

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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ASX Market Announcements

ASX Limited

4th Floor

20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

SEPTEMBER 2016 QUARTERLY PRODUCTION AND MARKET UPDATE

The Board of OM Holdings Limited ("OMH" or "the Company") is pleased to provide the following update.

HIGHLIGHTS

OPERATING PERFORMANCE

OM SARAWAK (75%, Samalaju, Malaysia)

- Ferrosilicon produced during the September 2016 quarter of 32,068 tonnes, an increase of approximately 10% over the corresponding quarter in 2015, and an increase of 2.73% over the June 2016 quarter
- Achieved a production average of 58.09 tonnes of ferrosilicon per furnace per day, which exceeded the furnace design capacity of 55 tonnes per furnace per day
- Ferrosilicon sales of 34,882 tonnes for the September 2016 quarter

EXPLORATION AND MINING (OMM, 100% owned Bootu Creek Manganese Mine)

- OMM executed a Deed of Company Arrangement with its creditors on 12 July 2016, which was effectuated on 24 August 2016. Management and control of OMM has since reverted back to its directors
- The Bootu Creek Manganese Mine is currently in care and maintenance and there was no mining and production activity carried out for the September 2016 quarter

MARKETING AND TRADING, AND MARKET UPDATE

- 367,230 tonnes of ores and alloys were transacted during the September 2016 quarter, a decrease of 21.70% compared to the June 2016 quarter
- China's crude steel production between July to September 2016 amounted to 203.5 million tonnes, representing a 2.82% quarter-on-quarter decrease
- World crude steel production for the September 2016 quarter was 400.9 million tonnes, representing a 2.22% quarter-on-quarter decrease



OM MATERIALS (SARAWAK) SDN BHD (“OM Sarawak”) (75%, Samalaju, East Malaysia)

OM Sarawak owns a Ferro Alloy Smelting Project in the Samalaju Industrial Park in Sarawak, Malaysia (the “Project”). The Project consists of 8 Main Workshops and a total of 16 units of 25.5 MVA furnaces with a design capacity to produce 308,000 tonnes of ferrosilicon alloys per annum.

Commercial operation

During the September 2016 quarter, a total of 32,068 tonnes of ferrosilicon was produced, an increase of approximately 10% over the corresponding quarter in 2015, and an increase of 2.73% over the June 2016 quarter.

The production efficiency of the furnaces continued to improve in the current quarter through stringent raw material selection and increased monitoring of furnace operations. The plant achieved a production average of 58.09 tonnes per furnace per day in the current quarter. This has again exceeded the Company’s furnace design capacity of 55 tonnes per furnace per day.

For the September 2016 quarter, a total of 34,882 tonnes of ferrosilicon was sold, as compared to 30,568 tonnes in the previous quarter, an increase of approximately 14.10% following a recovery in the ferrosilicon market in the Asian region. OM Sarawak will continue to monitor the ferrosilicon market closely and ramp up the furnaces to its nameplate production capacity.

EXPLORATION AND MINING

OM (MANGANESE) LTD (“OMM”)

BOOTU CREEK MANGANESE MINE (100%, Northern Territory, Australia)

On 15 December 2015, the mining operations at the Bootu Creek Manganese Mine were suspended due to the ongoing and material fall in the manganese price. As announced to ASX on 4 January 2016, OMM was placed into voluntary administration on that date.

On 12 July 2016, OMM executed a Deed of Company Arrangement (“DOCA”) with its creditors. The DOCA was effectuated on 24 August 2016 and the deed administration of OMM was consequently terminated in accordance with the DOCA terms. The day to day management and control of OMM has since reverted to OMM’s directors since the DOCA effectuation date.

The Bootu Creek Manganese Mine is currently in care and maintenance and there was no mining and production activity carried out in the September 2016 quarter.

MARKETING AND TRADING, AND MARKET UPDATE

During the September 2016 quarter, a total of 367,230 tonnes of ores and alloys was transacted, as compared to 468,979 tonnes for the June 2016 quarter, representing a decrease of approximately 21.70%.

According to Worldsteel, crude steel production in China between July to September 2016 amounted to 203.5 million tonnes, representing a marginal 2.82% decrease against the June 2016 quarter. However, this was 2.31% higher compared to the corresponding quarter in 2015. World crude steel production for the September 2016 quarter was 400.9 million tonnes, representing a 2.22% quarter-on-quarter decrease.

In the current quarter, prices of 44% Mn spiked to close at US\$5.20/dmtu CIF China, an increase of US\$2.03/dmtu from the previous quarter of US\$3.17/dmtu CIF China.



OM Holdings Limited

CORPORATE

Tshipi é Ntle Manganese Mining (Pty) Ltd ("Tshipi")

OMH has an effective 13% interest in Tshipi through its 26% strategic partnership with Ntsimbintle Mining (Proprietary) Limited, the majority (50.1%) owner of Tshipi.

Tshipi owns 2 manganese prospects in the world class Kalahari Manganese field, namely Tshipi Borwa and Tshipi Bokone.

Tshipi Borwa Manganese Mine

Tshipi exports for the September 2016 quarter totalled 441,749 tonnes (Q3 2015: 442,330 tonnes) representing a very marginal 0.1% decrease from the corresponding quarter in 2015.

CAPITAL STRUCTURE

There were no movements in the share capital structure of the Company during the quarter. As at 30 September 2016, the Company had 733,423,337 ordinary shares, 25,000,000 convertible notes and 31,200,000 unlisted warrants on issue.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metal materials trading – incorporating the sourcing and distribution of manganese ore products.

OMH is involved in mining manganese product in Australia and South Africa and smelting in Sarawak, East Malaysia.

The smelter in Sarawak is 75% owned by OMH and physical construction of Phase 1 of the ferrosilicon production facility has been completed.

Having commenced construction in Q3 2012, first tapping was achieved on 22 September 2014. The facilities' capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters in the world. Manganese Alloy production is under review and is expected to commence in 2016.

OMH, through a wholly owned subsidiary, owns the Bootu Creek manganese mine in the Northern Territory. This mine has the capacity to produce up to 1,000,000 tonnes of manganese product per annum.

OMH also owns a 26% investment in Main Street 774 (Pty) Limited, which, in turn owns a 50.1% interest in the world class Tshipi Borwa ("Tshipi") manganese mine in South Africa. This mine has the capacity to produce up to 2,400,000 tonnes of manganese product per annum when the permanent processing plant is completed.

The manganese products of Bootu Creek, and those from Tshipi, are exclusively marketed through OMH's trading division, OM Materials (S) Pte Ltd, and OM Tshipi Pte Ltd (33.33% owned) respectively. Through all these activities OMH has established itself as a significant manganese supplier to the global market.