

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 11

5 March 2007

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

Dear Sir/Madam

NON-RENOUCEABLE ENTITLEMENTS ISSUE

1. Non-Renounceable Entitlements Issue

The Board of OM Holdings Limited ("OMH") is pleased to announce a fully underwritten pro-rata non-renounceable entitlements issue to shareholders of 1 share for every 2 shares held. The issue price will be 22 cents per share. The issue will raise approximately \$16,316,599 before the costs of the issue and result in approximately 74,166,358 ordinary shares being issued. The issue has been fully underwritten by Euroz Securities Limited. The proceeds raised via this issue will be used as follows:

- Fund appropriate capital improvements at the Bootu Creek Manganese Mine to deal with wet weather events (both in terms of mining and processing of ore);
- Improve overall production levels and consistency of manganese production; and
- Pay debt obligations to the project financier in relation to the extension of the existing standstill arrangement.

The Directors of the Company have formally agreed to take up their full entitlements under the entitlements issue.

An indicative timetable will be released within the next seven days.

A disclosure document in relation to the offer is expected to be lodged with the ASX within the next two weeks.

2. Issue of Unlisted Options

Further to the Company's announcement on 18 December 2006 the Company advises that following the completion of the technical review upon the Bootu Creek Manganese Mine's operating capability and performance it has issued to Euroz Securities Limited 2,000,000 unlisted options in the Company at an exercise price of 20 cents each and expiring on 2 March 2012.

Similarly a further 1,000,000 unlisted options in the Company at an exercise price of 20 cents each and expiring on 2 March 2012 have been issued to Mr Frank Fergusson for his consultancy services provided for identifying and implementing recommended operational changes designed to improve current productivity and production targets.



The issue of these unlisted options has been made in accordance with the Company's existing capacity to issue securities under Listing Rule 7.1 of the ASX Listing Rules.

In addition 1,323,000 unlisted options exercisable at \$1.05 each on or before 30 November 2008 have lapsed following cessation of three employees of the OMH Group.

Accordingly please find attached ASX Appendix 3B - New Issue Announcement and Application for Quotation of Additional Securities.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH which was listed on the ASX in March 1998 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. In the immediate future, the OMH Group expects to commence commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd (“OMM”), OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110 km north of Tennant Creek in the Northern Territory.

Bootu Creek is expected to produce at an annual rate of 550,000 tonnes of manganese ore. Bootu Creek has further exploration potential given that its tenement holdings extend over 1,750 km².

Bootu Creek’s manganese product will be exclusively marketed by the OMH Group’s own trading division with a proportion of the product expected to be 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 will strengthen OMH’s position in this market.

OMH also holds an 16% shareholding in Territory Iron Ltd, a company presently pursuing the development of the Frances Creek iron ore project in the Northern Territory.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

OM HOLDINGS LIMITED

ARBN

081 028 337

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Unlisted options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 3,000,000 unlisted options |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) 2,000,000 unlisted options exercisable at 20 cents each on or before 2 March 2012 to Euroz Securities Limited; and
(ii) 1,000,000 unlisted options exercisable at 20 cents each on or before 2 March 2012 to Mr Frank Fergusson. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	<p>Not applicable</p>
<p>5 Issue price or consideration</p>	<p>Options issued for no consideration</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Unlisted options issued to Euroz Securities Limited and Frank Fergusson respectively as announced on 18 December 2006.</p>
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>2 March 2007</p>

⁺ See chapter 19 for defined terms.

	Number	+Class
8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	148,332,717	Ordinary Shares ("OMH")

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	1,000,000	Unlisted options exercisable at 72 cents each expiring on 30 June 2009.
	2,427,500	Unlisted options exercisable at \$1.05 each expiring on 30 November 2008.
	1,320,000	Unlisted options exercisable at \$0.60 each expiring on 31 December 2009.
	1,320,000	Unlisted options exercisable at \$0.72 each expiring on 30 June 2010.
	3,000,000	Unlisted options exercisable at \$0.20 each expiring on 2 March 2012.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Ordinary shares will participate on an equal basis to dividends declared and paid.
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Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	Not applicable.
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12 Is the issue renounceable or non-renounceable?	Not applicable.
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+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

13	Ratio in which the +securities will be offered	Not applicable.
14	+Class of +securities to which the offer relates	Not applicable.
15	+Record date to determine entitlements	Not applicable.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable.
17	Policy for deciding entitlements in relation to fractions	Not applicable.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Not applicable.
19	Closing date for receipt of acceptances or renunciations	Not applicable.
20	Names of any underwriters	Not applicable.
21	Amount of any underwriting fee or commission	Not applicable.
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable.
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable.

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do †security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do †security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	*Despatch date	Not applicable.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

† See chapter 19 for defined terms.

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New issue announcement

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought **Not applicable.**

39 Class of +securities for which quotation is sought **Not applicable.**

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Not applicable.

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

Not applicable.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

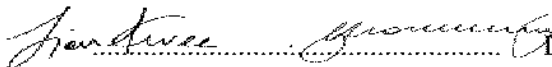
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: **5 MARCH 2007**
(Company secretary)
Print name: **HENG SIOW KWEE/JULIE ANNE WOLSELEY**

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+ See chapter 19 for defined terms.