OM HOLDINGS LIMITED

(ARBN 081 028 337)

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

Dear Sir/Madam

FORMATION OF MALAYSIAN QUARTZITE MINING AND PROCESSING JOINT VENTURE

The Board of OM Holdings Limited (“OMH” or the “Company”) is pleased to announce the formation of OM (ANR) Resources Sdn Bhd (“OM ANR”), a joint venture between OMH and Menteri Besar Incorporated (“MBI”) of Perak, Malaysia.

MBI is a diversified mining, property and investment holding arm of the state of Perak in Malaysia. It is the State Government’s authorised strategic investor and interest holder in re-emerging industries and markets. Its main objective is to promote sustainable economic growth and hold strategic interests for the State Government, thus contributing towards the improved socio-economic well-being of the people of Perak.

The joint venture, which is owned 60% by OMH and 40% by MBI, will focus on the exploration, mining and processing of high grade quartzite deposits in Lawin and Lasah in Perak, Malaysia.

Based on the initial examinations of the exposed portions of the large outcropping quartzite ridge, the life of the project is expected to be not less than 10 years.

High grade quartzite is the key raw material of ferro silicon production. Product from OM ANR will supply the OM Sarawak ferro silicon smelting project in Sarawak, Malaysia. OM ANR is expected to mine 500,000 tonnes per annum of silica rock to produce approximately 300,000 tonnes per annum of high-grade quartzite lump with an SiO^2 content of greater than 97%.

The expected capital expenditure requirements for the construction of the processing (crushing and screening) plant is up to US$2 million, to be funded internally and proportionally, and invested over a period of approximately 12 months, following the clearance of all required regulatory approvals.

OM Sarawak’s ability to locally source a significant portion of its key raw material is expected to not only strengthen the smelter’s security of supply position but also improve its long-term cost competitiveness. Furthermore, the project is expected to make a significant contribution to the re-establishment of Perak’s natural resources industry and become a significant contributor to the state’s sustainable economic and social development.

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 2,400km^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:

- *11% 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*
- *4% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana.*

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

BACKGROUND INFORMATION ON MENTERI BESAR INCORPORATED

Formed under the Menteri Besar Incorporated Enactment 1951, Menteri Besar Incorporated ("MB Inc.") is a diversified mining, property and investment holding arm of the state of Perak in Malaysia, and empowered as the State Government's strategic investor and interest holder in re-emerging industries and markets.

Its main objective is to promote sustainable economic growth and hold strategic interest for the State Government thus eventually contributing towards the improved socio-economic well-being of the people of Perak.

MB Inc. Perak is also the key agency mandated to drive shareholder value creation, attain efficiency gains and enhance corporate governance. MB Inc. Perak has been entrusted with the all-important role of nurturing the development of strategic industries in Perak, notably encompassing the state's lucrative mining sector as well as related ancillary industries, with the aim of pursuing and realising Perak's long-term economic interests.

MB Inc. Perak drives progressive changes in Perak through its principal subsidiary, Amanjaya Holdings & Ventures, which was created to hold and oversee seven specialist companies, each responsible for a focused industry including Natural Resources, Properties, Renewable Energy, Infrastructure, Leisure & Hospitality, Utilities and Trading.

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