

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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

Dear Sir/Madam

OM (MANGANESE) LTD ("OMM")

On 15 December 2015, the mining operations at the Bootu Creek Manganese project owned and managed by OMM were suspended. Since that time, significant efforts have been made by OMM's management (including active consultation with key stakeholders, and in particular with OMM's creditors, financiers, contractors and suppliers) to improve efficiencies, reduce costs and restructure liabilities to enable OMM to continue trading through this sustained commodities downturn. Despite their efforts, and the marked reduction in the operating costs at the Bootu Creek project, management have formed the view that the project cannot continue to operate sustainably in the current market.

With the significant global decline in the demand of manganese and the market outlook, the directors of OMM have determined that the financial position of OMM has been adversely affected to the extent that OMM requires formal restructuring.

The board of OMM has today appointed James Thackray of The Headquarters Corporate Advisory as Administrator of the Company pursuant to s436A of the Corporations Act. It is envisaged that OMM will be restructured via the administration process, with a view to recommence trading when the market for manganese has improved.

All queries regarding OMM are to be directed to the administrator at jamesthackray@bigpond.com

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

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BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products.

OMH is involved in mining manganese product in Australia and South Africa and smelting in East Malaysia.

The smelter in Sarawak, Malaysia is 75% owned by OMH and is nearing construction completion.

The first phase of the Sarawak smelter project commenced production in September 2014 and will ramp up to full production by the end of 2015. When completed the ferrosilicon production facility's capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters globally.

OMH, through a wholly owned subsidiary, owns the Bootu Creek manganese mine in the Northern Territory. This mine has the capacity to produce up to 1,000,000 tonnes of manganese product per annum.

OMH also owns a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which, in turn owns 50.1% interest in the world class Tshipi Borwa ("Tshipi") manganese mine in South Africa. This mine has the capacity to produce up to 2,400,000 tonnes of manganese product per annum when the permanent processing plant is completed.

The manganese products of Bootu Creek, and those from Tshipi, are exclusively marketed through the OMH's trading division and OM Tshipi Pte Ltd (33.33% owned) respectively. Through all these activities OMH has established itself as a significant manganese supplier to the global market.