

OM HOLDINGS LIMITED
(ARBN 081 028 337)



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23 January 2012

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

Dear Sir/Madam

**PLACEMENT TO STRATEGIC INVESTOR AND OTHER INSTITUTIONAL INVESTORS
SUPPORTS ACCELERATED PROGRESS ON SARAWAK FERRO-ALLOY PROJECT**

The Board of OM Holdings Limited ("OMH" or the "Company") is pleased to announce a placement of OMH ordinary shares ("Shares") to a strategic investor, Boustead Singapore Limited ("Boustead"), and a small number of other new institutional investors (the "Investors"). The placement is subject to shareholder approval.

The placement is consistent with the Company's previous announcements indicating its intention to consider raising new equity capital through attracting strategic investors supporting the Company's vision, underlying fundamentals, growth strategy, downstream expansion and geographic diversification.

The placement comprises the issue of 75,000,000 Shares at an issue price of A\$0.35 per Share, representing a discount of 8.8% to the 15-day and a discount of 5.2% to the 30-day volume-weighted average price ("VWAP") of the Company's shares on the ASX¹. The placement is expected to raise gross proceeds of approximately A\$26,250,000.

The net proceeds of the placement will finance development activities at OMH's Sarawak ferro-alloy project in Malaysia as well as assist in the timely financial close of the project, expected to occur in the second quarter of the 2012 calendar year.

In addition to facilitating the timely development of the Sarawak project, the placement to Boustead represents the formalisation of a strong strategic relationship with one of South-East Asia's most successful, progressive and experienced engineering services businesses.

The placement to the Investors demonstrates strong strategic support for OMH's growth strategy, downstream processing expansion and geographic diversification into South-East Asia, whilst expanding OMH's current investor base.

The involvement of both Boustead and the Investors is expected to greatly assist in the on-time and on-budget delivery of the Sarawak project.

¹ 15-day and 30-day VWAP calculations as at 20 January, 2012.



Placement Details

Details of the placement are as follows:

Number of Shares to be issued	75,000,000 (approximately 15% of pre-placement capital)
Issue price per Share	A\$0.35, representing an 8.8% discount to the 15-day and a 5.2% discount to the 30-day VWAP
Gross amount raised	A\$26,250,000
Placees	Boustead Singapore Limited (50,000,000 Shares) (representing approximately 10% of the pre-placement capital) The Investors (25,000,000 Shares) (representing approximately 5% of the pre-placement capital)

Note: 15-day and 30-day VWAP calculations as at 20 January, 2012.

Shareholder approval will be sought for the issuance of Shares to Boustead under the placement pursuant to ASX Listing Rule 10.11, as Mr Wong Fong Fui, the Executive Chairman of and major shareholder in Boustead, was until recently an independent Non-Executive Director of the Company. As previously advised, Mr Wong resigned from the OMH Board in December 2011 due to time pressures resulting from pre-existing personal and professional commitments.

Although not required by the ASX Listing Rules, the Company will also seek shareholder approval in relation to the proposed placement to the Investors, given that the terms on which the Shares are being placed with the Investors are substantially similar to those for the placement to Boustead and in order to preserve the Company's capital raising flexibility under ASX Listing Rule 7.1.

The shareholder meeting is expected to be held in late February 2012 and, if approval is obtained, the placement completed shortly thereafter.

The Board of OMH is of the opinion that conducting the placement, applying its net proceeds in connection with the Sarawak project, strengthening the Company's relationship with Boustead and expanding the Company's investor base, are in the best interests of the Company.

The Board of OMH will continue to evaluate a range of equity and debt financing options with respect to the funding of the Sarawak project. The Company is targeting completion of its current fundraising requirements for the Sarawak project by the end of April 2012 with a focus on minimising dilution for existing shareholders. The component parts of this fundraising exercise will be submitted to shareholders for approval if required.

The OMH/Boustead Strategic Relationship

Boustead's global network stretches across Asia, Australia, Europe, Africa and the Americas. To date, Boustead has undertaken infrastructure-related projects in 79 countries globally. In 2008 and 2009, Boustead was recognised in the prestigious *Forbes Asia "200 Best Under A Billion"* as one of the Asia Pacific's 200 best publicly-listed corporations under US\$1 billion in revenue.

The strategic relationship between OMH and Boustead brings together Boustead's accumulated international experience in the development and commissioning of world-class engineering and infrastructure-related projects and OMH's future growth plans in the manganese industry, particularly the construction and operation of energy intensive ferro alloy manufacturing facilities in South-East Asia.

Given the strategic, operational and geographic synergies created through this relationship, OMH has granted Boustead the right to nominate a person to join the OMH Board. It is expected that Boustead will exercise this right shortly after completion of the placement. The right continues for so long as OMH and Boustead are in a strategic and synergistic relationship.



Sarawak Project

The Sarawak project, 80% owned by OMH, represents the next major step in OMH's development as a world class lowest-quartile cost producer of ferro-alloys, notably ferro silicon and silico manganese.

The dynamic transformation of the global and Chinese export ferro alloy industry driven by the cost and availability of energy, the development and commissioning of the Bakun Hydroelectric Dam and Malaysia's Sarawak Corridor of Renewable Energy initiative represents an attractive opportunity for the Company to establish one of the world's lowest cost and strategically located greenfield ferro alloy plants with considerable competitive advantages.

The project's competitive advantages include, but are not limited to, access to 500MW of competitively priced long term hydroelectric power supply, coastal industrial land with direct access to a dedicated future port facility, geographical proximity to both captive and contracted raw materials and major Asian steel markets, tax incentives, lack of import and/or export duties as well as extensive purpose built industrial infrastructure.

Further information on the project can be found in the Company's announcements to ASX on 8 and 14 November 2011 and 17 January 2012.

M. H. Carnegie & Co. Pty Ltd is acting as financial adviser to the Company in connection with the placement.

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

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This release contains forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "targets", "expects", or "intends" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this release, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of OMH and its directors and management. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this release will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this press release, except where required by law. These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. Some of the information in this release, including the information regarding Boustead, is based on publicly available sources, has not been independently verified and may not be complete.



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 2,800km².

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 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:

- *14% 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 Manganese Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana; and*
 - *11% shareholding in **Scandinavian Resources Ltd** (ASX Code: SCR), a company presently exploring for iron ore, manganese, gold and copper in Sweden and Norway.*
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BACKGROUND PROFILE OF BOUSTEAD SINGAPORE LIMITED

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the Singapore Exchange. Boustead's focus is on engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets.

Boustead's strong suite of Engineering Services comprise of: Energy-Related Engineering, Water & Wastewater Engineering and Real Estate Solutions.

Boustead's Geo-Spatial Technology arm provides professional services and exclusively distribute Esri geo-spatial technology – the world's leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia.

Boustead's vast global network stretches across Asia, Australia, Europe, Africa and the Americas. To date, Boustead has undertaken infrastructure-related projects in 79 countries globally.

In 2008 and 2009, Boustead was recognised in the prestigious Forbes Asia "200 Best Under A Billion" as one of the Asia Pacific's 200 best public-listed corporations under US\$1 billion in revenue. Boustead is also listed on the MSCI Global Small Cap Index for Singapore and the FTSE ST Small Cap Index.

M. H. CARNEGIE & CO.

M. H. Carnegie & Co. Pty Ltd is a private equity, venture capital and advisory firm established by Mark Carnegie in 2010. Mark Carnegie has been investing in, managing and advising on both public and private market investments for almost 30 years. The M. H. Carnegie & Co. team consists of talented professional investors, fund managers, advisors and entrepreneurs. Together with Carnegie Venture Capital Pty Ltd, the ultimate General Partner of the Carnegie Innovation Fund, LP, M. H. Carnegie & Co. manages direct investments on behalf of institutional, wholesale and high net worth investors with approximately A\$200 million in committed capital across several funds.