not currently have these protections, the Board believes that any delay in the meeting could prejudice our shareholders.

"OMH is in a very strong financial, operational and growth potential position, with robust cash flows, no debt, a world-class, long-life resource base and outstanding growth opportunities identified for 2009 and beyond. It is vital that the value of the Company is protected and maximised and that all shareholders (irrespective of shareholding size) can participate in the tremendous upside which we believe the Company has accumulated.

"The Board is committed to delivering a growth strategy over the coming years that is based on both organic and inorganic opportunities,"

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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