

OM HOLDINGS LIMITED

(ARBN 081 028 337)



NO. OF PAGES LODGED: 6

17 August 2012

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

Dear Sir/Madam

LETTER TO SHAREHOLDERS – ENTITLEMENT OFFER

Please be advised the Company has dispatched the following letter to all shareholders following the Company's ASX Announcement dated 16 August 2012, in relation to an equity capital raising to raise gross proceeds of up to approximately A\$72.5 million by way of a 3 for 10 non-renounceable pro-rata entitlement offer of new ordinary shares in the Company to eligible shareholders at an issue price of A\$0.40 per share.

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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17 August 2012

Dear Shareholder

Notice to Shareholders of Entitlement Offer

We write to you as the registered holder of OM Holdings Limited (**Company** or **OMH**) shares (ASX: OMH) as at today's date.

As advised in an ASX announcement released yesterday, the Company is undertaking a non-renounceable pro-rata entitlement offer to Eligible Shareholders (as that term is defined in the Offer Booklet) of 3 new fully paid ordinary shares in the Company (**New Shares**) for every 10 existing shares held as at 5.00pm (Perth / Singapore time) on Friday, 24 August 2012 (**Record Date**) at an issue price of A\$0.40 cents per New Share (**Entitlement Offer**).

The Company currently has 604,105,150 shares, 19,000,000 unlisted options and 25,000,000 convertible notes on issue. On the basis that neither the options or convertible notes are converted prior to the Record Date, the Entitlement Offer is for up to 181,231,545 New Shares (subject to the effect of rounding¹).

The Entitlement Offer will raise up to approximately A\$72.5 million (before the payment of costs associated with the Entitlement Offer). Upon completion of the Entitlement Offer, the Company will have up to 785,336,695 shares on issue.

The Entitlement Offer is available to all Eligible Shareholders (as that term is defined in the Offer Booklet) in the Company registered as Shareholders on the Record Date.

The Entitlement Offer is being managed by M. H. Carnegie & Co. Pty Limited (**Lead Manager**) who will be paid a fixed management for its services in managing the Entitlement Offer.

The Offer Booklet in relation to the Entitlement Offer was lodged with ASX on 16 August 2012 (**Offer Booklet**) and is available on both the ASX website (www.asx.com.au) and the Company's website (www.omholdingsltd.com).

A copy of the Offer Booklet will be sent to Eligible Shareholders on 27 August 2012.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

¹ Entitlements in respect of New Shares will be rounded up to the nearest whole number of New Shares. New Shares will rank equally with the OMH's existing shares from the date of issue.



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

This letter 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 letter 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.

*This letter 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 letter is not a prospectus, product disclosure statement or other disclosure document under Australian law. This letter 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 or 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 letter 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 Offer Booklet and personalised acceptance forms to eligible shareholders	Monday, 27 August 2012
Entitlement Offer commences	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	Tuesday, 25 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 fees associated with conducting the Entitlement Offer, the jurisdictions into which the Company will make offers under the Entitlement Offer, the timetable and the key risks associated with the Entitlement Offer, OMH and the Sarawak Project, are included in the investor 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 investor presentation applies to this letter as if set out in full in this letter.

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

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

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