

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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10 December 2009

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

Dear Sir/Madam

TSHIPI KALAHARI MANGANESE PROJECT – AGREEMENT EXECUTED

The Board of OM Holdings Ltd (“OMH”) is pleased to announce that OMH has executed a binding Memorandum of Agreement (“MoA”) with Ntsimbintle Mining (Proprietary) Limited (“Ntsimbintle”) in relation to OMH’s subscription to a 26% interest of new equity in Ntsimbintle for cash consideration of A\$63.8 million.

The MoA sets out the specific legal and commercial terms and conditions underlying OMH’s investment and future involvement in Ntsimbintle and Ntsimbintle’s 50.1% participating interest in the Tshipi Kalahari Manganese Project (“Tshipi Project”).

OMH’s investment in Ntsimbintle is expected to provide the following strategic benefits to OMH:

- serve as an excellent platform for OMH’s entry into the South African manganese industry in line with its stated strategic growth and diversification objectives;
- establish a dedicated direct relationship with a first class South African Black Economic Empowerment company with a long term commitment to the South African manganese industry and the development of the Tshipi Project;
- create a robust strategic foundation for the identification and execution of future South African and broader African manganese and steelmaking raw material exploration and development opportunities; and
- facilitate planning of further organic expansion opportunities within OMH’s existing smelting business and the identification of supporting expansion opportunities into energy related commodities within the strategic context of growth and continued diversification.

Ntsimbintle welcomes OMH’s investment and its direct involvement in the Tshipi Project. Ntsimbintle values OMH as a highly attractive strategic partner given its demonstrated involvement in and commitment to the global manganese industry, its strategic, operational, financial and marketing support behind the timely and successful development of the Tshipi Project, its experience and expertise in project development, operations and implementation of expansion opportunities as well as its unique China specific marketing skills and capabilities.



The MoA:

- Supersedes the terms and conditions of the previously signed Memorandum of Understanding in relation to Ntsimbintle and OMH;
- Specifically outlines material principle terms and conditions of the required Definitive Suite of Agreements (which include amongst others Share Subscription Agreements, a Share Exchange Agreement and a Shareholders Agreement) which are required to be formalised and executed by both parties by 31 March 2010;
- Defines the key terms and conditions related to the establishment of a defined Ntsimbintle entity ("Ntsimbintle Newco") which will hold Ntsimbintle's interest in the Tshipi Project assets;
- Establishes the representation of OMH on the Boards of Ntsimbintle Newco and Tshipi é Ntle Manganese Mining (Proprietary) Limited ("Tshipi");
- Outlines the agreed terms of OMH's minority protection rights and the respective shareholders' pre-emptive rights;
- Ensures the Tshipi Project's fully funded status and determines the respective funding structures with regards to the development of the Tshipi Project; and
- Sets out the key terms and conditions regarding the establishment of a joint venture marketing company between Ntsimbintle and OMH with the objective of providing marketing services to the Tshipi Project, subject to the approval of the Tshipi board under the terms of the existing Tshipi Shareholders' Agreement.

Completion of the transaction between Ntsimbintle and OMH remains subject to the finalisation of the Definitive Suite of Agreements, satisfactorily obtaining all regulatory consents and approvals, and to the procurement of all board and shareholder approvals and consents to the extent required and not already obtained. It is expected that the transaction will be completed by the end of the first quarter of 2010.

Ntsimbintle, the Pallinghurst Co-Investors and OMH are committed to work closely together to ensure the Tshipi Project's successful and timely development. As announced previously, OMH and Ntsimbintle will continue to discuss with the Pallinghurst Co-Investors (who hold the remaining 49.9% interest in the Tshipi Project) ways in which OMH may increase its future shareholding in the Tshipi Project.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



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 over 800,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,326km².

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 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.

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