

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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

Dear Sir/Madam

LICENSE APPROVED AND LAND SECURED FOR MALAYSIAN BASED SMELTING AND SINTERING PLANT

OM Holdings Limited ("OMH" or "the Company") is pleased to announce that its wholly-owned subsidiary OM Materials (Johor) Sdn Bhd has entered into a Sale and Purchase Agreement ("SPA") in relation to the acquisition of land fundamental to progressing the Company's strategy of establishing an integrated low-cost alloy production centre in South East Asia to support the growing Asian steel industry.

The construction of a future sintering and smelting plant in West Malaysia is intended to coincide with the progressive ramp-up in production supply of the carboneous manganese ore from the Company's interest in the South African Tshipi Project, thereby further strengthening OMH's strategy of transforming itself into a leading globally integrated manganese ore and steelmaking raw materials company across the manganese value chain.

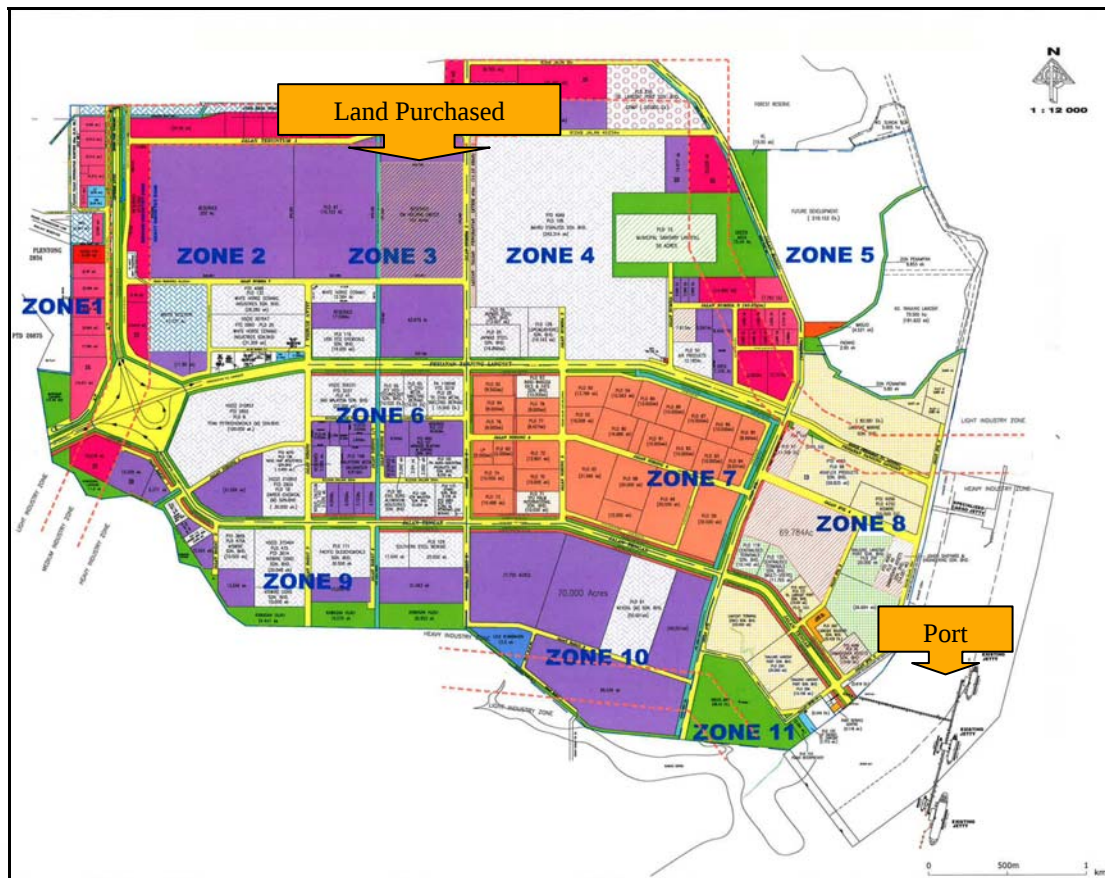
The land acquired is strategically positioned in the Tanjung Langsat Industrial Complex located in the Johor Bahru District of Johor Malaysia. It is approximately 40 hectares in size and is located in a newly established heavy industrial zone with access to infrastructure including power, water, roads and only five kilometres from the 40,000 deadweight tonne capacity Tanjung Langsat Specialised Cargo Port. The land was acquired from Johor Corporation (a statutory body formed by the Johor State Government).

OMH believes this location in West Malaysia is well situated to take advantage of further increasing OMH's upstream processing and distribution networks and provides many benefits including:

- Competitively priced and reliable power supply
- Zero import duty and export tax on Manganese ore and alloys
- Well-developed road and port infrastructure
- Strategic location both in terms of raw materials supply and product markets
- Young, educated and productive workforce
- Pro-business Government policies

The total consideration for acquiring the 60 year leasehold land was RM65.5 million (approximately US\$21 million). A deposit has been paid with the final payments for the acquisition subject to timely completion of the requisite infrastructure on the land by the vendor within seven months after execution of the SPA.

The Company intends to initially fund the acquisition of the land 20% on internally generated cash flows/cash reserves and 80% debt finance which is presently subject to final negotiation. The acquisition constitutes approximately one third of the total expenditure commitment expected to establish this sister plant to the Company's existing Chinese facility in Quizhou. Detailed planning and finalisation of budgeted costs for a 66,000 tonne per annum manganese alloy smelter and a 300,000 tonne per annum sinter ore plant is now underway. It is anticipated that a feasibility study on the Malaysian facility will be completed during the 31 March 2011 quarter.



Tanjung Langsat Industrial Complex – Johor Malaysia

An application for a sintering and smelting manufacturing license in Malaysia has been approved by the Ministry of International Trade and Industry Malaysia, subject to relevant environmental approvals. Consultants are anticipated to be engaged in early 2011 to fast track the environmental assessment, impacts and reporting of environmental matters so as to seek environmental approval and subsequently enable the projects development to occur by mid-2011.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND INFORMATION 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 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 3,325km².

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 200 a leading securities index.

OMH also holds the following strategic shareholding interests in ASX listed entities:

- *16% shareholding in **Northern Iron Limited** (ASX Code: NFE), a company presently producing iron ore from its Sydvaranger iron ore mine located in northern Norway;*
- *11% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Western Australia and Ghana; and*
- *19% shareholding in **Scandinavian Resources Limited** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.*