

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 12

23 April 2010

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

Dear Sir/Madam

31 March 2010 QUARTERLY MARKET UPDATE

The Board of OM Holdings Limited ("OMH") is pleased to provide the following market update.

HIGHLIGHTS

BOOTU CREEK MANGANESE MINE (100%, Northern Territory, Australia)

OPERATING PERFORMANCE

- Quarterly production of 174,712 tonnes grading 37.6% Mn.
- Six shipments made during Q1 2010 representing 176,649 dry tonnes.
- Q1 2010 C1 unit cost of A\$4.54/dmtu adversely impacted by production disruptions during January and February and by extreme wet season conditions.
- A third mine production fleet was mobilised during the 2nd half of March 2010 which expanded mining capacity to facilitate an increase in ore feed stock. This fleet has the flexibility to be utilised during the 3rd and 4th Quarters of 2010 to accelerate a cut-back in the Shekuma pit so as to de-risk ahead of the 2011 wet season.
- Bootu Creek Secondary Processing Plant ("SPP") commissioned in December 2009 was performing at an annualised production level of 220,000 tpa by the end of the Quarter. Further optimisation initiatives are being implemented to bring the SPP production capability to 250,000 tpa. This production increase is scheduled to produce sinter feed.
- 2010 annual production target remains at 1 million tonnes, comprising 750,000 tonnes of 38% Mn grade and 250,000 tonnes of 35% Mn grade products.



QINZHOU SMELTER (100%, Guangxi, China)

- Furnace 101 re-commenced production on 11 February 2010 after re-modification and re-enforcement works were completed.
- Production of 4,196 tonnes of High Carbon Ferro Manganese (“HCFeMn”) achieved from Furnace 101 during the Quarter. This production was achieved based upon 44 operating days during the March 2010 Quarter. Production of 5,650 tonnes sinter ore was achieved during the Quarter as the commissioning process was being completed.
- Sales of 3,671 tonnes of HCFeMn achieved for the March 2010 Quarter.

MARKET OUTLOOK

- China crude steel production expected to reach 620 million tonnes in 2010. China crude steel selling price has been increasing by up to 8% and crude steel consumption is expected to grow by up to 10% compared with 2009. As such, demand for high grade seaborne siliceous manganese ore and HCFeMn is expected to continue to strengthen.
- Global steel production is forecast to grow by 9% to 1.2 billion tonnes during 2010, recovering to 2008 levels. China is expected to continue to represent close to 50% of global steel output.
- The March/April 2010 product market price is currently trading between US\$6.90 - 7.50/dmtu CIF China and is expected to increase to US\$9.00-10.00/dmtu CIF China for May/June 2010 shipments supporting the view of strong demand and tight supply.

CORPORATE

- Final dividend of A\$0.02 declared and is payable on 28 May 2010.
- Executed definitive suite of agreements (including amongst others a share subscription agreement, shareholders’ agreement and marketing joint venture agreement) in respect of the subscription by OMH of an approximate 26% interest in Ntsimbintle Mining (Proprietary) Limited.
- OM Materials (S) Pte Ltd executed a Facility Agreement with Standard Chartered Bank, Singapore Branch to provide a US\$90 million facility for the primary purpose of funding OMH’s investment interest in the Tshipi Project and to provide supplementary financing, if required.
- Acquired 15% strategic interest in ASX listed Northern Mining Limited as part of OMH’s commodity and geographical diversification strategy focusing on niche businesses in steel making raw materials with world class reserves.



OM MANGANESE LTD (“OMM”) – 100% OWNED

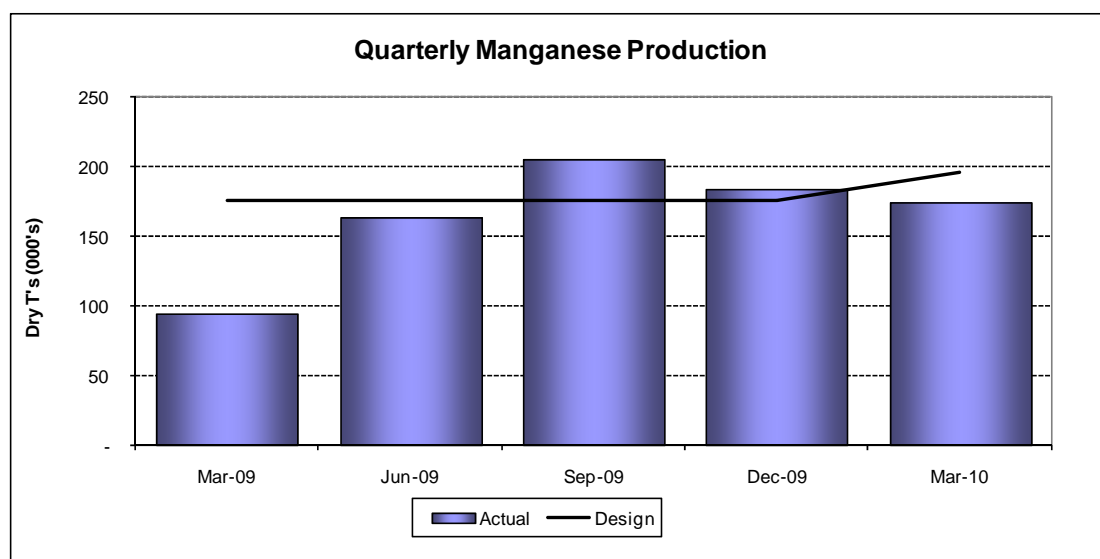
Bootu Creek Manganese Mine – Northern Territory, Australia

Production from the Bootu Creek Manganese Mine for the March 2010 Quarter is summarised below:

	Unit	March 2010 Quarter	FYTD 2010	Dec 2009 Quarter	March 2009 Quarter
Mining					
Total Material Mined	BCMs	2,436,037	2,436,037	2,782,893	2,475,667
Ore Mined – tonnes	dt	420,308	420,308	385,261	385,584
Ore Mined – Mn grade	%	22.01	22.01	22.69	22.78
Total Production – tonnes	dt	174,712	174,712	184,242	94,492
Total Production – Mn grade	%	37.58	37.58	38.66	40.40
Sales					
Lumps – tonnes	dt	94,266	94,266	146,588	120,448
Lumps – Mn grade	%	38.21	38.21	38.47	41.50
Fines – tonnes	dt	15,669	15,669	59,526	42,230
Fines – Mn grade	%	42.72	42.72	43.17	42.25
SPP Fines – tonnes	dt	66,714	66,714	-	-
SPP Fines – Mn grade	%	36.70	36.70	-	-
Total Sales – tonnes (dry)	dt	176,649	176,649	206,114	162,678
Total Sales – Mn grade	%	38.04	38.04	39.83	41.69

The Bootu Creek Manganese Mine produced 174,712 tonnes at an average grade of 37.6% Mn in the March 2010 Quarter. Production for the quarter was below the budget of 222,077 tonnes due to severe wet season conditions experienced during January and February which impacted on quarterly production. Quarterly production was also significantly affected by lower yielding ore throughout the Quarter and this was moderately alleviated by an additional 10% increase in tonnes processed compared to budget. Production for the corresponding period during 2009 was 94,492 tonnes which was similarly impacted by wet weather conditions.

The production strategy and mine plan’s objective focuses upon maximising product yield and metal recovery performance from each variation in ore grade and quality while maintaining a high value-in-use product for customers and this strategy will continue for the remainder of 2010.



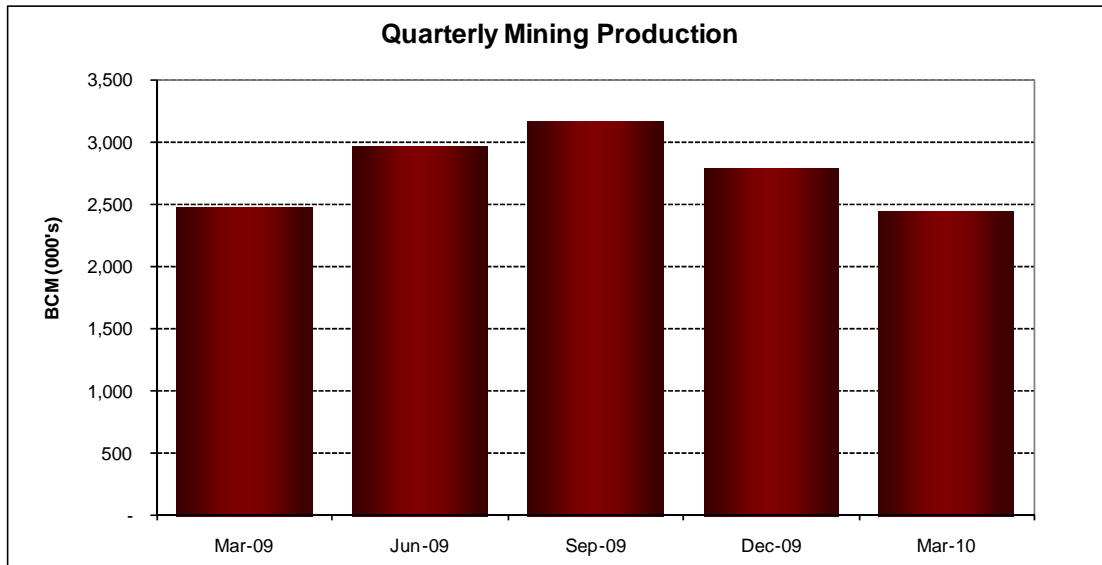


Mining

Mining activities during the March 2010 Quarter included advancing the Chugga South and Chugga North pits and mining of the Tourag 1 pit and Tourag 2 starter pit on the Western Limb of the Bootu Creek syncline.

Approximately 2.4 million bank cubic metres (“bcm”) of material was mined during the March 2010 Quarter with mining activity curtailed due to the wet conditions.

High grade ore stocks remained low throughout the March 2010 Quarter as a result of friable near surface ores in Chugga North extension 2 and Tourag 2 starter pit either being downgraded to low grade stockpiles or failing to meet cut-off grades. This under performance of the ore body has become less of an issue at depth as the material becomes less oxidised.



Processing

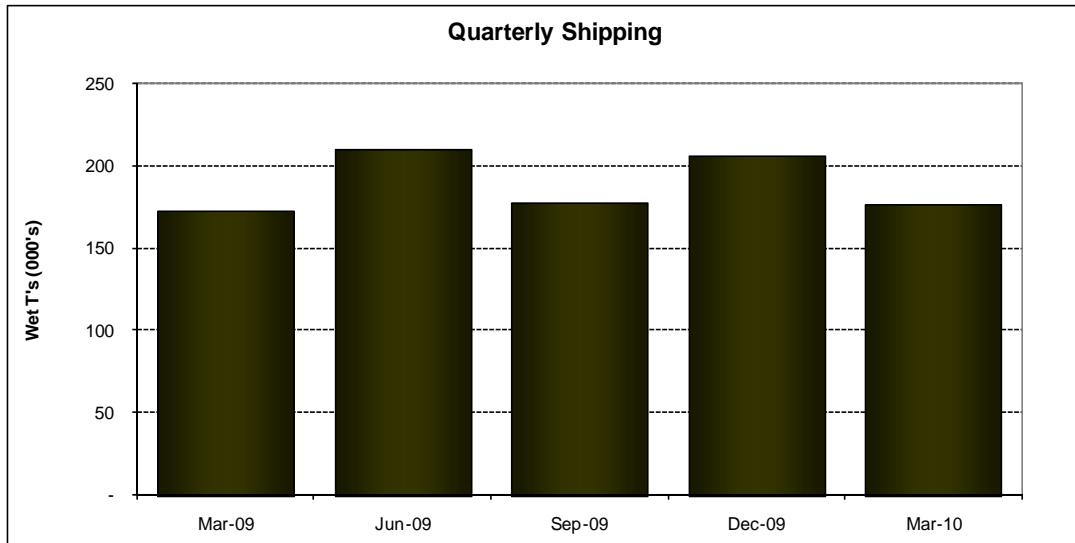
Production for the March 2010 Quarter was impacted by:

- Wet season conditions – impacting mining activity within wet affected pits; and
- Processing low yielding ores

The Secondary Processing Plant (“SPP”) during March 2010 achieved an annualised production rate exceeding 220,000 tonnes. The final tie in to the existing drum rejects conveyor has been delayed until May after which the plant will be fed by a combination of stockpiled and new drum plant reject material.

Logistics

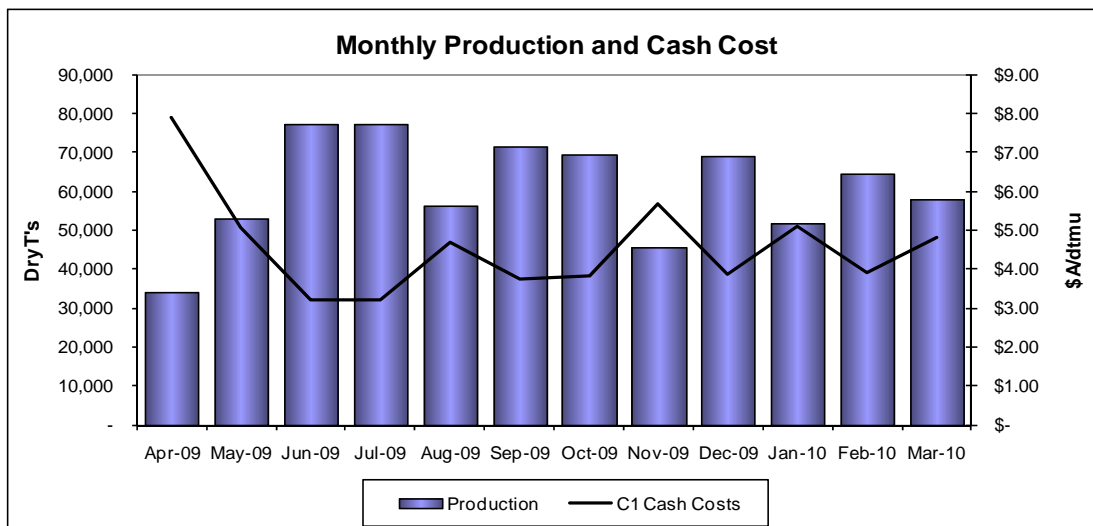
During the March 2010 Quarter a total of 176,649 dry tonnes of manganese product was exported in 6 shipments through the Port of Darwin.



Cash Operating Costs (C1)

C1 unit cash operating costs for the March 2010 Quarter were A\$4.54/dmtu ranging on a monthly basis from A\$3.89/dmtu to A\$5.08/dmtu, which were above budget as a result of lower wet season effected production for the quarter.

Further reductions in unit costs are expected going forward as production continues to increase. Forecast C1 unit cash operating costs for the 2010 year are estimated to be sustainable around the A\$3.50/dmtu level. C1 unit cash costs continue to include the fully expensed direct cash operating costs associated with mining activities (including pre-strip and advance mine development costs).



Hedging and Financing

As at 31 March 2010, OMM had no outstanding forward exchange contracts or borrowings.



Exploration

Geological mapping programs for the prospective Renner Springs and Helen Springs project areas completed in the December 2009 Quarter were digitised, interpreted and prepared as detailed stratigraphical and structural maps. The interpretation and analysis is currently being reviewed to assist with exploration planning and drill targets for the upcoming drill program. No exploration drill activity was undertaken during the wet season.

The Bootu Creek Mineral Resource and Ore Reserve update as at 31 December 2009 was completed during the March 2010 Quarter and details were published on 25 February 2010. Significant changes related to depletion through mining cavity and revised bulk density and product yield regressions, which in turn were largely balanced by the change in cut-off grades (reduced from 18% Mn to 15% Mn to reflect production and ore processing trends) and through incremental drill extensions to some of the existing deposits.

	31 December 2009		31 December 2008		Change
	M tonnes	% Mn	M tonnes	% Mn	
Mineral Resource	32.9	23.1	30.5	24.1	+ 2.4
Ore Reserve	20.5	21.4	22.4	22.1	- 1.9

- (i) Further information on the Mineral Resources and Ore Reserves was announced on 25 February 2010

External Exploration Projects

Waddikee Project - OMM earning a 60% interest

Monax Mining Limited (ASX: MOX) commenced exploration in late 2009 under a farmin agreement where OMM has agreed to fund A\$2 million over 4 years to acquire a 60% interest in the Waddikee Project located on the Eyre Peninsula, South Australia.

Detailed geological mapping, soil sampling and auger drilling defined up to six separate manganese horizons and a 5 km strike length at the Jamieson Tank prospect. Manganese grades up to 50.6% were reported from a rock chip sampling program (refer Monax ASX Announcement - Waddikee Manganese Project Update dated 15 March 2010 for further detail). RC drilling is planned to commence in late April 2010.

Carappee Hill Project – OMM earning a 60% interest

Archer Exploration Limited (ASX: AXE) and OMM executed a farmin agreement on 28 January 2010 where OMM has agreed to fund A\$0.6 million over 4 years to acquire a 60% interest in the manganese and iron rights on Archer's tenement EL3711.

The project area is contiguous with the Monax/OMM Waddikee Project and will be explored in conjunction with that project. RC drilling is planned to commence in May 2010.

Competent Person Statement

The information in this report which relates to resources and reserves is based on information compiled by Mr Craig Reddell and Mark Laing, both full time employees of OM (Manganese) Ltd and who are Members of the Australasian Institute of Mining and Metallurgy, and modelling by Mr Robert Spiers a full time employee of Hellman and Schofield Pty Ltd and who is a Member of the Australian Institute of Geoscientists. Mr Reddell, Mr Laing and Mr Spiers have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reddell, Mr Laing and Mr Spiers consent to the reporting of this information in the form and context in which it appears.

Competent Person Statement

The information in this report that relates to Monax Mining Limited's Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G M Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is employed full time by Monax Mining Limited as Managing Director and, has a minimum of five years relevant experience in the style of mineralisation and type of deposit under consideration and qualifies as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" Mr Ferris consents to the inclusion of the information in this report in the form and context in which it appears



OMM Outlook

Production for the remainder of 2010 remains focused on the implementation of strategies relating to the availability of high grade feed stocks, higher yielding ore improvements and further process optimisation initiatives. Although production is below budget YTD, the production target remains at 1 million tonnes for 2010. .

Significant efforts continue to identify further opportunities for capacity, yield, recovery and cost improvements to underpin the mine's position as one of the industry's pre-eminent low cost producers.

Exploration drilling is expected to recommence in May after being delayed by an extended wet season. The emphasis during 2010 will be on replacing ore mined at Bootu Creek and on establishing Inferred Resources on the Renner Springs and Helen Springs exploration project areas, which is supported by a A\$3.9 million budget.

OM MATERIALS (QINZHOU) Co Ltd ("OMQ") – GUANGXI, CHINA – 100% OWNED

Production

Smelter

During the March 2010 Quarter, OMQ produced 4,196 tonnes of High Carbon Ferro Manganese ("HCFeMn"). Lower production was due mainly to Furnace 101 only operating for 44 days and impacted by commissioning processes as well as the Chinese New Year holidays.

Production at the Qinzhou smelter for the March 2010 Quarter is summarised below:

Production	Unit	March 2010 Quarter	FYTD 2010	December 2009 Quarter	March 2009 Quarter
HC FeMn - tonnes	dt	4,196	4,196	6,301	10,173

Currently Furnace 102's re-modification, gas collection, dust clearance and transferring systems are being modified and are expected to be completed by the end of May 2010 with commissioning anticipated to occur in early June 2010.

Sinter Ore Plant

Production of 5,649 tonnes of sinter ore was achieved since final commissioning in the March 2010 Quarter.



Recently commissioned sinter ore facility with operating capability of 300,000 tonnes per annum

OMQ Sales

During the March 2010 Quarter OMQ secured 3,671 tonnes of HCFeMn sales. Although production and sales volumes are lower than budget, OMQ's profit after tax exceeded budgeted by 22% which was significantly attributable to higher selling prices secured for HCFeMn.

OMQ Outlook

As Furnace 101 reaches full production and Furnace 102 resumes production in early June 2010 after re-modification works are completed, OMQ is expecting that HCFeMn production for the June 2010 Quarter will target approximately 11,700 tonnes.

The sinter ore plant production is expected to continue to improve after equipment optimisation and employees become further trained with the processing requirements with OMQ expecting sinter ore production to target 62,500 tonnes in June 2010 Quarter allowing for scheduled maintenance.

As China crude steel consumption expects to grow by up to 10%, demand for manganese ore and HCFeMn is expected to continue to strengthen. OMQ anticipates it will benefit from the strengthening market environment during Q2 2010 and for the remainder of the calendar year.

OM MATERIALS (S) PTE LTD ("OMS") – SINGAPORE – 100% OWNED

Trading Operations and Market Outlook

During the March 2010 Quarter, OMS shipped and sold 186,990 wet tonnes of OMM manganese ore product and 31,562 wet tonnes of third party manganese ore product.

China crude steel production in January and February 2010 was 103 million tonnes. This was a 25% increase as compared to the same period in 2009. This supports the view that Chinese crude steel production may reach 620 million tonnes in 2010.



The World Steel Association reported that the world steel crude steel capacity utilisation ratio for February 2010 was approximately 80%, a 15-month high since September 2008. Compared to February 2009, the utilisation ratio in February 2010 increased by 12%. Global steel production is also forecast to grow by up to 1.2 billion tonnes during 2010, which is a recovery to the levels seen in 2008.

In January and February 2010, China imported 1.8 million tonnes of manganese ore. This was a 296% increase as compared to the same period in 2009. OMS in-house analysis estimates that China will need to import approximately 10 million tonnes of manganese ore to support 620 million tonnes of crude steel production.

The manganese ore market was more active in northern China as southern China continues to experience extreme drought conditions. Power availability for alloys production is restricted and continues to hinder production. The rainy season is expected to start in May. During this period, smelters will increase capacity utilisation and demand for manganese ore is expected to increase. Meanwhile smelters have commenced stocking-up and port inventories have begun to decline.

It was reported that BHPB had increased the price of its 44% Mn lump from US\$7.50/dmtu CIF for April 2010 shipments to US\$7.85/dmtu CIF for May/June 2010 shipments. Other major producers had followed suit and spot prices at ports also quoted and traded at higher prices as a result. This supports the view that demand is strong and supply remains tight.

NORTHERN IRON LIMITED (“NFE”) – 14.7% INTEREST

OM Holdings Limited presently holds 43,078,017 ordinary shares in NFE, with a current market value of approximately A\$65 million.

As previously announced NFE owns and operates the Sydvaranger iron ore mine in northern Norway and is considered the operation has the potential to become an independent long life world class emerging iron ore opportunity. OMH's commodity diversification strategy incorporating this investment is in line with its stated objective of building a significant carbon steel materials business. The investment is also viewed as strategically important and complementary to OMH's existing operations within the global steel materials business.

SHAW RIVER RESOURCES LIMITED (“SRR”) – 12.5% INTEREST

OM Holdings Limited presently holds 24,628,949 ordinary shares in SRR, with a current market value of approximately A\$5 million.

SCANDINAVIAN RESOURCES LIMITED (“SCR”) – 19.6% INTEREST

OM Holdings Limited presently holds 12,227,218 ordinary shares in recently ASX listed SCR, which has iron ore exploration opportunities in Sweden.

TERRITORY RESOURCES LIMITED (“TTY”) – 6.8% INTEREST

OM Holdings Limited presently holds 18,000,000 ordinary shares in TTY, with a current market value of approximately A\$4.5 million.



OM HOLDINGS LIMITED (“OMH”)

Investment in Ntsimbintle Mining (Proprietary) Limited and Standard Chartered Bank Financing

In March 2010 OMH and Ntsimbintle Mining (Proprietary) Limited ("Ntsimbintle") executed a definitive suite of agreements (including, amongst others, a share subscription agreement, shareholders agreement and marketing joint venture agreement) in respect of the subscription by OMH of an approximate 26% interest in Ntsimbintle.

Ntsimbintle holds a 50.1% interest in the Tshipi Kalahari Manganese Project (“Tshipi Project”) in South Africa.

The extent of OMH’s shareholding and the structuring of the investment creates a platform for OMH’s meaningful involvement in Ntsimbintle’s operating and marketing activities in relation to the Tshipi Project and ensures that OMH’s minority shareholder rights are adequately and appropriately protected.

OMH remains excited about the outstanding quality and strategic significance of the Tshipi Project and is committed to the Tshipi Project becoming a major part of the ongoing strategy to transform OMH into a leading globally integrated manganese and steelmaking raw materials company.

The investment will go unconditional upon the satisfaction of final conditions precedent which are standard commercial practice in South Africa including (i) the registration by the Registrar of Companies in South Africa of the resolutions necessary to implement the investment and (ii) South African Exchange Control approval of the investment. It is anticipated that these two conditions will be fulfilled shortly and, to this end, both parties have mutually agreed to extend the time period for the fulfilment of these conditions beyond 31 March 2010.

During the March 2010 Quarter OM Materials (S) Pte Ltd (“OMS”) executed a facility Agreement with Standard Chartered Bank, Singapore Branch to provide a US\$90 million facility for the primary purpose of funding OMH’s investment interest in the Tshipi Project and to provide supplementary financing, if required.

Capital

As at 31 March 2010 OMH had 491,010,150 ordinary shares and 57,495,000 unlisted options on issue.

Since the end of the quarter a further 6,500,000 unlisted options have been exercised and 50,000 unlisted options lapsed following cessation of employment of employees.

The Company declared a final dividend A\$0.02 per share which will be paid on 28 May 2010.

Senior Management Organisation Changes

As the Group continues to embark on the focused execution of its 2010 Operational Business and Strategic Growth Plans the following senior management changes became effective from 1 March 2010.

Paul Thomas, previously the Managing Director of OMM, has been promoted to the role of Chief Development Officer of OMH. Paul’s newly created role is responsible for all of the development activities of OMH in line with the Company’s strategic development plan. The role will ensure that the growth and development activities of OMH are identified, evaluated, resourced and executed in accordance with OMH's strategic development targets.

Fanie van Jaarsveld, previously the Head of Operations of OMM has been promoted into the role of Managing Director – OMM, replacing Paul Thomas. Fanie is responsible for all aspects of OMM's operational, financial and corporate activities with a strong focus on achieving further improvements in Bootu Creek’s safety performance, delivering the maximum achievable exploration outcomes at Bootu Creek, Helen and Renner Springs, the production of 1 million tonnes of product during 2010 and delivering the budgeted cost, yield, recovery and cost saving targets identified in the 2010 OMM Business Plan.



Heng Siow Kwee, has take on the role of Managing Director of OMS and will be responsible for overseeing the operational and financial activities and performance of the Group's marketing and trading division, based in Singapore and reporting to the CEO. She will continue to coordinate the Group's HR policies and procedures and will also continue in her role as OMH's joint Company Secretary.

Yours faithfully

OM HOLDINGS LIMITED

A handwritten signature in cursive script, appearing to read 'Heng Siow Kwee'.

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 1,000,000 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 is a constituent of the S&P/ASX 200 a leading securities index.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- *15% shareholding in **Northern Iron Limited** (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway;*
- *12% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Western Australia and Ghana;*
- *19% shareholding in **Scandinavian Resources Limited** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway; and*
- *7% shareholding in **Territory Resources Limited** (ASX Code:TTY), a company operating the Frances Creek iron ore mine in the Northern Territory.*