

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

OMH RESPONDS TO ALLEGATIONS ATTRIBUTABLE TO CONSOLIDATED MINERALS

OM Holdings Limited ("**OMH**" or the "**Company**") has noted various media reports and releases related to the Company's proposed listing on the Hong Kong Stock Exchange and which appear to be attributable to representatives of Consolidated Minerals Limited.

The media reports and releases either state or suggest that:-

- (a) *OMH's notice of annual general meeting and explanatory statement dated 24 March 2011 fails to provide shareholders with key information relevant in their decision-making process at the upcoming Annual General Meeting;*
- (b) *31 million options have been issued and will be converted to listed shares for the benefit of an as yet unknown group of beneficiaries and management are set to receive more options;*
- (c) *Consolidated Minerals Limited's court case against the Company in 2009 "was suspended following agreement by the Lows to improve transparency";*
- (d) *the disclosures by OMH's Chairman, Mr. Low and his wife, Ms SK Heng of their shareholdings in the Company in documents issued by the Company have been less than complete; and*
- (e) *the proposed listing of the Company by way of an initial public offering on The Stock Exchange of Hong Kong Limited will dilute the existing shareholders of the Company.*

Response to Inaccurate Claims and Comments

(a) AGM Notice

*Claim: OMH's notice of annual general meeting and explanatory statement dated 24 March 2011 ("**AGM Notice**") fails to provide shareholders of OMH with key information that would be relevant in their decision-making process at the upcoming Annual General Meeting ("**AGM**");*



Response to Inaccurate Claims and Comments (Continued)

Facts: OMH has provided sufficient information to its Shareholders in connection with the resolutions to be proposed at the AGM. To the extent that OMH has answered recent enquiries from Consolidated Minerals Limited, the Company has also published its most recent response in its announcement released by ASX on 15 April 2011. The Australian Securities Exchange ("**ASX**") examined the AGM Notice before it was despatched to Shareholders and confirmed that it had no objections to the AGM Notice in relation to compliance with the listing rules of ASX.

(b) Options on Issue

Claim: 31 million options have been issued and will be converted to listed shares for the benefit of an as yet unknown group of beneficiaries and management are set to receive more options.

Facts: All options presently on issue have been the subject of prior Shareholder approval or been issued under the OM Holdings Limited Employee Share Option Plan, which similarly has had prior Shareholder approval. Options currently held by Directors have been fully disclosed to the market.

Shareholder approval is sought in Resolutions 7 to 9 of the AGM Notice to amend the OM Holdings Limited Employee Share Option Plan, so that it will comply with the Hong Kong Listing Rules upon listing and to permit options to be issued without limiting the Company's capacity to raise equity funding within its 15% capacity under the ASX Listing Rules. **Shareholder approval is not being sought to issue any specific options to management and the Company does not currently intend to issue any options to management.** Further, the Company would need to seek shareholder approval before issuing any options to directors.

(c) Court case bought by Stratford Sun Limited in the Federal Court of Australia was dismissed and Stratford Sun was ordered to pay OMH's legal costs

Claim: Consolidated Minerals Limited's court case against the Company in 2009 "was suspended following agreement by the Lows to improve transparency";

Facts: Stratford Sun Limited, a company understood to be a wholly-owned subsidiary of Consolidated Minerals Limited, did bring a case in the Federal Court of Australia against OMH in 2009 and that case came to an end when the court dismissed Stratford Sun Limited's application. These legal proceedings were previously disclosed by OMH. The judgement was issued on 4 November 2009 and it was noted that the judge did not grant the relief sought by Stratford Sun Limited because he "**was not satisfied that the applicant did not commence this application for the ulterior purpose of putting pressure on OMH as part of a wider commercial stratagem.**"

Allegations that the disclosures made by OMH's Executive Chairman, Mr. Low and his wife, Ms Heng Siow Kwee, of their shareholdings in OMH in documents issued by the Company have been less than complete was also one of the allegations made by Stratford Sun Limited in the court case referred to above. As stated above, that specific claim and the entire court case was dismissed without any reference to inadequacies on the part of OMH or the Lows regarding corporate governance, transparency or related issues.

Stratford Sun Limited was also ordered to pay OMH's legal costs involved in the unsuccessful application.



Response to Inaccurate Claims and Comments (Continued)

Since the introduction of new takeover protection provisions to the Company's Bye-laws (which were approved by Shareholders on 15 January 2009), nothing has come to the Board of OMH's attention to indicate any Shareholder who has not complied with the disclosure requirements which aim to provide OMH Shareholders takeover protection should a change of control occur. At the general meeting held on 15 January 2009, 85% of the votes cast at the general meeting were in favour of the takeover protection provisions to be included in the Bye-laws. It was Stratford Sun Limited who publicly opposed the introduction of the takeover protection provisions and associated disclosure requirements. 15% of the votes cast at the general meeting were against the introduction of takeover protection provisions and associated disclosure requirements and of those, Stratford Sun Limited accounted for 99.8%.

(d) Disclosure notices

Claim: The disclosures by OMH's Chairman, Mr. Low and his wife, Ms SK Heng of their shareholdings in the Company in documents issued by the Company have been less than complete.

Facts: OMH is also aware that the Australian Securities & Investments Commission ("ASIC") and the Australian Securities Exchange ("ASX") have been notified by Consolidated Minerals Limited of allegations of less than complete disclosure of Mr. Low's and Ms Heng Siow Kwee's shareholding interests. **To date, the Board of OMH is not aware of any investigation by ASIC or the ASX in this regard nor has the OMH received any enquiry, whether they be written or verbal, from ASIC or the ASX in this regard.** Other than Stratford Sun Limited, no other OMH Shareholder has lodged any formal enquiry with the Board of OMH in relation to public disclosures which have been made by Mr Low and/or Ms Heng.

(e) Proposed listing on the SEHK

Claim: The proposed listing of the Company by way of an initial public offering on The Stock Exchange of Hong Kong Limited ("SEHK") will dilute the existing shareholders of the Company.

Facts: As has been fully disclosed in the AGM Notice, the Company is seeking Shareholder approval for the issue of up to 345 million new shares. The Directors and senior management of OMH will not participate in the proposed offer of new shares in connection with the proposed listing on the SEHK.

The Company's proposed listing on SEHK will dilute existing Shareholders (including Directors and/or senior management who are currently Shareholders) as is clearly disclosed in the explanatory statement to the AGM Notice but as stated in its announcement of 15 April 2011 and earlier announcements:-

The key benefits attributable to OMH pursuing such capital raising initiatives with a dual listing on the HKSE include enhanced access to capital markets which have an understanding of the OMH Group's businesses and growth strategies; gateway exposure to Mainland China; ability to leverage on Mainland China's continued growth; and free flow of capital and information. The Company considers that the dual listing on HKSE will further broaden the Company's Shareholder base internationally and give 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.



Response to Inaccurate Claims and Comments (Continued)

The Company will vigorously defend any untrue or defamatory statements which are made against it.

Yours faithfully
OM HOLDINGS LIMITED

 
Heng Siow Kwee/Julie Wolseley
Company Secretary

Media:
David Brook
Professional Public Relations
(+61) 415 096 804
david.brook@ppr.com.au



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 2,600km².

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 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:

- 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 Ltd** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.

OMH has also announced plans for a listing on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEx”) to further broaden the Company's shareholder base internationally and give the Company access to future capital raising opportunities in the growing Asian market to support its longer term growth strategy.
