OM HOLDINGS LIMITED

(ARBN 081 028 337)

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11 November 2005

Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

OM HOLDINGS LIMITED ("OMH") SECURES 100% OF THE BOOTU CREEK MANGANESE PROJECT ("THE PROJECT") & EQUITY PLACEMENT TO RAISE A$21 MILLION

Highlights

- **Conditional agreement reached for Bootu Creek Resources Pty Ltd ("BCR") to acquire Groote Eylandt Mining Pty Ltd's ("GEMCO") 25% interest in the Bootu Creek Joint Venture, subject to execution of a binding sale and purchase agreement. This will provide OMH with 100% ownership of the Project located in the Northern Territory via BCR.**
- **Consideration is US$15.32 million, of which US$10.0 million will be payable upon settlement, followed by two equal installments of US$2.66 million payable on 31 December 2006 and 2007 respectively.**
- **Proposed 20,000 metre drilling programme commencing in the June 2006 quarter aimed at doubling the current resource base of 11.1m tonnes.**
- **Euroz Securities Ltd has secured commitments from its clients to raise A$21 million (before placement costs) by way of an equity placement of 20 million ordinary shares in OMH at an issue price of A$1.05 per share. The placement is subject to shareholder approval, which will be sought by early December 2005. The placement will fund the initial US$10.0 million payment to GEMCO, transaction costs, augment working capital and will accelerate the planned drilling programme.**

Transaction Summary

The Board of OMH is pleased to announce that on behalf of its wholly owned subsidiary BCR, a conditional letter agreement has been concluded, subject to the execution of a binding sale and purchase agreement, to acquire GEMCO's 25% interest in the Project for US$15.32 million. GEMCO is owned 60% by BHP Billiton and 40% by Anglo American.

The consideration is payable as follows:

(i) US$10.0 million to be paid upon execution of a binding sale and purchase agreement and including satisfactory completion of requisite conditions precedent;
(ii) US$2.66 million by 31 December 2006; and
(iii) US$2.66 million by 31 December 2007.

#08 – 08, Parkway Parade
80 Marine Parade Road, 449269 Singapore
Tel: 65-6346 5515 Fax: 65-6342 2242
Email address: om@ommaterials.com
ASX Code: OMH

Transaction Conditions

The acquisition is subject to a number of conditions including:

- Execution of a binding sale and purchase agreement between OMH, BCR and GEMCO;
- Drawdown by BCR on the recently announced project financing facility for the Project on or before 14 November 2005;
- Completion of a capital raising amounting to a minimum A$15 million; and
- Receipt of all necessary corporate, regulatory and contractual consents, permissions and approvals by OMH, BCR and GEMCO.

OMH expects settlement for the initial US$10 million to occur no later than 31 December 2005.

Security for the second and third installments will be in the form of a guarantee to be provided by the Commonwealth Bank of Australia.

As previously announced, OMH has secured a A$20 million limited recourse project financing facility with the Commonwealth Bank of Australia for the purpose of funding BCR's remaining capital and working capital obligations related to its 75% interest.

Strategic Impact

The acquisition allows OMH to:

(a) control the Project in its entirety;
(b) simplify and streamline the management of the Project by BCR; and
(c) add increased cash flow benefits from the anticipated additional annual production, estimated at approximately 150,000 manganese tonnes per annum from the additional 25% interest.

The acquisition (when successfully concluded) is expected to allow OMH to increase the level of exploration and to capitalise on the exploration potential of this underexplored manganese province with the aim to extend the current planned mine life.

The Board considers that once completed the acquisition will advance OMH's strategy to become a fully integrated miner, processor and trader of manganese product, with operations in Australia, China and Singapore. The acquisition should facilitate greater operating flexibility and drive further synergies within OMH's integrated business.

Major Exploration Programme Planned

It is intended that the exploration potential of the Project when wholly owned will be actively pursued by way of a 20,000 metre drilling programme after the wet season in the June quarter of 2006. Upon completion this drilling campaign should almost double the historic level of drilling and will aim to double the current resource base.

Share Placement (Subject to Shareholder Approval)

Euroz Securities Limited has secured commitments from its clients to raise A$21 million (before placement costs) by way of a placement of 20 million shares at A$1.05 per share. The clients are sophisticated and professional investors (in accordance with section 708 of the Corporations Act 2001). The placement is subject to shareholder approval, which will be sought at a General Meeting to be convened by early December 2005.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

For further information:
Paul Chapman
Managing Director
Bootu Creek Resources Pty Ltd
33 Colin Street, West Perth, WA, 6005
Tel: (618) 9481 0955
Fax: (618) 9481 0966
Email: admin@bootu.com.au

BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH was listed on the ASX in March 1998 and has grown into a fully integrated miner, processor and trader of manganese product with operations in Australia, China and Singapore.

Through its wholly owned subsidiary, Bootu Creek Resources Pty Ltd ("BCR"), OMH manages the Bootu Creek Manganese Project located 110 km north of Tennant Creek in the Northern Territory. The Project is a joint venture between BCR (75%) and GEMCO (25%). GEMCO is 60% owned by BHP Billiton and 40% owned by Anglo American.

The Bootu Creek Manganese Project is presently under development and is expected to produce at an annual rate of 550,000 to 600,000 manganese tonnes. The Project also has excellent exploration potential.

Product from the Project will be exclusively marketed by OMH's successful trading division with a proportion of production from the Project shipped to OMH'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. The development of the Bootu Creek Manganese Project will facilitate and further strengthen OMH's position in this market.

OMH has a strong, lowly geared financial position and has paid regular dividends since 1998.