OM HOLDINGS LIMITED

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Company Announcements Office
ASX Limited
4th Floor
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SYDNEY NSW 2000

Dear Sir/Madam

BOOTU CREEK MANGANESE PROJECT
MINERAL RESOURCE AND ORE RESERVE UPDATE

The Board of OM Holdings Limited ("OMH") is pleased to provide the following update to the Mineral Resource and Ore Reserve estimates for its 100% owned Bootu Creek manganese mine, located in the Northern Territory of Australia.

HIGHLIGHTS

- **31 December 2010 Mineral Resource of 32.5 million tonnes at 22.6% Mn including replacement of 2.1 million tonnes of ore mined in 2010.**
- **Mineral Resources continued to maintain a 13 year life of mine plan based on a mining and processing rate of 2.5 million tonnes of ore per annum for a planned production rate of 1 million tonnes per annum.**
- **31 December 2010 Ore Reserve estimate expanded by 1 million tonnes to 21.5 million tonnes at 21.0% Mn, based on increased confidence achieved through infill drilling and on an improved mine recovery factor realised through the reconciliation of 2010 mine production.**
- **An aggressive exploration program to be conducted across the Northern Territory tenement portfolio during 2011 with the main objectives of replacing the 2.5 million tonnes of Mineral Resource scheduled for mining and processing at Bootu Creek in 2011 and the identification and delineation of potential manganese Mineral Resources at both Renner Springs and Helen Springs project areas.**

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Table 1. Bootu Creek Manganese Project – Comparison of Mineral Resources and Ore Reserve position with 31 December 2009

	31 December 2010		31 December 2009		Change
	M tonnes	% Mn	M tonnes	% Mn	M tonnes
Mineral Resource	**32.5**	**22.6**	**32.9**	**23.1**	**- 0.4**
Ore Reserve	**21.5**	**21.0**	**20.5**	**21.4**	**+ 1.0**

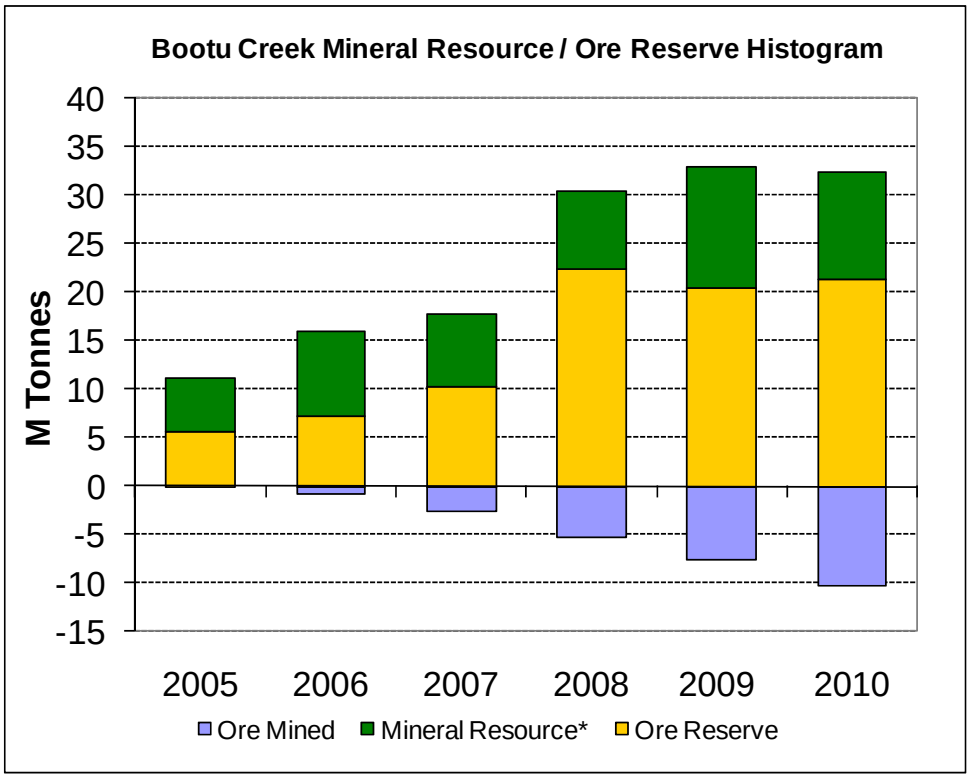
As previously announced, the Bootu Creek 2010 exploration program objectives were the replacement of material to be mined in 2010 with targeted infill and extensional drilling.

Despite a reduced exploration budget of A$2 million and a 2010 actual mine production of 2.5 million tonnes at 21.6% Mn, Mineral Resource delineation drilling successfully replaced 85% of the depleted Mineral Resources and, together with an improved mine recovery factor, achieved an increase in the Ore Reserve position of 1 million tonnes.

Exploration activity continued to demonstrate economic value and to provide future potential for OM (Manganese) Ltd ("OMM") to continue growing its Mineral Resource base.

The Mineral Resource base underpins the current ore processing rate of 2.5 million tonnes per annum which when combined with reprocessing of secondary stocks through the SPP (Secondary Processing Plant), underpins the planned production rate of 1 million tonnes of product per annum for 2011.

Table 2. Histogram of Mineral Resources and Ore Reserve growth since commencement of mine production in 2005



* Mineral Resource is inclusive of Ore Reserve

31 December 2010 – Mineral Resource Update:

The most significant changes to the 31 December 2010 Bootu Creek Manganese Project Mineral Resource estimate when compared to 31 December 2009 are:

- A 950 metre southeast strike extension of the Yaka deposit.
- Down dip and strike extension of Chugga South and Chugga North deposits.
- Increased ROM (Run of Mine) and SPP ore stocks.

Table 3: Bootu Creek Manganese Project – Mineral Resources Summary as at 31 December 2010

At 15% Mn cutoff	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

Mineral Resource models for Chugga South, Chugga North, Masai, Shekuma, Tourag and Yaka were remodelled and estimated by resource consultants Optiro Pty Ltd ("Optiro"). Gogo and Zulu deposit models remain unchanged from December 2009, other than depletion by mining at Zulu. Mineral Resources were estimated using a nominal cutoff grade of 15% Mn.

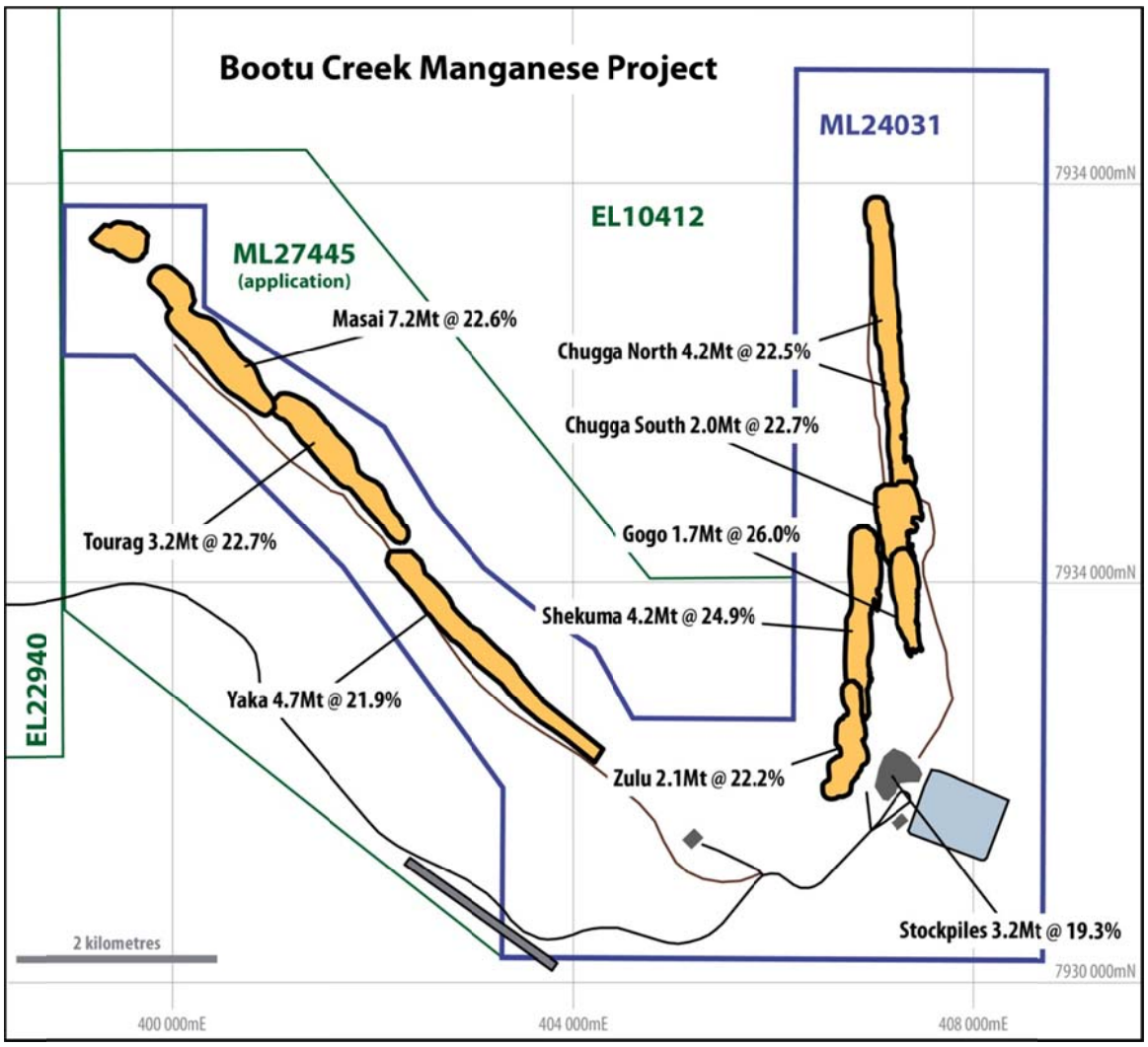
Mineral Resources are reported using a 15% Mn cut-off grade. Tonnes are rounded to the nearest 100,000 and percent Mn grade quoted to one decimal place. Rounding may give rise to apparent unit discrepancies for totals in above table.

11,079 metres of RC Mineral Resource delineation (160 holes) were drilled at Chugga North, Chugga South, Masai, Tourag and Yaka deposits during 2010. This infill and extension drilling increased Mineral Resource confidence and extended existing Mineral Resource models. The Yaka deposit was extended 950m to the southeast and incremental extensions were added north of Chugga North and down dip of Chugga South.

Measured Mineral Resources were more conservatively modelled than in previous years and have been restricted to material within a 15 metre vertical extent of pit floors at the end of 2010 or drilled on maximum 25m spaced drill sections. Indicated Mineral Resources are generally based on 50m spaced drill sections.

OMM further constrained Mineral Resource models estimated by Optiro and Hellman & Schofield Pty Ltd by applying individual optimised Whittle pit shells calculated at a price of A$10.77 (FOB Darwin) and utilising updated mining, processing and sales parameters.

Figure 1: Location Plan of Bootu Creek Manganese Resources



The manganese ore body dips average around 30^{o} (range between 15^{o} and 45^{o}) and dips to the west on the eastern fold limb deposits and to the northeast on the western fold limb deposits. All Bootu Creek Mineral Resource models are located on Mineral Lease 24031.

31 December 2010 – Ore Reserve Update:

The 31 December 2010 Bootu Creek Ore Reserve replaced ore depleted by mining in 2010 and added an additional 1 million tonnes of Ore Reserve for a new total of 21.5 million tonnes at 21.0% Mn.

The Bootu Creek 31 December 2010 Ore Reserve estimate was based on the optimised Base Case pit shells for Measured and Indicated Mineral Resources. The Base Case was set for a revised price modelled at US$6.09/dmtu (A$6.41/dmtu at AUD:USD 0.95 exchange rate) FOB Darwin for a High Grade ("HG") lump product of 42% Mn.

The various products were discounted off the reference HG lump price and adjusted for the budgeted percentage for each product category. The weighted average discount was 15.6%.

Table 4. Bootu Creek Manganese Project – Ore Reserve Summary as at 31st December 2010

At 15% Mn cutoff	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

Additions to the 31 December 2010 Ore Reserve resulted from modelled Mineral Resource extensions at Yaka, Chugga South and Chugga North, and from a revised mine recovery factor of 100% (previously 95%) for tonnes mined from the Mineral Resource models. The improved mine recovery factor was derived from analysis of the 2010 mine production reconciliation. The grade dilution factor of 90% remained unchanged from that used in the 31 December 2009 Ore Reserve calculation.

The Ore Reserve is quoted at a 15% Mn cutoff with tonnes rounded to the nearest 100,000 and percent Mn grade quoted to one decimal place. Rounding may give rise to apparent unit discrepancies for totals in above table.

The Proved Ore Reserve is limited to the Measured Resources contained within the optimised Base Case pit shells. Measured Resources have been more conservatively modelled than in previous years and have been restricted to material within a 15 metre vertical extent of pit floors at the end of 2010 or drilled on maximum 25m spaced drill sections.

The Probable Ore Reserve is limited to the Indicated Resources contained within the optimised Base Case pit shells. Indicated Resources are generally based on 50m spaced drill sections.

2010 Exploration:

Approximately A$2 million of exploration expenditure was incurred in 2010 which included a successful RC Mineral Resource delineation drill program at Bootu Creek and RC exploration drill programs at Renner Springs and Helen Springs.

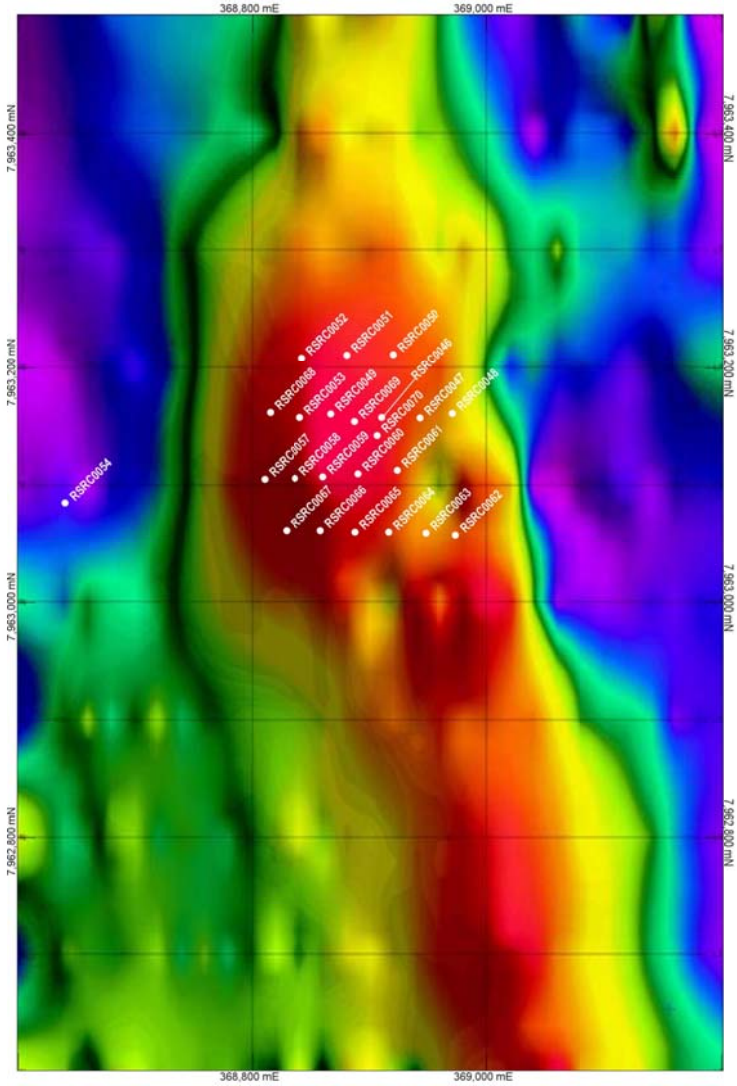
The outcomes of the RC Mineral Resource delineation drilling resulted in the replacement of around 85% of the 31 December 2009 Mineral Resources depleted by mining in 2010, and a positive 1 million tonne increase in the 31 December 2010 Ore Reserve (described above).

RC exploration drilling at Renner Springs successfully identified ore grade mineralisation in several holes at the Carruthers prospect located 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 are very encouraging with identified mineralisation open to the south to be followed up by RC drilling at the end of the current wet season.

Figure 2. Gradient Array IP Survey of Carruthers Prospect



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

Helen Springs RC reconnaissance drilling intersected subsurface manganese with 4m at 24.1% Mn from 15m in HSRC0053. An IP geophysical program is planned to identify mineralisation trends in the area prior to follow up drilling during 2011.

2011 Exploration Program:

OMM has committed an A$3 million budget for 2011 and plans to pursue an aggressive exploration program across its tenements in the Northern Territory during 2011. The main objectives will be to:

- Replace the 2.5 million tonnes of Mineral Resource scheduled for mining and processing at Bootu Creek in 2011;

- Identify, interpret and delineate potential manganese Mineral Resources at both Renner Springs and Helen Springs project areas; and

- Conduct reconnaissance copper exploration and assessments at Bootu Creek.

An initial IP geophysical program is planned to explore Bootu Creek, Renner Springs and Helen Springs investigating deposit outlines and testing for potential deposit extensions and offset positions.

A follow up program of 25,000 metres of RC drilling and 1,200 metres of diamond drilling is planned to replace depleted manganese Mineral Resources at Bootu Creek, and to identify and delineate new Inferred Mineral Resources at both Renner Springs and Helen Springs.

A further 3,000m of RC drilling is also planned to pursue copper exploration and assessments at Bootu Creek.

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.

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 employees 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.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

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.*