

OM HOLDINGS LIMITED

(ARBN 081 028 337)



NO. OF PAGES LODGED: 2 – Covering pages
18 – Notice of Annual General Meeting and Explanatory Statement
and Proxy Form

12 April 2012

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

Dear Sir/Madam

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

Please be advised the Company has dispatched the attached Notice of Annual General Meeting and Explanatory Statement to all Shareholders. A personalised Proxy Form was also included.

The Annual General Meeting has been convened to be held on Friday 11 May 2012 at the Company's Singapore Head Office at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore commencing at 10.00am.

Yours faithfully

OM HOLDINGS LIMITED



Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND INFORMATION ON 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 2,400km².

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; and*
 - *8% shareholding in **Shaw River Manganese Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana.*
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OM HOLDINGS LIMITED
ARBN 081 028 337

**NOTICE OF ANNUAL GENERAL MEETING,
EXPLANATORY STATEMENT
AND
PROXY FORM**

Date of Meeting
Friday, 11 May 2012

Time of Meeting
10.00am (Singapore time)

Place of Meeting

OM Holdings Limited
#08-08, Parkway Parade,
80 Marine Parade Road, Singapore

THIS NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN ANY DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR PROFESSIONAL ADVISER PRIOR TO VOTING.

OM HOLDINGS LIMITED

ARBN 081 028 337

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of OM Holdings Limited ("**Company**") will be held at the Company's Singapore Head Office at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore on Friday, 11 May 2012 commencing at 10.00am, for the purpose of transacting the following business.

ITEMS OF BUSINESS:

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice.

RESOLUTION 1 – FINANCIAL STATEMENTS AND REPORTS

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That the Company receive and consider the following documents:

- (a) the statement of financial position of the Company as at 31 December 2011;
- (b) the statement of comprehensive income of the Company for the year ended 31 December 2011;
- (c) the consolidated financial statements of the Company and its controlled entities as at and for the year ended 31 December 2011; and
- (d) the reports of the Directors and Auditors on the financial statements of the Company and on the consolidated financial statements of the Company and its controlled entities."

RESOLUTION 2 – RE-ELECTION OF MR LOW NGEE TONG AS A DIRECTOR

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That in accordance with Bye-law 88, Mr Low Ngee Tong retires and, being eligible, offers himself for re-election, is re-elected a Director of the Company."

RESOLUTION 3 – RE-ELECTION OF MS JULIE ANNE WOLSELEY AS A DIRECTOR

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That in accordance with Bye-law 88, Ms Julie Anne Wolseley retires and, being eligible, offers herself for re-election, is re-elected a Director of the Company."

RESOLUTION 4 – RE-ELECTION OF MR ZAINUL ABIDIN RASHEED AS A DIRECTOR

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That in accordance with Bye-law 87(2), Mr Zainul Abidin Rasheed who, having been appointed as a Director to fill a casual vacancy, retires and, being eligible, offers himself for re-election, is re-elected a Director of the Company."

RESOLUTION 5 – RE-ELECTION OF MR PETER CHURCH OAM AS A DIRECTOR

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That in accordance with Bye-law 87(2), Mr Peter Church OAM who, having been appointed as a Director to fill a casual vacancy, retires and, being eligible, offers himself for re-election, is re-elected a Director of the Company."

RESOLUTION 6 – APPROVAL OF RE-APPOINTMENT OF AUDITOR

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That in accordance with Bye-laws 155 and 157, Shareholders of the Company re-appoint Foo Kon Tan Grant Thornton as auditor at remuneration to be determined by the Directors of the Company."

RESOLUTION 7 – RATIFICATION OF SHARE PLACEMENT TO HANWA

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue and allotment of 25,000,000 Shares to Hanwa on 7 March 2012, at an issue price of A\$0.3907 per Share, which raised gross proceeds of A\$9,767,500 and on such other terms and conditions referred to in the Explanatory Statement accompanying this Notice."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 7 by Hanwa and any associate of Hanwa. However, the Company need not disregard a vote:

- (i) if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or*
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

RESOLUTION 8 – RATIFICATION OF THE ISSUE OF CONVERTIBLE NOTES TO HANWA

To consider and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rules 7.1 Exception 4 and 7.4, and for all other purposes, Shareholders ratify and approve the issue and allotment of 25,000,000 Convertible Notes to Hanwa on 7 March 2012, for an aggregate subscription amount of US\$21,447,261 and on such other terms and conditions referred to in the Explanatory Statement accompanying this Notice."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 8 by Hanwa and any associate of Hanwa. However, the Company need not disregard a vote:

- (i) if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or*
- (ii) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

ITEMS OF OTHER BUSINESS:

To deal with any other business which may be brought forward in accordance with the Company's Bye-laws or the Companies Act 1981 of Bermuda.

Definitions

Certain abbreviations and other defined terms are used throughout this Notice and the Explanatory Statement. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Statement.

By order of the Board



Heng Siow Kwee/Julie Wolseley

COMPANY SECRETARY

Dated: 5 April 2012

NOTES

- In accordance with Bye-law 47, it has been determined by the Board that the Members entitled to attend and vote at the Annual General Meeting shall be those persons recorded on the register of Members at **10.00am on Wednesday 9 May 2012**. Only those persons will be entitled to vote at the Annual General Meeting on **Friday, 11 May 2012**.
- A Member entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote at this Annual General Meeting.
- Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Member's voting rights.
- A proxy may but need not be a Member of the Company.
- The proxy form must be signed by the Member or their attorney duly authorised. Proxies given by a corporation must be signed either under seal or under the hand of an officer or their attorney duly authorised.
- To be valid, the form appointing the proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged with OM Holdings Limited at its Head Office at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore 449269 or the Company's Share Registry, Computershare Registry Services Pty Ltd at Level 2, Reserve Bank Building, 45 St George's Terrace, Perth, Western Australia 6000 not later than 48 hours before the time for holding the Annual General Meeting.
- For the convenience of Shareholders, a Proxy Form accompanies the Notice.

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the proposals to which the Resolutions contained in the accompanying Notice relate.

The Directors of the Company recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice:

1. Resolution 1 – Approval of 2011 Financial Statements and Reports

Resolution 1 addresses an item of regular business and is self explanatory. A copy of the 2011 financial statements are available on the Company's website at www.omholdingsltd.com

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

BACKGROUND TO RESOLUTIONS 2 – 5 (INCLUSIVE)

Under the Company's Bye-laws and the ASX Listing Rules, at each annual general meeting of the Company, one-third of Directors are required to retire from office by rotation with every Director (excluding the Managing Director) being required to retire at least once every three years. Therefore in accordance with this retirement by rotation requirement, at least two of the Directors are required to retire by rotation at the close of the Meeting.

The Directors to retire by such rotation at the Meeting are those Directors who have been longest in office since their last election (and if applicable, Directors elected on the same day may agree among themselves or determine by lot which of them must retire). The Directors longest in office since their last election are Mr Low Ngee Tong who was re-elected at the annual general meeting held on 26 May 2009 and Ms Julie Anne Wolseley who was re-elected at the annual general meeting held on 19 May 2010.

Accordingly, both Mr Low Ngee Tong and Ms Julie Anne Wolseley, will retire by rotation at the end of the Meeting, however, each being eligible, offer themselves for re-election at the Meeting.

Shareholders are also being asked to consider the re-election at the Meeting of the two new non-executive Directors, Mr Zainul Abidin Rasheed, and Mr Peter Church OAM, each of whom were appointed by the Board as independent Non-Executive Directors on 3 October 2011 and 12 December 2011 respectively to fill casual board vacancies (ie they were both appointed in the period since the Company's last annual general meeting held on 20 April 2011).

Bye-law 87(2) of the Company's Bye-laws provides that the Board may appoint a person to be a Director to fill a casual vacancy. However, any person so appointed may only hold office as a Director until the next annual general meeting of the Company and is then, upon retirement, eligible for re-election at that meeting.

Accordingly, both Mr Zainul Abidin Rasheed and Mr Peter Church OAM, will retire at the end of the Meeting, however, each being eligible, offer themselves for re-election at the Meeting.

Brief profiles of each director seeking re-election at the Meeting are set out below.

2. Resolution 2 – Re-election of Mr Low Ngee Tong as a Director

As described above, Mr Low Ngee Tong, being a Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director of the Company. Mr Low is the Executive Chairman of the Company.

Mr Low, aged 58, founded the OMH Group in 1995. Mr Low was one of the founding directors of the OMH Group's mining subsidiary which in 2001 identified the opportunity of pursuing manganese exploration and mining opportunities in the Northern Territory of Australia which were viewed as a complementary operational extension to the OMH Group's existing metals trading business. Mr Low's extensive knowledge and expertise in the global steel and metals industries (gained from the trading of chrome and manganese ore from multi-national mining companies) enabled him to actively advance the exploration and development potential of the Bootu Creek Manganese Mine now actively operating in the Northern Territory. Mr Low was also instrumental in developing the OMH Group's ferro alloy processing and smelting businesses in China including the construction of a sinter ore facility complementary to the existing ferro alloy smelter operation.

Mr Low is a qualified mechanical engineer, having graduated in 1980 from the University of Singapore with a bachelor's degree in Mechanical Engineering. He has over 28 years of experience in the steel, ferro alloy and building materials industries in Asia. Mr Low's exposure to the carbon steel materials business was gained through working in a number of companies including as a project engineer for a Japanese engineering firm, as a mechanical engineer for a US offshore consultancy and construction company in Singapore, as a senior marketing executive and as a trading manager with a Japanese trading house, where he was responsible for trading steel-making raw materials into the PRC from various global locations, covering commodities such as manganese ore, chrome ore and iron ore.

More recently Mr Low has been instrumental in advancing the OMH Group's Malaysian development strategy which represents a unique opportunity for the OMH Group to be an active participant in establishing one of the world's lowest cost and strategically located greenfield ferro alloy plants with unparalleled competitive advantages. In particular, Mr Low has proactively sought and secured the Malaysian smelting project's unique competitive advantages including, but not limited to, access to 500 megawatts of competitively priced long term hydroelectric power supply, identification of coastal industrial land with direct access to a dedicated future port facility, geographical proximity to both raw materials and Asian steel mills, tax incentives, no import and/or export duties as well as comprehensive purpose built industrial infrastructure.

The Board unanimously recommends that Shareholders vote in favour of Resolution 2.

3. Resolution 3 – Re-election of Ms Julie Anne Wolseley as a Director

As described above, Ms Julie Anne Wolseley, being a Non-Executive Director of the Company, retires by way of rotation and, being eligible, offers herself for re-election as a Director of the Company. Given her financial background Ms Wolseley is also a member of the Audit and Remuneration Committees.

Ms Wolseley, aged 46, resides in Australia and was appointed as a Non-Executive Director on 24 February 2005. Ms Wolseley holds a Bachelor of Commerce degree and is a Chartered Accountant. Ms Wolseley is the principal of a corporate advisory company and has over 20 years of experience acting as company secretary to a number of ASX listed companies operating primarily in the resources sector. Her expertise includes corporate secretarial, management accounting, financial and management reporting in the mining industry, initial public offerings, capital raisings, cash flow modelling and corporate governance. Ms Wolseley is also a Member of the Australian Institute of Company Directors.

Ms Wolseley acts at the Company's Joint Company Secretary based in Australia. She is responsible for ASX and ASIC compliance and reporting, Board, shareholder and committee meetings and reporting, corporate governance, assisting with documentation and process management for corporate initiatives, co-ordinating shareholder reporting, share registry liaison and undertaking specific corporate requirements directed by the Executive Chairman, Chief Executive Officer and/or the senior executive team as required.

In her capacity as the Company's Joint Company Secretary the services provided by Ms Wolseley are charged on an arms length commercial basis. The value of services provided to the Company is not viewed as being a material supplier in accordance with the ASX Corporate Governance Council's Principles and Recommendations and was disclosed in the Company's 31 December 2011 statutory accounts.

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

4. Resolution 4 – Re-election of Mr Zainul Abidin Rasheed as a Director

As described above, as Mr Zainul Abidin Rasheed was appointed by the Board to fill a casual vacancy, Mr Zainul Abidin is required to retire at the Meeting, however, being eligible, offers himself for re-election as a Director of the Company. Mr Zainul Abidin is also the independent Deputy Chairman and assumes the role of lead independent Non-Executive director.

Mr Zainul Abidin, aged 64, was until 2011 a Member of Parliament and the Senior Minister of State for the Ministry of Foreign Affairs of the Government of Singapore, a position he held since 2006.

Mr Zainul Abidin graduated with a Bachelor of Arts (Honours) in Economics and Malay Studies from the National University of Singapore. Prior to becoming a politician, Mr Zainul Abidin had an outstanding career in journalism, which included the positions of Editor of Berita Harian, The Singapore Business, The Sunday Times and Associate Editor of The Straits Times.

Mr Zainul Abidin served on the boards of numerous government agencies, councils and civil organisations including Executive Secretary of the Singapore Port Workers' Union, President of the Singapore Islamic Religious Council, Chairman of the Malay Heritage Foundation, the Council for Security Co-operation in the Asia Pacific, the National University of Singapore Council as well as being the Patron of the Singapore Rugby Union. Mr Zainul Abidin is a current member of the New York-based Asia Society Global Council.

Mr Zainul Abidin is a member of the Company's Audit and Remuneration Committees.

As the Company continues to execute its growth strategy through the development of the Tshipi Borwa manganese mine in South Africa and the Malaysian ferro alloy smelting projects, Mr Zainul Abidin's global network and international experience, especially in South East Asia, Africa and the Middle East, has already made a valued contribution to the Board.

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

5. Resolution 5 – Re-election of Mr Peter Church OAM

As described above, as Mr Church was appointed to the Board to fill a casual vacancy, Mr Church is required to retire at the Meeting, however, being eligible, offers himself for re-election as a Director of the Company.

Mr Church, aged 61, a highly successful Australian commercial lawyer who resides in Singapore, has had a career spanning more than 30 years which has encompassed significant experience throughout South East Asia and India including foreign investment consultancy and corporate advisory on numerous regional projects including many in the resources' sector. Mr Church was a senior partner with the leading Australian and regional law firm, Freehills and was its Asian Regional Manager partner in Singapore at the time he retired from the firm.

Mr Church holds a Bachelor of Commerce (from the University of New South Wales), a Bachelor of Laws (from the University of Sydney) and a Master of Laws (from the University of London). Mr Church is also a Fellow of the Australian Institute of Company Directors.

In 1994 Mr Church was awarded the Medal of the Order of Australia (OAM) by the Australian Government for his promotion of business between Australia and South East Asia.

Presently Mr Church is the chairman of AFG Venture Group – an Australian and Asian corporate advisory firm with various activities throughout Australia, South East Asia and India. He is also Special Counsel to Stephenson Harwood, an English law firm with operations in multiple jurisdictions including London, Hong Kong and Singapore. Mr Church also holds the position of non-executive director with the Singapore International Chamber of Commerce.

Mr Church's calibre and wealth of experience complements the Board's existing skill set having substantial corporate and business experience, extensive knowledge of legal, corporate and financial aspects of listed companies and the ability to make a strong strategic contribution to the Company.

The Board unanimously recommends that Shareholders vote in favour of Resolution 5.

6. Resolution 6 – Approval to Re-appointment of Auditor

The Company's current auditors, Foo Kon Tan Grant Thornton, Certified Public Accountants, offer themselves for re-appointment. Bye-law 155 requires the auditor to be approved by Shareholders annually. Bye-law 157 requires the remuneration of the auditor to be fixed by the Company in general meeting or such other manner as the Shareholders determine. It is recommended that the Directors of the Company in their absolute discretion determine the remuneration of the auditor.

The Board is satisfied that Foo Kon Tan Grant Thornton is independent of the Company and Foo Kon Tan Grant Thornton has not brought to the Board's attention any matters which would indicate that Foo Kon Tan Grant Thornton has contravened its auditor independence requirements in accordance with its statutory requirements and in contravention of any applicable code of professional conduct.

The audit fees paid/payable to Foo Kon Tan Grant Thornton for the year ended 31 December 2011 totalled A\$109,397. During 2011 Foo Kon Tan Grant Thornton provided no other services to the Company other than audit services and also being the Joint Reporting Accountant associated with the Company's proposed listing on the Main Board of The Hong Kong Stock Exchange Limited (which ultimately did not proceed) for which it had been specifically mandated and earned fees of A\$50,000.

The Board of Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

7. Resolution 7 – Ratification of Share Placement to Hanwa

On 29 February 2012, the Company announced that it had executed a Share Subscription Agreement with Hanwa to issue to it 25,000,000 Shares at an issue price of A\$0.3907 per Share, raising gross proceeds of A\$9,767,500 ("Share Placement"). The issue price represented a 10% premium to the 15-day volume weighted average price of the Company's existing Shares on ASX prior to and including 27 February 2012.

The Shares the subject of the Share Placement were issued on 7 March 2012 and as a result Hanwa became a strategic shareholder with a 4.1% interest.

Hanwa is a highly successful Japanese international trading company with significant operations specialising in the marketing and distribution of steelmaking ferro alloys including manganese, silicon and chromium, as well as steel products and non-ferrous metals. Hanwa is listed on both the Tokyo Stock Exchange and Osaka Securities Exchange with a market capitalisation of approximately A\$1 billion.

Hanwa ranks among the leading specialist suppliers of metals in the world, serving its customers not only in Japan, but also in China, India and other Asian countries as well as Europe.

The establishment of this highly prospective long-term strategic and marketing relationship with Hanwa represents a major milestone in the evolution of the Company's shareholder base. This transaction consummates a long-term shareholding relationship, a marketing co-operation platform and a specific off-take commitment for products from the Company's Sarawak Project currently under development in Malaysia. It also acknowledges the potential for significant shareholder value creation through focused downstream integration and geographic diversification, in line with the dynamic transformation of the global manganese and steelmaking ferro alloy industries.

The Company's ongoing relationship with Hanwa was embodied in the Share Placement, along with the issue of the Convertible Notes the subject of Resolution 8, as well as a marketing agreement executed on 28 February 2012 under which the Company's trading subsidiary OM Materials (S) Pte Ltd and Hanwa have agreed to enter into a strategic marketing relationship covering the sale and marketing of 80,000 tonnes of ferro-silicon and 80,000 tonnes of silico-manganese product from the Sarawak Project, part of which is expected to be incorporated into a specific off-take agreement to be finalised between the parties by 30 April 2012.

The Share Placement was consistent with the Company's previous announcements indicating its intention to raise new equity capital through attracting strategic investors supporting the Company's

vision, underlying fundamentals, growth strategy, downstream expansion and geographical diversification.

The net proceeds of the Share Placement will further finance development activities at the Sarawak Project in Malaysia, in which the Company has an 80% interest.

ASX Listing Rule 7.4

ASX Listing Rule 7.1 imposes a limit on the number of Shares that the Company can issue or agree to issue in a 12 month period without Shareholder approval. Generally, and subject to the exceptions set out in ASX Listing Rule 7.2, the Company may not, without prior Shareholder approval, issue in any 12 month period more than 15% of the number of Shares on issue 12 months before the date of the issue. The Share Placement was made in accordance with the Company's placement capacity under ASX Listing Rule 7.1.

Further, ASX Listing Rule 7.4 provides that an issue of Shares made without approval under ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time the issue was made and Shareholders subsequently ratify the issue. Accordingly, Shareholders are requested to ratify the Share Placement in accordance with ASX Listing Rule 7.4 thereby refreshing that portion of the Company's placement capacity that was reduced by the issue of the Shares the subject of the Share Placement.

Please note that if Shareholders approve Resolution 7, any future equity raisings by the Company would remain subject to the 15% limit set out in ASX Listing Rule 7.1. The effect of passing Resolution 7 would be that the Shares issued under the Share Placement would not reduce the number of Shares that could be issued by the Company without Shareholder approval (subject to the 15% limit) and will increase the base number of Shares from which the 15% calculation is made.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of Shares issued was 25,000,000;
- (b) the issue price was A\$0.3907 per Share;
- (c) 25,000,000 Shares were issued and allotted on 7 March 2012;
- (d) the Shares were issued on the same terms and conditions as the Company's existing Shares and rank *pari passu* in all respects with all other Shares in the Company on issue;
- (e) the placee was Hanwa Co., Ltd. a sophisticated investor in accordance with the *Corporations Act 2001* (Cth);
- (f) the net proceeds of the funds raised under the Share Placement will further finance development activities at the Sarawak Project in Malaysia;
- (g) no related parties participated in the above equity issue; and
- (h) the issue of the above Shares was made within the Company's capacity to issue securities without Shareholder approval pursuant to ASX Listing Rule 7.1.

The Company currently has 604,105,150 Shares, 25,000,000 Convertible Notes and 21,000,000 unlisted options (with varying exercise prices and expiry dates) on issue.

The Board unanimously recommends that Shareholders vote in favour of Resolution 7.

8. Resolution 8 – Ratification of the Issue of Convertible Notes to Hanwa

On 29 February 2012, the Company also announced that it had executed a Convertible Note Subscription Agreement with Hanwa to issue to it 25,000,000 unsecured convertible notes which raised an aggregate principal amount of US\$21,447,261 with the 5.0% convertible notes due on 6 March 2016 and convertible in accordance with the terms and conditions of issue including an initial Conversion Price of A\$0.80 per Share ("Convertible Notes"). The Convertible Notes were issued on 7 March 2012.

The Convertible Notes are convertible, at any time at the option of the Holder, in accordance with the Terms, into Shares. The number of Shares into which the Convertible Notes convert is calculated by dividing the outstanding principal amount of the Convertible Notes being converted by the Conversion Price. The Conversion Price is initially A\$0.80 per Share (with translations between US\$ and A\$

occurring at the exchange rate agreed between the parties, being US\$1.00 =A\$0.93252 being the average exchange rate between 7 February 2012 and 27 February 2012). The Conversion Price is subject to adjustment in accordance with the Terms.

At anytime after 7 March 2014 and prior to maturity, the Company may provide notice to Hanwa of the redemption of not less than 2.5 million Convertible Notes at an amount represented by a 15% premium over the face value of the Convertible Notes redeemed.

A summary of the key Terms of the Convertible Notes is attached as Annexure A to this Explanatory Statement.

ASX Listing Rules 7.1 Exception 4 and 7.4

Shareholder approval under ASX Listing Rule 7.1 was not required for the issue by the Company of the Convertible Notes. The Company confirms that it was not in breach of ASX Listing Rule 7.1 at the time of issue. However, the Company is now seeking that the issue of the Convertible Notes be treated as having been made with Shareholder approval for the purposes of ASX Listing Rule 7.1, pursuant to ASX Listing Rule 7.4. Accordingly, Shareholders are requested to ratify the issue of the Convertible Notes in accordance with ASX Listing Rules 7.1 Exception 4 and 7.4 to refresh that portion of the Company's placement capacity that was reduced by the issue of the Convertible Notes.

If Shareholder approval is obtained under Resolution 8, the issue of the Convertible Notes and the subsequent issue of Shares on conversion of the Convertible Notes (in reliance on ASX Listing Rule 7.1 Exception 4) will be excluded from the calculation of the 15% limit under ASX Listing Rule 7.1.

The Board believes that the ratification of the Convertible Notes is beneficial for the Company, and is in the Company's best interests. It allows the Company the flexibility to issue the maximum number of equity securities permitted under ASX Listing Rule 7.1 without Shareholder approval during the next 12 months, providing the Company with the flexibility to respond in a timely manner to any funding requirements which may arise.

ASX Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) a total number of 25,000,000 Convertible Notes were issued to Hanwa on 7 March 2012 with a face value of A\$0.80 each and for a total subscription price of US\$21,447,261;
- (b) the Convertible Notes are convertible into Shares. The maximum number of Shares that may be issued upon the conversion of the Convertible Notes is 25,000,000 Shares, based on the current Conversion Price of A\$0.80 per Share. However, the current Conversion Price is subject to adjustment in certain circumstances as outlined in Annexure A. The maximum number of Shares that may be issued will vary according to the Conversion Price as adjusted in accordance with the Terms of the Convertible Notes as summarised in Annexure A;
- (c) a summary of the key Terms of the Convertible Notes is attached as Annexure A to this Explanatory Statement;
- (d) Shares issued on the conversion of the Convertible Notes will have the same terms and rank equally in all respects with existing Shares in the Company and will be quoted on ASX;
- (e) the net proceeds raised from the Convertible Notes will be used to provide further financing of the development activities at the Sarawak Project in Malaysia;
- (f) no related parties participated in the above equity issue; and
- (g) the issue of the above Convertible Notes was made within the Company's capacity to issue securities without Shareholder approval pursuant to ASX Listing Rule 7.1.

The effect of passing Resolution 8 would be that the issue of the Convertible Notes would not reduce the number of equity securities that could be issued by the Company without Shareholder approval (subject to the 15% limit). Only the subsequent issue of Shares on conversion of the Convertible Notes will increase the base number of Shares from which the 15% calculation is made.

The number of Shares issued upon conversion of each Convertible Note will be calculated by dividing the outstanding amount by the Conversion Price of the Convertible Note. The Conversion Price was initially set at A\$0.80 per Share but is subject to a number of adjustments events with further details summarised in Annexure A. Accordingly, the Conversion Price applied at the time of conversion may in fact be lower than A\$0.80 per Share. If this is the case, a higher number of Shares will be issued upon the conversion of the Convertible Notes.

The Board believes that the ratification of the issue of the Convertible Notes is beneficial for the Company, and is in the Company's best interests. It allows the Company the flexibility to issue the maximum number of equity securities permitted under ASX Listing Rule 7.1 without Shareholder approval during the next 12 months, providing the Company with the flexibility to respond in a timely manner to any funding requirements which may arise.

Further information about the Share Placement and the issue of the Convertible Notes can be found in the Company's announcement dated 29 February 2012, and in the Company's Cleansing Notice dated 7 March 2012, both of which are accessible on either the Company's or ASX's website.

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

GLOSSARY

"**A\$**" means the currency of the Commonwealth of Australia;

"**Annual General Meeting**" or "**Meeting**" means the general meeting to be held pursuant to the Notice;

"**ASX**" means ASX Limited ABN 98 008 624 691, or the financial market operated by it, as the context requires;

"**ASX Listing Rules**" means the Listing Rules of ASX, as amended or replaced from time to time except to the extent of any written waiver granted by ASX;

"**Board**" means the board of directors of the Company from time to time;

"**Bye-laws**" means the Company's Bye-laws, as amended from time to time;

"**Company**", "**Issuer**" or "**OMH**" means OM Holdings Limited ARBN 081 028 337;

"**Companies Act**" means the *Companies Act 1981* of Bermuda (as amended from time to time);

"**Convertible Notes**" means the US\$21,447,261 aggregate principal amount 5% convertible notes issued on 7 March 2012 and due on 6 March 2016 issued by the Company, convertible into Conversion Shares for which approval is sought under Resolution 8 to the Notice;

"**Convertible Note Subscription Agreement**" means the subscription agreement for the subscription for the Convertible Notes entered into on 28 February 2012 between the Company and Hanwa;

"**Conversion Price**" has the meaning given to it in the Terms;

"**Conversion Shares**" means the Shares into which the Notes convert if converted, initially being 25,000,000 in number, but subject to adjustment in accordance with the Terms;

"**Directors**" means the directors of the Company;

"**Explanatory Statement**" means this explanatory statement, accompanying the Notice;

"**Hanwa**" means Hanwa Co., Ltd. the subscriber for Shares the subject of Resolution 7 and the subscriber for the Convertible Notes the subject of Resolution 8;

"**Holder**" means the holder(s) of the Convertible Notes from time to time, initially being Hanwa;

"**OMH**" means the Company;

"**OMH Group**" means OMH and its subsidiaries;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Notice**" means the Notice of Annual General Meeting accompanying the Explanatory Statement;

"**Resolution**" means a resolution contained in the Notice;

"**Sarawak Project**" means the development of a greenfield manganese and ferro-silicon alloy smelter with an annual production capacity of 600,000 tonnes in the Samalaju Industrial Park, Sarawak, Malaysia in which the Company has an 80% interest;

"**Share**" or "**Shares**" means a fully paid ordinary share/s in the capital of the Company;

"**Shareholder**" or "**Member**" means a holder of Shares in the Company;

"**Share Subscription Agreement**" means the subscription agreement for the subscription for the issue of 25,000,000 Shares at an issue price of A\$0.3907 each, which raised gross proceeds of A\$9,767,500, entered into on 28 February 2012 between the Company and Hanwa;

"**Terms**" means the terms and conditions of the Convertible Notes, summarised in Annexure A of this Notice; and

"**US\$**" means the currency of the United States.

OM HOLDINGS LIMITED
ARBN 081 028 337

ANNEXURE A

SUMMARY OF THE CONVERTIBLE NOTES TERMS AND CONDITIONS

This is a summary of the key principal features of the Convertible Notes Issued to Hanwa Co., Ltd.

Issuer	OM Holdings Limited (ARBN 081 028 337).
Subscriber	Hanwa Co., Ltd.,
Convertible Notes	US\$21,447,261 aggregate principal amount 5.0% Convertible Notes due on 6 March 2016.
Issue size	25,000,000 Convertible Notes, each with a face value of A\$0.80 (translated into US\$0.86 based on the exchange rate of US\$1.00 = A\$0.93252 - being the average exchange rate between 7 February 2012 and 27 February 2012).
Issue price	100% of the principal amount.
Issue Date	7 March 2012.
Maturity Date	6 March 2016.
Interest	The Convertible Notes bear interest at the rate of 5% per annum, with interest payments made annually by the Company and in arrears on each anniversary of the Issue Date. Where a Convertible Note is converted or redeemed prior to the Maturity Date, the Company will, at that time, pay Hanwa a pro-rata proportion of the interest payment.
Security	The Convertible Notes are unsecured obligations of OM Holdings Limited.
Guarantors	The Convertible Notes are not guaranteed.
Ranking	The Convertible Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Company, ranking <i>pari passu</i> and rateably without any preference or priority among themselves, and, except as otherwise provided under any applicable laws or regulations, rank at least equally with all other present and future direct, unsubordinated, unconditional and unsecured obligations of the Company.
Quotation	The Convertible Notes are not quoted on the ASX.
Conversion	Each Convertible Note is, at the election of Hanwa, and at any time after the Issue Date and until 1 week prior to the Maturity Date, convertible into Shares. The number of Shares will be determined by dividing the aggregate principal amount for the Convertible Notes for which conversion is sought by the Conversion Price (translated into US\$ at a conversion exchange rate of exchange rate of US\$1.00 = A\$0.93252 - being the average exchange rate between 7 February 2012 and 27 February 2012).
Conversion Shares	The Shares into which the Convertible Notes convert if converted, initially being 25,000,000 in number, but subject to adjustment to the Conversion Price.
Conversion Price	A\$0.80 per Share, subject to standard adjustment mechanisms for: (i) when there is a free distribution, bonus issue, division, consolidation and re-classification in relation to the Shares; (ii) if the Company conducts a rights or warrants issue entitling existing Shareholders to subscribe for new Shares in the Company at a price which is less than the market price for Shares on the record date (for that rights or warrants issue); (iii) if the Company conducts a rights or warrants issue entitling existing Shareholders to subscribe for convertible securities (which convert into Shares) and the Conversion Price for those convertible securities is less than 95% of the market price for Shares on the record date (for that rights or warrant issue);

	(iv) if the Company distributes to existing Shareholders evidences of its indebtedness, Shares (other than Conversion Shares), assets (excluding annual or interim dividends) or rights or warrants to subscribe for or purchase certain securities (other than those referred to above); (v) if the Company issues securities convertible into Shares (other than by way of a pro-rata offer, but including to vendors of assets acquired by the Company) and the consideration per Share for those convertible securities is less than 95% of the market price for Shares on the date on which the Company fixes that consideration; (vi) if the Company issues any Shares (other than Conversion Shares, Shares issued pursuant to an all scrip takeover offer, or a scrip dividend) and the issue price for those Shares is less than 95% of the then market price for Shares; (vii) if the Company issues any rights or warrants to subscribe for or purchase Shares or securities convertible into or exchangeable for Shares (other than the Convertible Notes and any rights or warrants granted, issued or offered to the holder of Shares or pursuant to the Terms of any securities) and the issue price for those Shares is less than 95% of the then market price for Shares; (viii) if the Company issues any Shares credited as fully paid to existing holders of Shares by way of capitalisation of profits or reserves and which would not have constituted a capital distribution; (ix) where there is an issue of Shares by way of a scrip dividend (provided certain conditions are satisfied); (x) when the Company makes a capital distribution to Shareholders; and (xi) if the Company issues any securities convertible into Shares where the consideration per Share receivable by the Company is less than the Conversion Price before the adjustment.
Redemption	At any time after the second anniversary of the Issue Date and prior to the Maturity Date, the Company may give notice in writing to Hanwa that the Company wishes to redeem all or part (being not less than 2,500,000 Convertible Notes) of the Convertible Notes on issue. On a redemption before the Maturity Date, the Company must pay to Hanwa the Redemption Price of 115%. An adjustment will be made to the Redemption Price should specified events occur. Convertible Notes not converted by Hanwa or redeemed or otherwise cancelled by the Company prior to the Maturity Date will be redeemed by the Company at 100% of their principal amount on that date.
Taxation	If there is any change to tax laws or treaties in Bermuda that would impose an additional material tax liability (other than corporate income tax or other regulatory obligations) on the Holder in respect of amounts payable on the Convertible Notes, the Company will pay amounts as necessary to the Holder to negate this.
Events of default	If any of the specified events of default occur then for a period of 3 months from the occurrence of the event of default, Hanwa, at its option, shall be entitled to give a notice in writing to the Company requiring the Company to redeem its Convertible Notes. The Convertible Notes will then be redeemed by the Company paying Hanwa an amount which represents 115% of the face value of the Convertible Notes redeemed. Events of default are as follows: • a default by the Company in the payment of the principal or interest in respect of the Convertible Notes or any of them and such default is not remedied by the Company within thirty business days (as defined in the Terms); • there is a failure by the Company to deliver and list the Conversion Shares (or the ASX objects to the quotation of the Conversion Shares) as and when such Conversion Shares are required to be delivered and listed;

	- the Company does not perform or comply with one or more of its obligations under the Convertible Note Subscription Agreement and such default is incapable of remedy or not remedied within 30 days after written notice from Hanwa; - the Company or any of its subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts or proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Company; (i) any other present or future financial indebtedness of the Company or any of its subsidiaries for or in respect of moneys borrowed or raised (other than in the ordinary course of the Company's business) becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company or any of its subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this condition have occurred, which either individually or cumulatively in the aggregate, equal or exceed US\$100 million or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the US dollar as quoted by any leading bank in Australia on the day on which such indebtedness becomes due and payable or is not paid under any such guarantee or indemnity; - final judgment(s) against the Company or any of its subsidiaries for an amount which either individually or in aggregate is at least US\$100 million; - it becomes unlawful for the Company to comply with the Convertible Note Subscription Agreement; - a resolution is passed or an order of a court of competent jurisdiction is made that the Company or any of its subsidiaries be wound up or dissolved, otherwise than for the purpose of or pursuant to a Shareholder approved consolidation, amalgamation, merger, reconstruction or reorganisation in which the continuing corporation effectively assumes the entire obligations of the Company under the Convertible Notes; - the delisting of the Shares on ASX or a suspension of trading of such Shares on the ASX for a period of twenty consecutive Business Days (as defined in the Terms) or more; - the Company ceases, suspends or threatens to cease or suspend the conduct of all or a substantial part of its business or disposes of or threatens to dispose of a substantial part of its business; or - there is a Change of Control of the Company (as that term is defined in the Terms).
Transferability	Hanwa must not transfer the Convertible Notes without the prior written consent of the Company.
Convertible Note Register	The Company must establish and maintain a register of Convertible Noteholders.
Governing law	Singapore law.

OM HOLDINGS LIMITED
(ARBN 081 028 337)



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OM Holdings Limited
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Lodge your vote:



By Mail:

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GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
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For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by **10.00am (WST) Wednesday 9 May 2012**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of OM Holdings Limited hereby appoint



the Chairman
of the meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of OM Holdings Limited to be held at #08-08, Parkway Parade, 80 Marine Parade Road, Singapore on Friday, 11 May 2012 at 10.00am (Singapore time) and at any adjournment of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Financial Statements and Reports	☐	☐	☐
Resolution 2	Re-election of Mr Low Ngee Tong as a Director	☐	☐	☐
Resolution 3	Re-election of Ms Julie Anne Wolseley as a Director	☐	☐	☐
Resolution 4	Re-election of Mr Zainul Abidin Rasheed as a Director	☐	☐	☐
Resolution 5	Re-election of Mr Peter Church OAM as a Director	☐	☐	☐
Resolution 6	Approval of Re-appointment of Auditor	☐	☐	☐
Resolution 7	Ratification of Share Placement to Hanwa	☐	☐	☐
Resolution 8	Ratification of the Issue of Convertible Notes to Hanwa	☐	☐	☐

In the event that any matter is properly brought before the Annual General Meeting but for which specific voting instructions have not been given in this proxy, in accordance with the OM Holdings Limited Bye-laws, the Chairman of the Meeting will be entitled to vote the shares represented by this proxy at his discretion.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

OMH

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Computershare +