



Media Release

ASX: OMH

30 January 2009

## OMH GROUP ACHIEVES RECORD ANNUAL PRODUCTION AT AUSTRALIAN AND CHINESE OPERATIONS

### OM HOLDINGS LIMITED

(ARBN 081 028 337)

ASX code: OMH

Share price: A\$1.05  
(at close of trade on 29 January 2009)

Market capitalisation: ~A\$501M

Ordinary shares on issue: 477.6M  
Unlisted options on issue: 72.2M

#### Board

Executive Chairman  
Mr Low Ngee Tong

Director, CEO  
Mr Peter Toth

Executive Director, CFO  
Mr Ong Beng Chong

Non Executive Director  
Ms Julie Anne Wolseley

Non Executive Director  
Mr John Raubenheimer

Non Executive Director  
Mr Tan Peng Chin

Non Executive Director  
Mr Wong Fong Fui

Non Executive Director  
Mr Thomas Teo Liang Huat

#### Top Shareholders

Board/Management	22%
HSBC Custody Nom	12%
Stratford Sun Limited	12%
Strategic Partners	10%
Zero Nominees Pty Ltd	7%
Top 20 Shareholders	82%

### HIGHLIGHTS

- **Strong quarterly performance by the Bootu Creek Manganese Mine:**
  - Quarterly manganese production of 143,465 tonnes @ 42.2% Mn
  - Record annual production of 672,580 tonnes @ 41.9% Mn for 2008
  - Revised annual production strategy of 500,000tpa being implemented
  - Excellent results from A\$10M exploration program with revised resource inventory due for release in Q1 2009
- **Qinzhou Smelter, China:**
  - Production of 9,951 tonnes of High Carbon Ferro Manganese
  - Record annual production of 45,511 tonnes of HCFeMn
- **Emerging signs of a rebound in manganese market, although the outlook remains volatile and uncertain.**
- **Consolidated group cash reserves of \$119M with negligible debt.**
- **Resumption of manganese export shipments occurred in January 2009 with Q1 2009 Chinese contract shipments expected to recommence following the Chinese New Year holiday.**

Diversified commodity marketing, metals and mining house OM Holdings Limited (ASX: OMH – “OMH”) has announced the resumption of manganese export shipments during January 2009 after delivering another strong production performance for the December 2008 Quarter, resulting in record production and shipments for calendar 2008.

OMH said today (**Friday**) that Q1 2009 export shipments had commenced and Chinese contract shipments are expected to resume in earnest following the Chinese New Year holiday. Shipments were suspended during the December 2008 Quarter in response to weak market conditions arising from the short-term impact of the global financial and economic crisis.

The Company's 100%-owned Bootu Creek Manganese Mine in the Northern Territory posted production for the December 2008 Quarter of **143,465 tonnes** at an average grade of 42.2% Mn, taking total production for calendar 2008 to a record **672,580 tonnes** at 41.9% Mn.

This was just below the market guidance of 700,000 tonnes after taking into account implementation of the revised production and marketing program announced last year, including the planned cessation of processing activities at Bootu Creek for a two-week period over Christmas and New Year.

The 2009 production strategy is being executed based on production of 500,000tpa, in line with prevailing market conditions. However, measures are in place to respond proactively with increased production once market conditions strengthen. Process plant performance during the year has demonstrated that an annualised production rate of 700,000 tonnes is achievable.

The Company's 100%-owned Qinzhou Smelter in Guangxi, China produced 9,951 tonnes of High Carbon Ferro Manganese (HCFeMn) during the December Quarter, bringing total annual output to a record 45,511 tonnes for calendar 2008.

"After a period of slow ore and alloy market activity during the December Quarter, steel mills in China have begun to re-stock their manganese alloy inventories in preparation for post Chinese New Year steel production, and purchasing and contracting activities have increased considerably during January 2009," said OMH CEO, Peter Toth.

"We have seen emerging signs of a stronger rebound in silico-manganese demand in China, driven by improving long steel product demand and production," he said. "This development has the potential to assist both the short and longer term demand fundamentals for siliceous high-grade manganese ores, which are produced by only a handful of major producers, including Bootu Creek."

Mr Toth said the outlook for the steel industry and steelmaking raw material market remained volatile and uncertain for 2009, with the return of market confidence in manganese ore and alloy markets expected depending on the interaction of a number of key factors including the speed and extent of recovery of the Chinese steel industry, the speed of depletion of remaining ore stockpiles and the full impact of the recently announced production cuts.

"From a medium to longer-term demand perspective, we remain optimistic that China will continue to achieve growth and strong economic performance as its industrialisation and urbanisation continues," he said.

"We remain confident that our focused production strategy, world class resource base, flexible marketing and trading strategies, and strong financial position – with group cash reserves of A\$119 million and negligible debt at the end of the December Quarter – places us in a strong position to deliver the best possible operating and commercial performance in 2009 and preparation for the execution of growth options upon market recovery," he continued.

"Our growth strategy for 2009 and beyond will focus on preparing the Company for the execution of the organic expansion opportunities at our Australian and Chinese operations, while continuing to seek out new business development, geographical and commodity diversification opportunities in the steelmaking raw materials sector."

In this regard, the Company's A\$10 million exploration program at Bootu Creek successfully concluded during the Quarter, with over 94,000 metres of RC and diamond drilling completed. Preliminary assay results have supported the potential for a substantial increase to the Company's December 2007 Mineral Resource base of 17.75 million tonnes at 25.7% Mn. The updated resource inventory is expected to be released during Q1 2009.

**- ENDS -**

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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.

### **Forward-Looking Statements**

This release may include forward-looking statements. These forward-looking statements are based on management’s expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of OM Holdings Limited, which could cause actual results to differ materially from such statements. OM Holdings Limited makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

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