

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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16 August 2012

ASX Market Announcements

ASX Limited

4th Floor

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

OM Holdings to raise up to approximately A\$72.5¹ million for the Sarawak Project

OM Holdings Limited (**OMH**) is pleased to announce an equity capital raising to raise gross proceeds of up to approximately A\$72.5 million. The raising consists of a 3 for 10 non-renounceable pro-rata entitlement offer of new ordinary shares in OMH (**New Shares**) to eligible shareholders in OMH (**Entitlement Offer**) at A\$0.40 per New Share (**Offer Price**).

The Entitlement Offer Price of A\$0.40 per New Share represents:

- 9.1% discount to the last closing price of OMH shares on ASX of A\$0.44 on 15 August 2012, and
- 7.8% discount to the five day volume weighted average price of OMH shares traded on ASX up to and including 15 August 2012

The Entitlement Offer is positively supported by a number of OMH's major shareholders, with existing major shareholders accounting for approximately 40% of OMH shares entitled to be accepted under the Entitlement Offer (**Committed Major Shareholders**) committing to take up all of their entitlements under the Entitlement Offer.

Once the Entitlement Offer is complete, OMH's pro forma cash on hand balance as at 30 June 2012 will be between ~A\$84 million and ~A\$127 million², depending on the level of subscription for New Shares by eligible shareholders in addition to the Committed Major Shareholders.

The proceeds of the Entitlement Offer will be used to finance development activities at the Company's Sarawak Project and to pay the costs of the Entitlement Offer.

The Sarawak Project is expected to:

- produce ~575,000 tonnes per annum of ferroalloys for the Asian and global steel markets from the first half of 2014, reaching full capacity by the first half of 2015;
- operate in the lowest cost quartile of ferrosilicon alloy producers; and
- generate average annual cash flows of ~US\$286 million and have a net present value of US\$1.3 billion.

The Sarawak Project is owned and is being developed by OM Materials (Sarawak) Sdn Bdn, a joint venture company owned by OMH (80%) and Cahya Mata Sarawak Bhd (20%). A ~US\$428 million (~A\$408 million) debt syndication process has commenced and is expected to be completed in the second half of the 2012 calendar year.

¹ Assuming all shareholders take up their full entitlement under the Entitlement Offer, the gross amount raised is expected to be ~A\$72.5 million (with issue costs of ~A\$2m). If only the Committed Major Shareholders subscribe for New Shares, the Entitlement Offer is expected to raise ~A\$29 million (before issue costs)

² The cash position of OMH as at 30 June 2012 was A\$67.7 million, excluding a debt repayment of ~A\$10.9 million made in July 2012, which for the purpose of preparing the pro forma statement of financial position was assumed to have occurred as at 30 June 2012



The Sarawak Project is expected to be 70% debt financed by a consortium of international and regional banks, with initial indicative funding participation amounts received from 6 major banks to date. These participation amounts collectively well exceeded the project's debt funding requirements. However, the Entitlement Offer is not conditional on OM Sarawak successfully obtaining project debt financing.

Eligible shareholders who hold existing OMH shares at the record date of 5:00pm (Perth / Singapore time) Friday, 24 August 2012 (**Record Date**) will be entitled to participate in the Entitlement Offer.³ They will be entitled to apply for 3 New Shares for every 10 existing OMH shares at the Record Date.

The Entitlement Offer is non-renounceable and rights will not be tradeable on ASX or otherwise transferable. Eligible shareholders who do not take up their entitlements under the Entitlement Offer, in full or in part, will not receive any value in respect of those entitlements that they do not take up.

New Shares issued under the Entitlement Offer will rank equally with existing OMH shares on issue.

Shareholders eligible to participate in the Entitlement Offer will receive further information shortly.

M. H. Carnegie & Co. Pty Limited is the lead manager of the Entitlement Offer and financial adviser to OMH (**Lead Manager**). The Entitlement Offer is not underwritten.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

³ See the entitlement offer booklet to be distributed to eligible shareholders, dated on or about the date of this announcement, for eligibility criteria for participation in the Entitlement Offer. Generally, the Entitlement Offer is open to all OMH shareholders on the Record Date other than those with a registered address outside Australia, New Zealand or Singapore in respect of whom OMH determines that it is unreasonable for it to extend the Entitlement Offer to such shareholders.



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

This announcement contains certain forward-looking statements. The words "anticipated", "expected", "projections", "forecast", "estimates", "could", "may", "target", "consider" and "will" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, indications or guidance on future earnings or financial position and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. There can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, OMH and the Lead Manager and their respective directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

An investment in OMH Shares is subject to investment and other known and unknown risks, some of which are beyond the control of OMH, including possible delays in repayment and loss of income and principal invested. OMH does not guarantee any particular rate of return or the performance of OMH nor does it guarantee the repayment of capital from OMH or any particular tax treatment. Persons should have regard to the risks outlined in the equity raising presentation accompanying this announcement and released to ASX on Thursday, 16 August 2012.

Any past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

*This announcement is not an offer or an invitation to acquire OMH shares or any other financial products in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation. This announcement is not a prospectus, product disclosure statement or other disclosure document under Australian law. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account of benefit of, any 'U.S. person' (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**Securities Act**)) (**U.S. Person**). OMH shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any U.S. Person without being so registered or pursuant to an exemption from registration.*

This announcement is not financial advice or a recommendation to acquire OMH shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction. OMH is not licensed to provide financial product advice in respect of OMH shares. Cooling off rights do not apply to the acquisition of OMH shares.



Entitlement Offer Indicative Timetable

Event	Date
Announcement of Entitlement Offer	Thursday, 16 August 2012
Ex-date: existing shares quoted on an 'ex-entitlement' basis	Monday, 20 August 2012
Record date: identify eligible shareholders and their entitlements (5:00pm Perth / Singapore time)	Friday, 24 August 2012
Dispatch of Entitlement Offer booklet and personalised entitlement and acceptance forms to eligible shareholders	Monday, 27 August 2012
Entitlement Offer opens	Tuesday, 28 August 2012
Applications closing date: the last day for receipt of applications (5:00pm Perth / Singapore time)	Monday, 17 September 2012
Announcement of shortfall (if any) under the Entitlement Offer	Thursday, 20 September 2012
Settlement of Entitlement Offer	Monday, 24 September 2012
Issue of New Shares under the Entitlement Offer	Tuesday, 25 September 2012
Dispatch of holding statements for New Shares issued under the Entitlement Offer completed	Wednesday, 26 September 2012
Normal trading of New Shares issued under the Entitlement Offer	Wednesday, 26 September 2012

IMPORTANT NOTE: The Company reserves the right, subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws, to vary the above dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

Further information

Further details of the Entitlement Offer, including details of the use of proceeds, the timetable and the key risks associated with the Entitlement Offer, OMH and the Sarawak Project, are included in the equity raising presentation and offer booklet released to ASX and available on OMH's website. The information in the 'Disclaimer and Important Information' and 'Key Risks sections' of the equity raising presentation applies to this announcement as if set out in full in this announcement. The offer booklet is expected to be dispatched to eligible shareholders by Monday, 27 August 2012.

Shareholder enquiries

If you would like further information regarding the Entitlement Offer please call the OMH Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (from outside Australia) which is open 9.00am to 5.00pm (Perth / Singapore time) Monday to Friday during the Entitlement Offer period or visit our website at www.omholdingsltd.com.

For other questions, you should consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser without delay.



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 110km 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 is a constituent of the S&P/ASX 300 a leading securities index.

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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