



Media Release

ASX: OMH

28 September 2009

## OMH TO BECOME ONE OF THE WORLD'S LARGEST MANGANESE COMPANIES FOLLOWING A\$294M SOUTH AFRICAN DEAL

### OM HOLDINGS LIMITED

(ARBN 081 028 337)

ASX code: OMH

Share price: \$1.81  
(at close of trade on 23 September 2009)

Market capitalisation: ~A\$891M

Ordinary shares on issue: 490.7M

Unlisted options on issue: 58.6M

#### Board

Executive Chairman  
Mr Low Ngee Tong

Executive Director, CEO  
Mr Peter Toth

Executive Director, CFO  
Mr Ong Beng Chong

Non Executive Director  
Ms Julie Anne Wolseley

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	23%
HSBC Custody Nom	12%
Stratford Sun Limited	12%
Strategic Partners	10%
Zero Nominees Pty Ltd	6%
Top 20 Shareholders	82%

- OMH agrees to acquire a major stake in South Africa's world-class Tshipi Kalahari Manganese Project ("Tshipi Project")
- A group of co-investors (including Pallinghurst Resources Limited) will become direct shareholders of OMH in the landmark transaction
- OMH will acquire its interest in the Tshipi Project by way of two connected transactions. Firstly, a direct 49.9% interest will be bought from the co-investors by issuing 139.9 million OMH shares pro-rata to each of the five co-investors. Secondly, OMH will acquire a 20% equity interest in Ntsimbintle Mining, which owns the remaining 50.1% of the Tshipi Project, for A\$49.2 million cash
- The Tshipi Project has a mineral resource of 163 million tonnes at 37% manganese<sup>(1)</sup>, compliant with the South African SAMREC Code (2007). It is located in the Kalahari Basin, the world's richest manganese province hosting 80% of all high-grade manganese resources
- Pallinghurst's chairman Mr Brian Gilbertson will join the OMH board as non-executive deputy chairman and chair OMH's new investment board committee
- Proposed deal will transform OMH into a leading globally integrated manganese company with world-class, long-life reserves located in strategically significant regions of the manganese industry supported by full participation in the total value chain from mine to market

OM Holdings Limited, the ASX-listed miner and metals trader, is in the process of being transformed into one of the world's largest independent manganese companies after securing a A\$294 million deal to acquire a major stake in a world-class South African manganese project.

Under the terms of the executed Memorandum of Understanding, OMH will acquire a 49.9% interest in the Tshipi Project from a group of five non-related co-investors (including Pallinghurst Resources Limited). In exchange for the 49.9% interest, OMH will issue the co-investors a total of 139.9 million OMH shares valued at approximately A\$245 million (based upon the OMH 30 day VWAP).

The deal will see Brian Gilbertson, the Chairman of Pallinghurst Resources Limited, join the OMH board as non-executive deputy chairman and lead a new board committee focusing on global investment opportunities.

OMH has also agreed to acquire a 20% equity interest in Ntsimbintle Mining, a South African Black Economic Empowerment company which owns the remaining 50.1% of the Tshipi Project, for A\$49.2 million in cash.

The Tshipi Project has a mineral resource of 163 million tonnes grading 37% manganese <sup>(1)</sup>, compliant with the South African SAMREC Code (2007). It is located within the Kalahari Basin, which is widely recognised as the world's leading manganese province, hosting 80% of all the high-grade manganese deposits around the globe.

A feasibility study has indicated that the Tshipi Project has the potential to produce between 2.2 million and 2.3 million tonnes of run-of-mine ore per annum for 28 years utilising 62 million tonnes of the 163 million tonne resource. The Tshipi Project's mineral resource is expected to be capable of supporting a 60-year open cut mine-life with potential for additional mineral resources beyond the currently defined levels. Required capital expenditure is estimated to be US\$200 million, with development anticipated to start next year for first production targeted in 2013, although alternatives to accelerate this timetable are under investigation. The feasibility study found the Tshipi Project's operating cost structures could rank the Tshipi Project within the lowest quartile among its peers.

OMH expects to re-commence the process of seeking a secondary listing on The Main Board of the Stock Exchange of Hong Kong Limited, a corporate initiative which was nearing completion during 2008, before the impact of the global market conditions resulted in OMH postponing the offering.

The deal is subject to, among other conditions, full due diligence reports, independent experts' assessments and the approval of OMH and Ntsimbintle shareholders and the co-investors. Approvals are expected to be concluded by mid-December 2009.

OMH Executive Chairman Mr Low Ngee Tong said the deal would position OMH as one of the world's leading globally integrated manganese companies, with a world class resource base supporting operations spanning from the mine to the market. "This transaction represents the first major step towards our objective of increasing OMH's manganese ore resource base more than five-fold and at the same time begins the process of building a major steel feed materials business."

"Tshipi, once in production, will allow further opportunities for OMH to internally consume and externally market a unique suite of complementary ores."

He said the deal would also enable OMH to pursue other business development opportunities such as the expansion of the Qinzhou smelting and sintering capacity and conduct a feasibility study on smelting opportunities outside China, including Indonesia.

OMH currently boasts a fully integrated manganese business spanning Australia, China and Singapore.

Mr Gilbertson said the deal brought a range of significant benefits. "It establishes a robust supplier of manganese ores and alloys to the global steel industry, able to source, blend and deliver internationally for optimum customer satisfaction," he said.

Ntsimbintle Mining chairman Mr Saki Macozoma said the transaction would provide the expertise and support to develop the Tshipi Project and market its ore.

*Media representatives are invited to attend a briefing with OMH Executive Directors regarding this transaction. The Media Briefing will be hosted by OMH Chief Executive Officer, Mr Peter Toth, OMH Executive Chairman, Mr Low Ngee Tong and Pallinghurst Chairman, Mr Brian Gilbertson, at the Barnet Room, Heritage Level 6, The Westin Sydney Hotel at 11.00am (EST). A conference call facility will also be available. Please call 1800 063 705 (in Australia) or (+61-2) 8295 0913 (overseas) and dial in the access PIN# 8989826. Please note the conference and the phone-in facility is strictly limited to the media, but will be recorded and webcast on Boardroom Radio later in the day. It will be available on [www.brr.com.au](http://www.brr.com.au).*

- ENDS -

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**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, that 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.*

**BACKGROUND PROFILE OF OM HOLDINGS LIMITED**

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*OMH which was listed on the ASX in March 1998 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 (“OMM”), 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 over 800,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,326 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 an 12% shareholding in Shaw River Resources Limited, a company presently exploring for manganese in Western Australia as well as a 10% shareholding in Territory Resources Limited a company operating the Frances Creek iron ore mine in the Northern Territory.*

## - Annexure A -

(1) The Tshipi Kalahari Manganese Project has the following Mineral Resource:

**Tshipi Kalahari Manganese Project – Mineral Resource Estimate**

Deposit	Indicated		Inferred		Combined	
	Million tonnes	% Mn	Million Tonnes	% Mn	Million tonnes	% Mn
<b>Zone M</b>	22.69	37.95	39.64	37.87	<b>62.33</b>	<b>37.90</b>
<b>Zone C</b>	22.95	36.68	40.61	37.01	<b>63.56</b>	<b>36.89</b>
<b>Zone N</b>	12.83	36.67	20.73	35.98	<b>33.56</b>	<b>36.25</b>
<b>Altered</b>	3.35	35.35	0.43	31.41	<b>3.78</b>	<b>34.90</b>
<b>Total</b>	<b>61.82</b>	<b>37.07</b>	<b>101.41</b>	<b>37.11</b>	<b>163.23</b>	<b>37.10</b>

The **Mineral Resource estimate** for the Tshipi Kalahari Manganese Project, as of 10th July 2009, was compiled and signed-off by Mr. D. R. Young, a Director of The Mineral Corporation, and a Competent Person in terms of the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code (2007)), and by Mr. S. R. Q. Nupen, a geologist with The Mineral Corporation. Mr. Young and Mr. Nupen's relevant qualifications are summarised below:

**D R Young**

BSc Honours, Chelsea College, London University (1974).

Fellow of the Geological Society of South Africa (FGSSA).

Member of the South African Institute of Mining and Metallurgy (MSAIMM). Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM).

South African Council for Natural Scientific Professions (Pr Sci Nat 400989/83).

35 years experience in the minerals industry as a geologist conducting Mineral Resource evaluations and valuation throughout the world in numerous commodities including manganese in the Kalahari Manganese Field.

**S R Q Nupen**

BSc Hons (Geology) UCT (1999)

South African Council for Natural Scientific Professions (Pr Sci Nat 400174/07)

Member of the Geological Society of South Africa (MGSSA)

9 years experience in exploration, orebody modelling, and Mineral Resource evaluation including platinum, gold and manganese in the Kalahari Manganese Field, uranium and iron ore.