

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

MARCH 2016 QUARTERLY PRODUCTION AND MARKET UPDATE

The Board of OM Holdings Limited (“OMH” or “the Company”) is pleased to provide the following update.

HIGHLIGHTS

OPERATING PERFORMANCE

OM SARAWAK (75%, Samalaju, Malaysia)

- Ferrosilicon produced during the March 2016 quarter of 30,643 tonnes, an increase of approximately 103% over the corresponding quarter in 2015
- Achieved a production average of 58.59 tonnes of ferrosilicon per furnace per day, which exceeded the furnace design capacity of 55 tonnes per furnace per day
- Ferrosilicon sales of 25,155 tonnes for the March 2016 quarter

EXPLORATION AND MINING (OMM, 100% owned Bootu Creek Manganese Mine)

- There was no mining and production activity carried out for the March 2016 quarter

MARKETING AND TRADING, AND MARKET UPDATE

- 282,787 tonnes of third party ores and alloys were transacted during the March 2016 quarter
- China’s crude steel production between January to March 2016 amounted to 191.7 million tonnes, representing a 1.07% quarter-on-quarter decrease
- World crude steel production for the March 2016 quarter was 385.4 million tonnes, representing a 0.24% quarter-on-quarter decrease



OM MATERIALS (SARAWAK) SDN BHD (“OM Sarawak”) (75%, Samalaju, East Malaysia)

OM Sarawak owns a Ferro Alloy Smelting Project in the Samalaju Industrial Park in Sarawak, Malaysia (the “Project”). The Project consists of 8 Main Workshops and a total of 16 units of 25.5 MVA furnaces with a design capacity to produce 308,000 tonnes of ferrosilicon alloys per annum.

Commercial operation

During the March 2016 quarter, a total of 30,643 tonnes of ferrosilicon was produced, an increase of approximately 103% over the corresponding quarter in 2015. With the stabilisation of the furnaces, a production average of 58.59 tonnes per furnace per day was achieved. This has exceeded the Company’s furnace design capacity of 55 tonnes per furnace per day, which resulted in improved operating efficiency and a lower cost of production for the ferrosilicon.

For the March 2016 quarter, a total of 25,155 tonnes of ferrosilicon was sold. OM Sarawak will continue to monitor the ferrosilicon market closely and ramp up the furnaces to its nameplate production capacity.



Direct shipment of ferrosilicon

EXPLORATION AND MINING

**OM (MANGANESE) LTD (ADMINISTRATOR APPOINTED) (“OMM”)
BOOTU CREEK MANGANESE MINE (100%, Northern Territory, Australia)**

On 15 December 2015, the mining operations at the Bootu Creek Manganese Mine were suspended due to the ongoing and material fall in the manganese price. As announced to ASX on 4 January 2016, OMM was placed into voluntary administration on that date.

As a result of this, there was no mining and production activity carried out at the Bootu Creek Manganese Mine for the March 2016 quarter.



MARKETING AND TRADING, AND MARKET UPDATE

During the March 2016 quarter, a total of 282,787 tonnes of ores and alloys was transacted.

According to Worldsteel, crude steel production in China between January to March 2016 amounted to 191.7 million tonnes, representing a 1.07% decrease against the December 2015 quarter. This was also 2.70% lower compared to the corresponding quarter in 2015.

In the current quarter, prices of 44% Mn rebounded strongly to close at US\$3.88/dmtu CIF China, an increase of US\$2.02/dmtu from the previous quarter of US\$1.86/dmtu CIF China.

OM Holdings Limited

CORPORATE

Tshipi é Ntle Manganese Mining (Pty) Ltd (“Tshipi”)

OMH has an effective 13% interest in Tshipi through its 26% strategic partnership with Ntsimbintle Mining (Proprietary) Limited, the majority (50.1%) owner of Tshipi.

Tshipi owns 2 manganese prospects in the world class Kalahari Manganese field, namely Tshipi Borwa and Tshipi Bokone.

Tshipi Borwa Manganese Mine

Tshipi exports for the March 2016 quarter totalled 178,198 tonnes (Q1 2015: 474,837 tonnes) representing a 62.5% decrease from the corresponding quarter in 2015.

OM SARAWAK ISSUE OF UP TO 450 MILLION CONVERTIBLE PREFERENCE SHARES (“CPS”)

As announced to the ASX on 7 April 2016, the Company’s subsidiary, OM Materials (Sarawak) Sdn. Bhd. (“OM Sarawak”) has executed a subscription agreement to issue up to an aggregate of 450 million Convertible Preference Shares (“CPS”) to its wholly owned subsidiary, OM Materials (S) Pte Ltd (“OMS”) and Samalaju Industries Sdn. Bhd. (“SISB”) for a total consideration of RM 450 million (equivalent to approximately A\$151,394,385¹). SISB is a wholly owned subsidiary of Cahya Mata Sarawak Berhad.

The issuance of up to 450 million CPS will strengthen the financial position of OM Sarawak and allow the Project in Sarawak to move on to its next phase of development activities as well as to meet its financial obligations on a timely basis.

CAPITAL STRUCTURE

There were no movements in the share capital structure of the Company during the quarter. As at 31 March 2016, the Company had 733,423,337 ordinary shares, 25,000,000 convertible notes and 31,200,000 unlisted warrants on issue.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

¹ Based on the MYR/AUD conversion rate as at 7 April 2016, being the date of the ASX announcement.



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metal materials 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 Sarawak, East Malaysia.

The smelter in Sarawak is 75% owned by OMH and physical construction of Phase 1 of the ferrosilicon production facility has been completed.

Having commenced construction in Q3 2012, first tapping was achieved on 22 September 2014. The facilities' capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters in the world. Manganese Alloy production is under review and is expected to commence in 2016.

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 Main Street 774 (Pty) Limited, 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 OMH's trading division, OM Materials (S) Pte Ltd, 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.