OM HOLDINGS LIMITED

(ARBN 081 028 337)

No. of Pages Lodged: 14

31 January 2011

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

Dear Sir/Madam

DECEMBER 2010 QUARTERLY MARKET UPDATE

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

HIGHLIGHTS

OPERATING PERFORMANCE

OMM (100%, Bootu Creek, Australia)

- **Record annual production of 831,361 tonnes grading 36.7% Mn, representing a 28% increase over the previous year**
- **Record quarterly production of 232,925 tonnes grading 36.4% Mn, representing a 3.5% increase on a 'contained manganese units produced' basis – driven by record yield, metal recovery and mine schedule improvements**
- **Record quarterly shipment volume of 223,171 dry tonnes and record annual shipment volume of 743,477 dry tonnes for 2010**
- **For the second half of 2010 OMM achieved an annualised production rate in excess of 920,000 tonnes. Process optimisation and improvement initiatives as well as further mine schedule and process plant improvements are expected to contribute to an annualised production target of 1 million tonnes for 2011**
- **During the December 2010 Quarter OMM accelerated a large pre-stripping campaign at the Shekuma Pit. During the Quarter OMM deferred the mining costs attributable to the cut-back since its commencement to accurately reflect the benefit/revenue of the ores, which are expected to be accessed in future periods**
- **The Q4 2010 C1 unit cash cost was A$3.69/dmtu. The 2010 full year C1 unit cash cost was A$4.12/dmtu. Both C1 unit cash costs include an adjustment for deferred mining**
- **Targeted infill and extensional exploration programs during 2010 maintained the Mineral Resource position of 32.5 million tonnes at 22.6% Mn as at 31 December 2010**
- **Bootu Creek Ore Reserve stands at 21.5 million tonnes (at 21.0% Mn) as at 31 December 2010, against 20.5 million tonnes (at 21.4% Mn) as at 31 December 2009, representing a higher replenishment rate against depletion rate**

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OMQ (100%, Guangxi, China)

- **2010 annual production of High Carbon Ferro Manganese ("HCFeMn") of 36,732 tonnes, representing a 12% increase over the previous year, despite significant power restrictions during the December 2010 Quarter**
- **Q4 2010 HCFeMn production of 5,307 tonnes and Sinter Ore production of 18,005 tonnes impacted by power supply restrictions during the Quarter**
- **Re-commencement of production from Furnace 102 on 13 December 2010, after lifting of power restrictions. Maintenance and technical modification work on Furnace 101 completed during the Quarter and production commenced on 11 January 2011**

OMS (100%, Singapore)

- **Record shipments of 232,564 wet tonnes of OMM manganese ore product in Q4 2010 representing an 8.3% increase from the previous record. 102,068 wet tonnes of third party manganese ore product shipped during the December 2010 Quarter**
- **2010 annual shipments of 776,680 wet tonnes of OMM manganese ore and 233,243 wet tonnes of third party manganese ore. 2010 sales performance reflected the strong demand for Bootu's direct-feed siliceous oxide ore from Chinese smelters, strategically well-placed distribution network, multi-faceted sales strategies, depth of customer relationships and value-in-use appropriate pricing outcomes**
- **Long term exclusive marketing agency agreement signed with NFE. OMS appointed as the sole and exclusive provider of marketing services in the Asian market**
- **Highly successful OMS annual Marketing and Trade Conference held in Shenzhen, China during January 2011 and attended by approximately 120 customer representatives**

MARKET OUTLOOK

- **Robust demand of manganese ore during 2010 underpinned by increased Chinese crude steel production of 626.7 million tonnes in 2010. Increased manganese ore prices during the first half of 2010 retreated during the second half due to a temporary reduction in Chinese crude steel production, resultant increase in producer and customer ore stocks and power supply restrictions impacting on Chinese alloy production and ore demand**
- **Expectation of 650 million tonnes of crude steel production during 2011 providing a positive outlook for the manganese market driven by increasing Mn unit demand as well as increasing Mn unit consumption by global steelmakers**
- **In a very positive demand environment internal supply analysis indicates the lack of latent high grade production capacity and the continued decline of Chinese low grade domestic ore production (in Mn unit terms) due to depleting resources, reducing grades, increasing costs and tightening environmental requirements**

CORPORATE

- **Licence for smelting and sintering plant approved, and industrial land secured at Tanjung Langsat, Johor, Malaysia**
- **Preparation for a listing on Hong Kong Stock Exchange progressing according to expected timeline**
- **Investment in Territory Resources Ltd disposed of during the December 2010 Quarter**

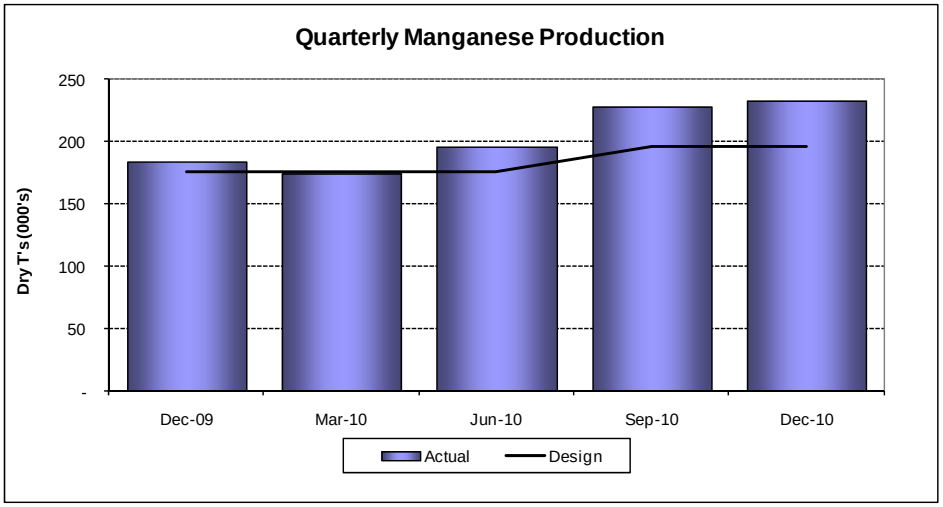
OM (MANGANESE) LTD ("OMM")
BOOTU CREEK MANGANESE MINE (100%, Northern Territory, Australia)

Production from the Bootu Creek Manganese Mine for the December 2010 Quarter is summarised below:

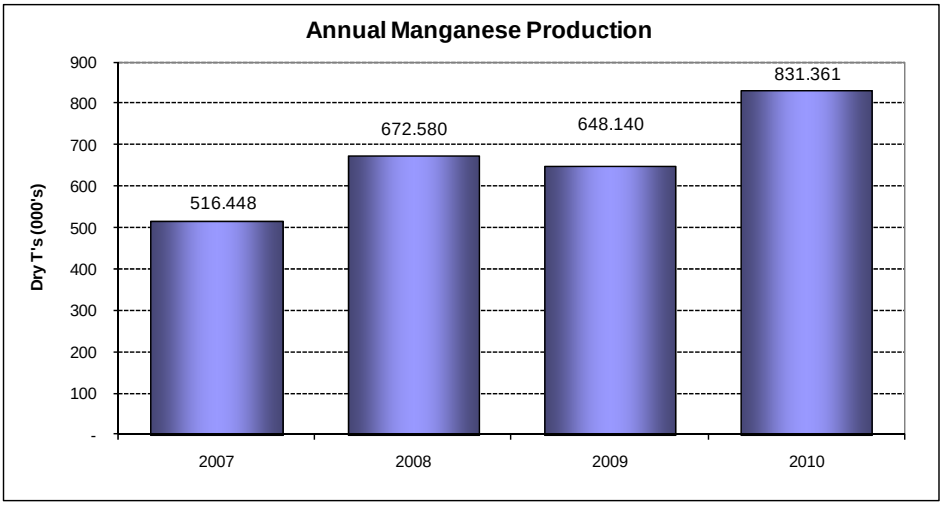
	Unit	Dec 2010 Quarter	FYTD 2010	Sept 2010 Quarter	Dec 2009 Quarter
Mining					
Total Material Mined	BCMs	3,150,955	11,645,873	3,075,673	2,782,893
Ore Mined – tonnes	dt	550,580	2,078,167	587,808	385,261
Ore Mined – Mn grade	%	23.04	22.47	22.97	22.69
Production					
Lumps – tonnes	dt	163,067	537,759	154,991	129,895
Lumps – Mn grade	%	35.92	36.33	35.44	37.86
Fines – tonnes	dt	47,124	155,817	43,126	36,949
Fines – Mn grade	**%**	38.26	38.76	37.96	42.32
SPP Fines – tonnes	dt	22,734	137,785	29,851	17,398
SPP Fines – Mn grade	**%**	36.31	36.05	35.86	36.86
Total Production – tonnes	dt	**232,925**	**831,361**	**227,968**	**184,242**
Total Production – Mn grade	**%**	**36.43**	**36.74**	**35.97**	**38.66**
Sales					
Lumps – tonnes	dt	182,599	521,374	129,433	146,588
Lumps – Mn grade	%	36.65	37.09	36.14	38.47
Fines – tonnes	dt	19,871	75,513	20,365	59,526
Fines – Mn grade	**%**	39.21	39.99	38.52	43.17
SPP Fines – tonnes	dt	20,701	146,590	20,349	-
SPP Fines – Mn grade	**%**	36.95	37.15	38.23	-
Total Sales – tonnes (dry)	dt	**223,171**	**743,477**	**170,147**	**206,114**
Total Sales – Mn grade	**%**	**36.91**	**37.40**	**36.68**	**39.83**

The Bootu Creek Manganese Mine delivered record production of 232,925 tonnes at an average grade of 36.43% Mn in the December 2010 Quarter.

Further mine schedule improvements in the quarter allowed consistent delivery of higher grade ore to the processing plant, thereby allowing the plant to benefit from higher expected mass yields and metal recoveries.



Annual production was a record 831,361 tonnes grading 36.7% Mn, representing a significant improvement of 28% increase over the previous year.



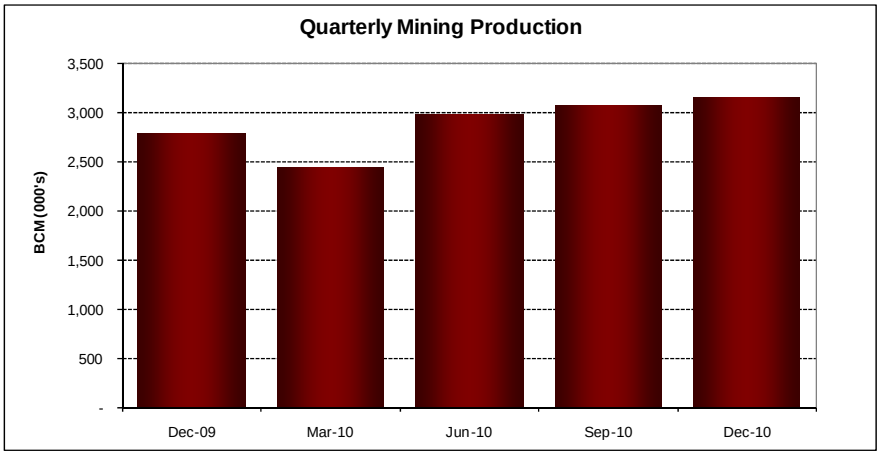
Mining

Mining activities during the December 2010 Quarter centred upon the Chugga South, Chugga North, Tourag 2 and Tourag 3 pits, and the continued development in the higher grade Shekuma Pit cutback.

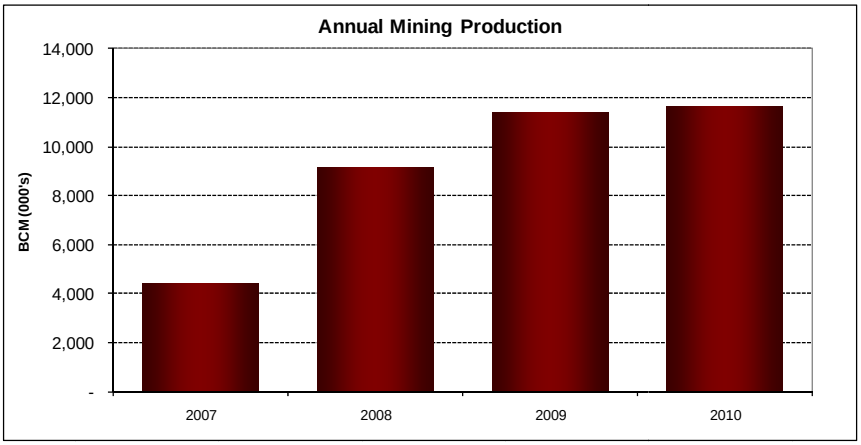
Approximately 3.15 million bank cubic metres ("bcm") of material was mined during the December 2010 Quarter.

High grade ore stocks increased significantly during the quarter as improved ground conditions allowed normalised mining activities despite heavy rains in the quarter. Tourag ore continues to improve at depth and demonstrates very high manganese to iron ratios.

In-pit broken ore stocks were high at the end of the quarter and approximately 36k tonnes of higher grade Shekuma ore was accessed in December. The higher grade Shekuma ore will provide approximately 50% of the feed to the plant for the first half of 2011, and is expected to significantly improve expected mass yield and metal recoveries.



Shekuma #5 Pit Cutback (Looking North)



Processing

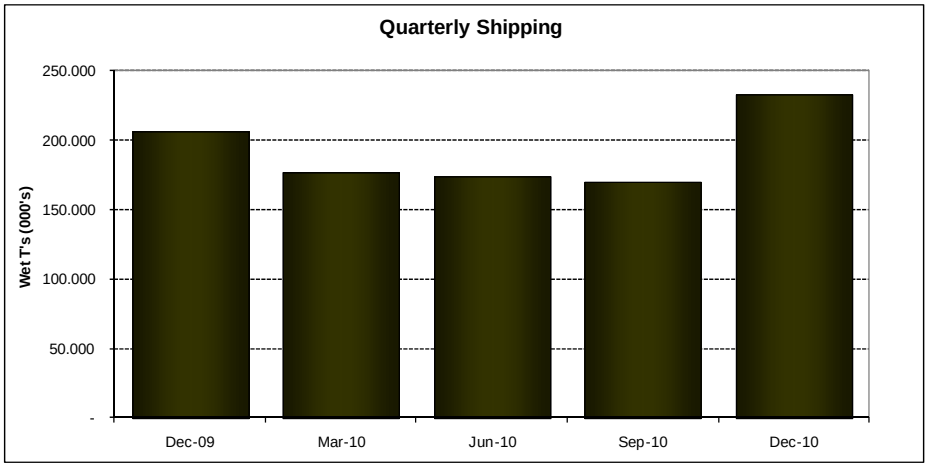
Production for the December 2010 Quarter was a record 232,925 tonnes at an average grade of 36.43% Mn. On a tonnage basis, this represented a 2% increase over the previous record quarter of September 2010, and on a contained metal units basis, a 3.5% increase, further validating the new production strategy implemented in mid 2009 to maximise product yield and metal recovery performance from each variation in ore grade and quality while maintaining a high value-in-use product for customers, with manganese product grades ranging from 35% Mn to 38% Mn.

Further improvements in the mine schedule during the quarter, coupled with the blending of the initial higher grade Shekuma ore in December, have optimised the plant throughput rates, mass yields and metal recoveries. Metal recoveries improved to a record 64.5% for the quarter.

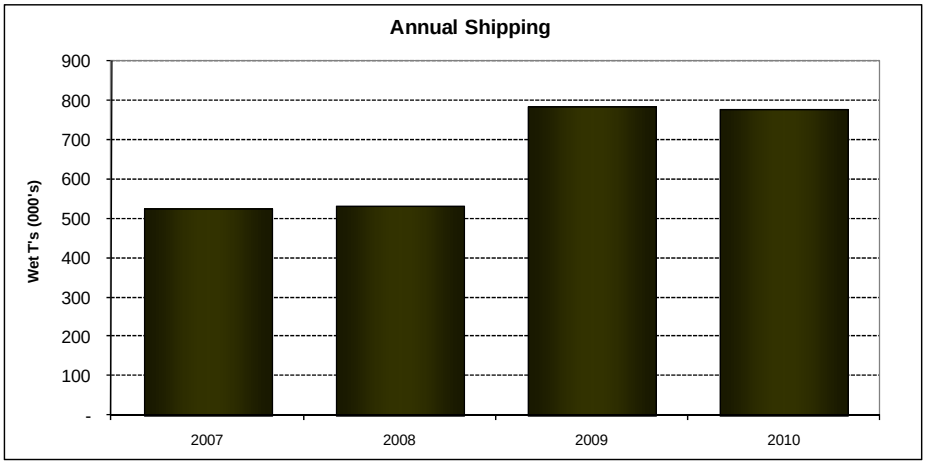
Further modifications were made to the secondary processing plant crusher rolls during the quarter to resolve excessively high wear rates and higher than expected circulating loads. Another area of focus is on the existing crushing configuration, which when completed, is expected to reduce wear rates, improve availability rates and throughputs and increase production volume.

Logistics

During the December 2010 Quarter, a record 223,171 dry tonnes (232,564 wet tonnes) of manganese product was exported in 6 shipments through the Port of Darwin.



Annual shipment volumes detailed below:



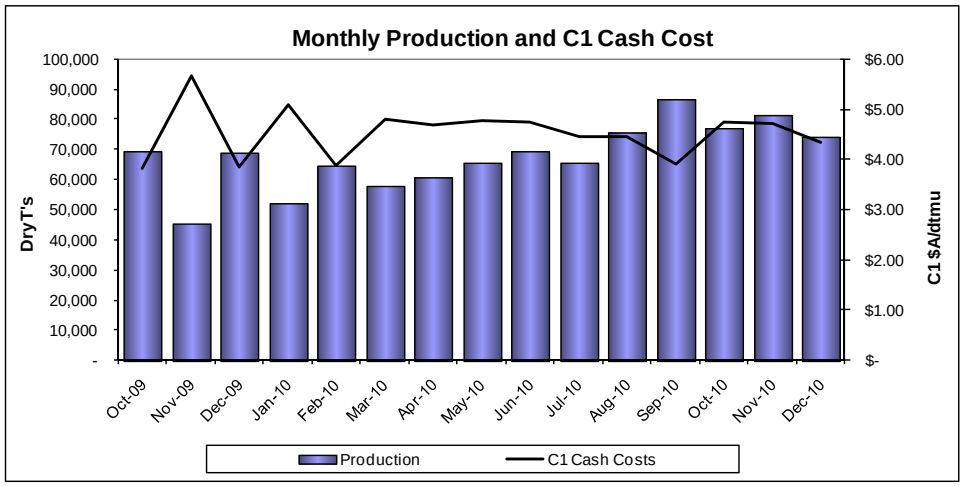
Unit Operating Costs

During the December 2010 Quarter OMM undertook a large pre-stripping campaign of the high grade Shekuma Pit. During the quarter OMM deferred certain of the mining costs of the cut-back since its commencement so as to accurately match the benefit/revenue of the ores which are expected to be accessed in future periods. The deferred waste stripping costs associated with the Shekuma cut-back will be allocated as ore is accessed, based on the average strip ratio for the full cut-back over the estimated total cost to complete the full cut-back.

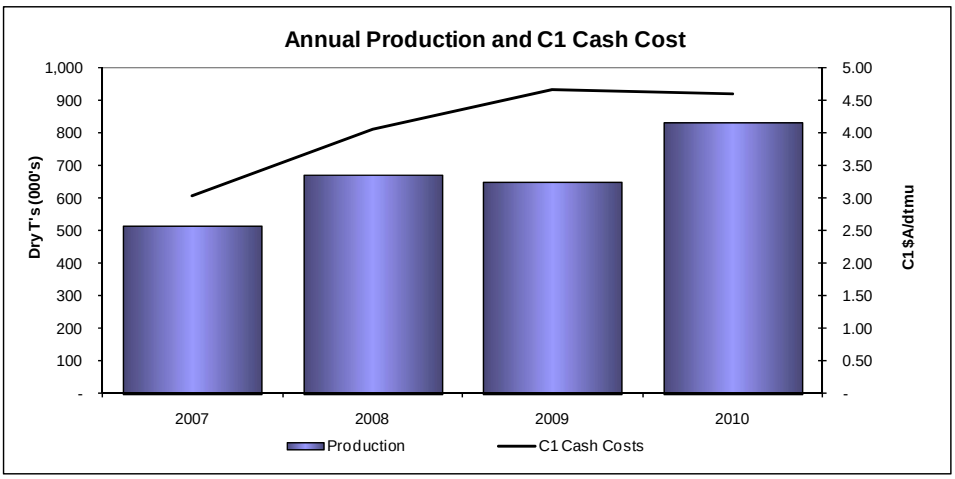
On a 'deferred' mining cost basis the Q4 2010 C1 unit cash cost was A$3.69/dmtu. On a 'fully expensed' mining cost basis the Q4 2010 C1 unit cash cost would have been A$4.60/dmtu.

On a 'deferred' mining cost basis the 2010 full year C1 unit cash cost was A$4.12/dmtu. On a 'fully expensed' mining cost basis the 2010 full year C1 unit cash cost would have been A$4.54/dmtu.

Monthly Production and C1 Cash Costs (excluding the adjustment for deferred mining) detailed below:



Annual production and C1 unit costs (excluding the adjustment for deferred mining) detailed below:



Note: C1 unit costs included in graphs above include fully expensed mining costs

Financing

As at 31 December 2010, OMM had no borrowings.

Mineral Resources/Ore Reserves

As announced on 31 January 2011, the Bootu Creek 2010 exploration program targeted the replacement of material planned to be mined in 2010 with appropriately targeted infill and extensional exploration activities within a budget of A$2 million. A program including 11,079 metres of RC resource delineation (160 holes) was drilled at Chugga North, Chugga South, Masai, Tourag and Yaka deposits during 2010. This infill and extension drilling increased resource confidence and extended existing Mineral Resource models. The Yaka deposit was extended 955 metres to the southeast and incremental extensions were added north of Chugga North and down dip of Chugga South.

The total Mineral Resource as at 31 December 2010 was 32.5 million tonnes at an average manganese grade of 22.6%. Total exploration expenditure on the infill and extensional activities was A$2 million and allowed for the replacement of 2.5 million tonnes mined during the 2010 year and maintains the historically low exploration finding cost of approximately A$1/ tonne of resource.

Table 1: Bootu Creek Manganese Project –
Mineral Resources Summary as at 31 December 2010

	Measured		Indicated		Inferred		Combined*	
Deposit:	Mt	%Mn	Mt	%Mn	Mt	%Mn	Mt	%Mn
Chugga North	0.8	22.7	3.4	22.4	0.0	22.8	**4.2**	**22.5**
Chugga South	0.4	23.7	1.6	22.4	0.0	0.0	**2.0**	**22.7**
Gogo	0.3	25.4	1.3	26.0	0.2	26.8	**1.7**	**26.0**
Masai	0.0	0.0	7.2	22.6	0.0	0.0	**7.2**	**22.6**
Shekuma	0.9	25.4	3.3	24.8	0.1	22.4	**4.2**	**24.9**
Tourag	0.7	24.4	2.5	22.3	0.0	0.0	**3.2**	**22.7**
Yaka	0.0	0.0	4.7	21.9	0.0	0.0	**4.7**	**21.9**
Zulu	0.8	22.5	1.1	22.0	0.2	22.4	**2.1**	**22.2**
Insitu Resource*	**3.8**	**23.9**	**25.0**	**22.8**	**0.5**	**24.1**	**29.3**	**23.0**
ROM Stocks	1.0	17.3					**1.0**	**17.3**
SPP Stocks	2.2	20.2					**2.2**	**20.2**
Total Resource*	**7.0**	**22.6**	**25.0**	**23.4**	**0.5**	**22.9**	**32.5**	**22.6**

* Rounding may give rise to unit discrepancies in this table

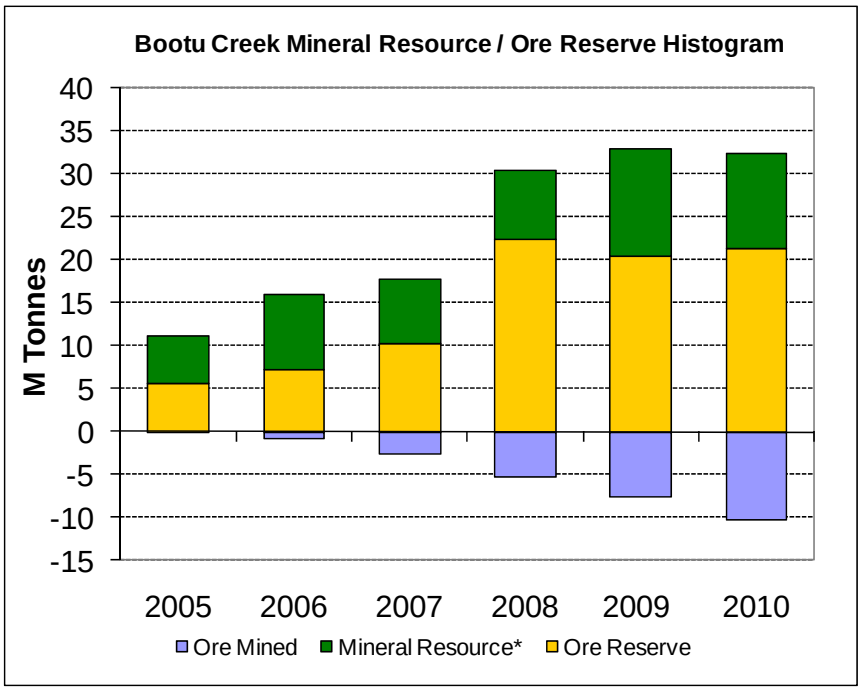
The 31 December 2010 Bootu Creek Ore Reserve position replaced the ore depleted by mining in 2010 and added an additional 1.0 million tonnes of ore reserve to bring the new total to 21.5 million tonnes at 21.0% Mn.

Table 2. Bootu Creek Manganese Project –
Ore Reserve Summary as at 31 December 2010

	Proved		Probable		Combined*	
Deposit:	Mt	%Mn	Mt	%Mn	Mt	%Mn
Chugga North	0.6	20.7	1.6	20.6	**2.2**	**20.6**
Chugga South	0.3	21.6	0.8	20.7	**1.1**	**20.9**
Gogo	0.3	22.6	1.0	23.2	**1.3**	**23.1**
Masai	0.0	0.0	4.9	20.7	**4.9**	**20.7**
Shekuma	0.9	22.9	2.3	22.8	**3.2**	**22.8**
Tourag	0.7	22.0	1.2	21.0	**1.9**	**21.4**
Yaka	0.0	0.0	2.3	20.5	**2.3**	**20.5**
Zulu	0.7	20.3	0.7	19.9	**1.5**	**20.1**
Insitu Reserve*	**3.5**	**21.7**	**14.8**	**21.2**	**18.3**	**21.3**
ROM Stocks	1.0	17.3			**1.0**	**17.3**
SPP Stocks	2.2	20.2			**2.2**	**20.2**
Total Reserve*	**6.7**	**20.5**	**14.8**	**21.2**	**21.5**	**21.0**

* Rounding may give rise to unit discrepancies in this table

Histogram of Mineral Resource growth since 2005 to 2010 detailed below.



* Mineral Resource is inclusive of Ore Reserve

Bootu Creek Regional Exploration

As previously announced, the RC exploration drilling at Renner Springs successfully identified ore grade mineralisation in several holes at the Carruthers prospect on EL23459 (located at the southern end of the Renner Springs project area). Best drill intercepts included:

- RSRC0057 4m at 26.8% Mn from 71 metres
- RSRC0058 3m at 43.2% Mn from 69 metres
- RSRC0060 4m at 29.3% Mn from 62 metres
- RSRC0067 4m at 25.2% Mn from 65 metres

A program of Gradient Array IP survey was subsequently undertaken to identify the extent of the manganese mineralisation. Results were very encouraging with identified mineralisation open to the south to be followed up by RC drilling at the end of the current wet season.

The planned RC Mineral Resource delineation drill programs at the northern end of the Renner Springs project area were delayed until 2011 following grant of substitute exploration licence SEL28041 in December 2010.

Helen Springs RC reconnaissance drilling identified subsurface drilling with 4m at 24.1% Mn intersected in HSRC0053. An IP geophysical program is planned to identify mineralisation trends in the area prior to follow up drilling during 2011.

An aggressive IP geophysical programme is also planned in 2011 to test for resource extensions and possible offsets at the Bootu Creek and Renner Springs deposits.

The information in this report which relates to Mineral Resources and Ore Reserves is based on information compiled by Mr Craig Reddell and Mark Laing, both full time employee of OM (Manganese) Ltd and who are Members of the Australasian Institute of Mining and Metallurgy, and modelled by Mr Mark Drabble a full time employee of Optiro Pty Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Reddell, Mr Laing and Mr Drabble have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reddell, Mr Laing and Mr Drabble consent to the reporting of this information in the form and context in which it appears.

OMM Outlook

Production for the March 2011 Quarter is estimated to be 250,000 tonnes with full year 2011 production targeted at 1 million tonnes at a C1 unit cost below A$4.00/dmtu (on a fully expensed basis), as the availability of high grade feed stocks and higher yielding ore are used concurrently with the implementation of further process optimisations and improvement initiatives.

OM MATERIALS (QINZHOU) Co Ltd ("OMQ") (100%, Guangxi, China)

Production from the Qinzhou smelter and sinter plant for the December 2010 Quarter is summarised below:

	Dec 2010 Quarter	FYTD 2010	Sept 2010 Quarter	Dec 2009 Quarter
Tonnes				
Production				
High Carbon Ferro Manganese ('HCFeMn")	**5,307**	36,732	17,271	6,301
Mn Sinter Ore	**18,005**	103,650	45,643	NA
Sales				
High Carbon Ferro Manganese ('HCFeMn")	**6,584**	35,803	14,915	12,798
Mn Sinter Ore	**6,616**	17,524	8,394	NA

Production

During the December 2010 Quarter, OMQ produced 5,307 tonnes of High Carbon Ferro Manganese ("HCFeMn"), bringing the total 2010 annual output to 36,732 tonnes, a 12% increase from 2009. The quarterly production of 5,307 tonnes was 69% lower than the September 2010 Quarter, due mainly to the Chinese Government's effort to reduce its carbon emission target at the end of 2010 (being the end of China's 11th Five Year plan), which resulted in restrictions imposed to the supply of industrial power in the Guangxi Zhuang Autonomous Region.

During the quarter, OMQ produced 18,005 tonnes of manganese sinter ores, bringing the total annual production to 103,650 tonnes, lower than the targeted annual output of 200,000 tonnes. Two predominant factors contributed to the lower than expected output - delays in the full production commissioning of the sinter plant caused by experimentation with and optimisation of various sinter ore blends and the power restrictions imposed by the Guangxi Government during the December 2010 Quarter.

Sales

During the December 2010 Quarter, OMQ achieved 6,584 tonnes of HCFeMn and 6,616 tonnes of sinter ore sales. The lower sales volume was in line with the production stoppage experienced by OMQ's customers as a result of the power restrictions.

Quality Management

In January 2011, OMQ was awarded ISO 9001:2008, an upgraded version from its previous ISO 9001:2000 certification. This provides further validation of the high standards of documentation and procedures adopted by OMQ with regards to quality management.

OMQ Outlook

OMQ completed the technical modifications on Furnace 101 and re-commenced production on 11 January 2011. This 2-month long modification is expected to enable the furnace to operate continuously for 2 years without the need for intermittent re-lining. The continuous operation will bring about cost savings in terms of maintenance charges and improved production volume since down-time for furnace re-lining is removed.

With the lifting of power restrictions, Furnace 102 re-commenced production on 13 December 2010. Both furnaces are presently operating concurrently and OMQ expects to achieve an annual production output of 60,000 tonnes of manganese alloy in 2011.

OMQ anticipates domestic demand for manganese ores and alloys to continue strengthening during the March 2011 Quarter, and OMQ is expected to benefit from these improving market conditions. With the lifting of all power restrictions, OMQ will be able to optimise its production level in 2011.

In January 2011, OMQ began the construction of new 80,000 tonne capacity covered storage facility in anticipation of the increase in the stockpile distribution activity of manganese sinter ores as production reaches full capacity.

OM MATERIALS (S) Pte Ltd ("OMS") (100%, Singapore)

Trading Operations and Market Outlook

During the December 2010 Quarter, OMS shipped 232,564 wet tonnes of OMM manganese ore product and 102,068 wet tonnes of third party manganese ore product. This is a significant increase of 32% and 92% respectively over the September 2010 Quarter. In addition, this is also a new record for shipment volumes of OMM products in a quarter. For the year 2010, OMS shipped 776,680 wet tonnes of OMM manganese ore product and 233,243 wet tonnes of third party manganese ore product.

During the quarter, OMS also shipped 160,166 wet tonnes of iron ore concentrate for Northern Iron Limited (ASX Code: NFE) under the short term marketing agreement with NFE.

China crude steel production for 2010 was 626.7 million tonnes, representing a 9.3% increase over 2009. World crude steel production also remains healthy. World crude steel production in 2010 was 1,414 million tonnes. This is an increase of 15% compared to 2009 and is a new record for global crude steel production.

In 2010, China imported 11.6 million tonnes of manganese ore, representing a 20% increase over 2009. This is also a new record for China manganese ore imports.

The price of manganese ore sold by major producers in 2010 moved between US$8.70 to US$6.50/dmtu CIF China. During the first half, the price increased from US$6.50 to US$8.70/ dmtu CIF China underpinned by strong demand and positive market sentiment. However in the second half, the price decreased due to a reduction in Chinese crude steel production, a corresponding increase in producer, consumer and port ore stocks as well as production disruptions from power supply restrictions as well as various credit tightening policies affecting both smelters and traders. The price remained at US$6.50/dmtu since November 2010.

The Chinese economy will continue to grow in 2011 and crude steel production could reach 660 million tonnes. Increasing crude steel production continues to be the main driver for the demand for manganese ores. However, with the depleting manganese resources and the low quality of manganese ores in the Chinese mines, OMS expects the demand for high grade siliceous ore will be even stronger.

The utilisation rate of smelters is expected to increase in the new year due to pent up demand from production disruptions in the December 2010 Quarter. Although inventory levels in the major Chinese ports remain high, prices sold by other major producers for 43% grade manganese ore have maintained at US$6.50/dmtu CIF China since November 2010.

Customer re-stocking of alloys in anticipation of the Chinese spring festival is underway and accordingly the prices for benchmark silicon manganese grades have started to firm up by RMB100-200/tonne and is now trading around RMB8,400/tonne.

During the quarter, OMS continued to negotiate with NFE for an exclusive agency agreement for sales of NFE iron ore concentrate to the Asian market. These negotiations were successfully concluded in late January 2011 and a five year agreement was signed. The agency agreement is for NFE's uncommitted tonnage into the Asian market.

Prior to the conclusion of this five year agreement, OMS had been marketing and promoting NFE iron ore concentrate under a short term agency agreement and had shipped directly to 3 steel mills in China. The feedback on the quality is positive and these steel mills are interested to procure more cargoes on regularly basis.

On 18 January 2011, OMS held an annual conference for major manganese ore customers in Shenzhen, China. In addition to introducing OMM's production and shipment plan for 2011, the upcoming Tshipi Project and its high grade carboneous products were also introduced amidst very positive response. Approximately 120 participants attended the conference.

OM HOLDINGS LIMITED

Capital Structure

During the December 2010 Quarter, a total of 4,400,000 unlisted options lapsed following the expiry of 4,000,000 unlisted options and another 400,000 options lapsed following cessation of employment of employees.

As of 31 December 2010, the Company had 503,085,150 ordinary shares and 34,020,000 unlisted options on issue.

CORPORATE

South-East Asia ("SEA") Smelting and Sintering Plant

As part of the Group's strategy of establishing an integrated low-cost alloy production centre in South East Asia, a wholly-owned subsidiary, OM Materials (Johor) Sdn Bhd obtained a licence from the Ministry of International Trade and Industry Malaysia to construct and operate a smelting and sintering plant. Fundamental to this expansion, the company has also entered into a Sale and Purchase Agreement to acquire 40 hectares of cleared land from Johor Corporation (a statutory body formed by the Johor State Government). This piece of land is strategically 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 establishment of the smelting and sintering plant in SEA is intended to coincide with the progressive ramp-up in production supply of the carboneous manganese ore from the Tshipi Project, thereby further strengthening OMH's strategy of transforming itself into a leading globally integrated manganese ore and steelmaking raw materials company with an active technically and commercially driven participation across the manganese value chain.

The total consideration for the 60 year leasehold land was RM65.5 million (approximately US$21 million) and the Group intends to fund the acquisition of 20% on internally generated cash flows/ cash reserves and 80% debt finance. 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. A feasibility study on the Malaysian facility will be completed in the March 2011 Quarter, and consultants have been engaged to fast track the environmental assessments, impacts and reporting of environmental matters so as to seek environmental approval and subsequently enable development to commence in mid 2011.

Proposed Listing on Hong Kong Exchange

The Group has commenced the preparation for a listing on the Main Board of the Stock Exchange of Hong Kong Limited. The Company considers that the listing will broaden the Company's shareholder base internationally and gives the Company access to future capital raising opportunities in the growing Asian market to support its longer term growth strategy. In addition, being strategically positioned in this well established and highly liquid market will be of significant benefit to the Company should it contemplate future international acquisitions and/or growth opportunities.

The Company has appointed CITIC Securities Corporate Finance (HK) Limited (being a subsidiary of CITIC Securities International Company Limited, "CSI") as its sponsor of the proposed global offering and the listing of the Company's shares is anticipated to occur in the first half of 2011.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

OMM Mineral Resource Estimation Details:

The 31 December 2010 Mineral Resource estimates were completed by resource consultants Optiro Pty Ltd for Chugga North, Chugga South, Masai, Shekuma, Tourag, Yaka and Zulu deposits and were based on data and a geological interpretation supplied by OMM. Those models were subsequently further constrained by OMM post Whittle optimisation of the Mineral Resource models for each of the deposits.

The Mineral Resources for Gogo and Zulu were previously estimated by Hellman & Schofield Pty Ltd ("H&S") for 31 December 2009 and remain unchanged other than allowing for depletion by mining and Whittle re-optimisation for 31 December 2010.

Grades were estimated using Ordinary Kriging (Optiro) or 3D Ordinary Kriging (H&S) with searches aligned parallel to the strike and dip of the mineralisation. Bulk density was calculated by individual deposit regression equations supplied by OMM.

The location, quantity and distribution of the current data was sufficient to allow the classification of Measured, Indicated and Inferred Mineral Resources. Search distances were consistent with previous work by resource consultants to OMM.

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 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 3,325km^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 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.*