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

MALAYSIAN PROJECT UPDATE

The Board of OM Holdings Limited ("OMH" or "the Company") is pleased to announce the following key developments with regards to the Company's proposed Sarawak ferro alloy smelting project.

<u>MEMORANDUM OF UNDERSTANDING FOR EQUITY STAKE</u>

OM Materials (S) Pte Ltd ("OMS") a wholly-owned subsidiary of OMH, has entered into an exclusive Memorandum of Understanding ("MOU") with Samalaju Industries Sdn Bhd, a wholly-owned subsidiary of Cahya Mata Sarawak Berhad ("CMSB") regarding potential equity participation by CMSB in the Company's proposed manganese and ferro silicon smelting plant in Samalaju, Sarawak, Malaysia. ("the Project").

CMSB is a company listed on the Malaysian stock exchange, Bursa Malaysia Securities Berhad, with interests, amongst others, in cement and construction materials, construction and road maintenance, steel pipe manufacturing, as well as involvement in various aspects of the development of the Samalaju industrial area, where the Company's Project is located.

It is proposed that CMSB may participate in the Project by way of equity contribution of up to 20%, resulting in an ultimate equity structure whereby OM Sarawak Sdn Bhd ("OM Sarawak", which is presently a wholly-owned subsidiary of OMH) being held 80% by OMS and 20% by CMSB.

Both parties have agreed to seek to execute the relevant subscription and shareholders' agreements by 30th July 2011.

<u>EXECUTION OF EARTHWORKS CONTRACT</u>

Following the completion of the Company's in-house preliminary feasibility study on the proposed Sarawak Project, OM Sarawak is in the process of completing a bankable feasibility study which will include, amongst other considerations, a full environmental impact assessment study, to be completed by Q4 2011.

In order to achieve the commencement of the plant's commercial operation by H1 2014 and to ensure its full capacity production by Q1 2015, the commencement and completion of site earthworks is a critical milestone.

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In line with this objective, an earthworks contract with KKB Builders Sdn Bhd, a wholly owned subsidiary of KKB Engineering Berhad (listed on Bursa Malaysia Securities Berhad), with a total contract value of approximately A$22 million, has been executed by OM Sarawak.

The completion of earthworks for the 500 acres of land is expected by the end of June 2012.

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 2,600km^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 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;*
- *8% shareholding in* ***Shaw River Resources Limited*** *(ASX Code: SRR), a company presently exploring for manganese in Western Australia and Ghana; and*
- *16% shareholding in* ***Scandinavian Resources Ltd*** *(ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.*