



Media Release

ASX: OMH

23 July 2010

## OMH RECORDS SOUND PRODUCTION RESULT AND COMPLETES ACQUISITION OF SUBSTANTIAL INTEREST IN WORLD CLASS MANGANESE PROJECT

### OM HOLDINGS LIMITED

(ARBN 081 028 337)

ASX code: OMH

Share price: A\$1.515  
(at close of trade on 22 July 2010)

Market capitalisation: -A\$755M

Ordinary shares on issue: 498.5M

Unlisted options on issue: 43.0M

#### Board

Executive Chairman  
Mr Low Ngee Tong

Executive Director, CEO  
Mr Peter Toth

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	22%
HSBC Custody Nominees Ltd	13%
Stratford Sun Limited	12%
Strategic Partners	10%
Zero Nominees Pty Ltd	5%
Top 20 Shareholders	86%

### HIGHLIGHTS

- Flagship Bootu Creek manganese mine in the Northern Territory records a quarterly production increase of 19% over the corresponding quarter last year and up 12% on the previous quarter.
- The Quarter's production costs reflected weather and short term mine schedule issues. Unit costs are set to fall for the remainder of 2010 as production increases and current pit optimisation work facilitates improved access to ore.
- Revised 2010 annual production target of 850,000 tonnes comprising high value-in-use products for customers ranging from 35% Mn to 38% Mn.
- Alloy production and sales from the Qinzhou smelter in China was more than double the March quarter as furnace re-modification works were completed.
- China steel prices are likely to weaken during the third quarter, impacting manganese alloy prices and reflecting ongoing demand volatility for steelmaking raw materials in the Chinese market. However OMH anticipates China will import more than 10 million tonnes of high grade manganese ore during 2010 to support its steel production output maintaining historically high levels of high grade ore imports during the second half of 2010.
- Peter Toth, OMH's Group CEO, was elected as the International Manganese Institute's new Chairman during the Institute's Annual Conference in Paris in May, 2010.

International diversified minerals group, OM Holdings Ltd **OM Holdings Limited (ASX Code: OMH)** ("OMH" or "the Company") has posted a sound quarterly performance including increased year on year quarterly manganese ore production.

OMH revealed today that production at its Bootu Creek manganese mine was up 19% over the corresponding quarter in 2009 and up 12% from the March quarter.

OMH Chief Executive Officer, Peter Toth said the quarter reflected the impact of challenging weather conditions at Bootu Creek.

"While short term mine schedule and weather issues affected unit costs during the June quarter, we expect unit costs to fall over the remainder of the year as we lift production levels and realise the benefits of the further pit optimisation work currently underway".

OMH's successful production and marketing strategy implemented during 2009 continues to focus on extracting maximum product yield and recovery from the production flexibility at Bootu Creek, whereby the Company is able to produce a range of graded high value-in-use products for its customers.

"We'll continue with this strategy for the remainder of 2010 as it remains particularly suitable for the current volatile market environment and enables us to extract maximum value from Bootu Creek while fully satisfying customer needs. We are expecting to see production levels of around 80,000 tonnes per month throughout the remainder of 2010".

OMH also reported that alloy sales from its 100% owned Qinzhou smelter in China was more than double the March quarter following the completion of furnace re-modification and reinforcement works. The newly commissioned sinter ore facility produced 34,352 tonnes during its optimisation phase.

OMH said it expects Chinese crude steel production to be above 600 million tonnes in 2010 and estimates that China will import in excess of 10 million tonnes of high grade manganese ore during 2010 to support this steel production output.

"Chinese market conditions continue to be volatile and we expect this to continue during the remainder of 2010. However with the stabilisation of steel production levels and prices together with the conclusion of the manganese ore and alloy de-stocking process during the coming months, we expect to continue seeing historically healthy levels of high grade ore imports during the second half of the year" Mr Toth said.

The Company also completed the acquisition of its 26% investment in Ntsimbintle Mining Pty Limited ("Ntsimbintle") for A\$64 million, with Ntsimbintle holding a 50.1% interest in the world class Tshipi Kalahari Manganese Project in South Africa.

"We are fully focussed on transforming OMH into a leading independent globally integrated manganese raw materials company and we see the Tshipi Project as an important part of that strategy in addition to all our existing complementary operations" Mr Toth said.

**For further information please contact:**

**Peter Toth**  
**Chief Executive Officer**  
**OM Holdings Limited**  
**Tel: +65 6346 5515**

**David Brook**  
**Professional Public Relations**  
**Tel: +61 8 9388 0944**  
**Mobile: 0415 096 804**

## **ABOUT 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 1,000,000 tonnes of manganese product annually. Bootu Creek has further exploration potential given that its tenement holdings extend over 3,300km<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 and sinter ore plant 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, a positioned that is strengthened by products from Bootu Creek and Qinzhou.*

*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.*