OM HOLDINGS LIMITED

(ARBN 081 028 337)

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3 January 2012

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

Dear Sir/Madam

NORTHERN TERRITORY TRAIN DERAILMENT

OM Holdings Limited ("OMH" or "the Company") advises that a Genesee & Wyoming Australia Pty Ltd ("GWA") freight train travelling towards Darwin, in the Northern Territory, derailed on the Edith River Bridge north of Katherine on 27th December 2011 due to adverse wet conditions caused by Cyclone Grant. The freight train was not carrying any of the Company's manganese product from its Bootu Creek Manganese Mine at the time of the derailment.

A preliminary assessment recently provided by GWA to OMH's wholly-owned subsidiary OM (Manganese) Ltd ("OMM") indicates that the rail bridge can be repaired without replacement of major structural piers and spans. GWA and its engineering contractor are currently developing a plan to work 24 hours/7 days a week on a recovery and repair program to facilitate the re-opening of the track which at the present time is estimated to take approximately 30 days, subject to the expediency of the mobilisation and recovery initiatives.

OMM operates the Bootu Creek Manganese Mine and utilises 4 train services per week provided by GWA to transport OMM's manganese product from its Muckaty Rail Siding to the Port of Darwin for shipment to export markets.

OMM is working with GWA on an on-going basis to fully understand the impact of the incident, monitor the progress of repairs and to identify alternative interim transport options and alternatives.

It is anticipated that two of OMM's scheduled export shipments will be impacted as a result of this incident over the next five to six weeks. OM Materials (S) Pte Ltd ("OMS"), OMH's Singapore based marketing division, is in discussions with its customers to manage any potential impact of the incident, which will involve, amongst other options, utilising the OMH Group's existing manganese product stockpiles located at its stockpile and distribution centres in Northern and Southern China. The impact of this incident on the OMH Group's distribution and trading activities will be further mitigated by the seasonal slow-down of ore purchasing activity by Chinese customers during the Chinese New Year holiday season between mid January 2012 to early February 2012.

Despite the derailment, production at OMM is expected to continue uninterrupted and product will be stockpiled on the mine and at OMM's Muckaty Rail Siding with railing and shipping expected to resume once the rail line is re-opened. Storage capacity at the Muckaty Rail Siding and at the mine site is not expected to be constrained whilst production continues despite the delay in rail activity. It is anticipated that approximately 6 shipments will still be made by OMM from the Port of Darwin in the first quarter of 2012 in line with the mine's budgeted shipment schedule and previous first quarter shipments.

The Company does not expect any long term impact to OMH Group revenue and/or take-or-pay obligations due to the anticipated short term impact of the incident.

The Company will continue to liaise closely with GWA and inform the market should any significant changes occur to the initial assessment described above.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

BACKGROUND PROFILE OF 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 2,800km^2.

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 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 has strengthened OMH's position in this market.

OMH holds a 26% investment in Ntsimbintle Mining (Proprietary) Ltd, which holds a 50.1% interest in the world class Tshipi Borwa manganese project in South Africa.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- *14% shareholding in **Northern Iron Limited** (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway;*
- *8% shareholding in **Shaw River Manganese Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana; and*
- *11% shareholding in **Scandinavian Resources Ltd** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.*