

OM HOLDINGS LIMITED

(ARBN 081 028 337)



No. of Pages Lodged: 3

6 June 2012

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

Dear Sir/Madam

OM (MANGANESE) LTD WINS COURT ACTION AGAINST PROMET ENGINEERS PTY LTD

OM Holdings Ltd (ASX:OMH) is pleased to announce that on 5 June 2012 the Supreme Court of Western Australia ruled that OMH's wholly-owned subsidiary OM (Manganese) Ltd ("OMM") was successful in its action against the process plant design engineers for the Bootu Creek Manganese Mine, and that OMM was entitled to damages in a total amount of A\$5,730,875.59.

OMM's claim related to the process plant design defects, which OMM discovered upon commissioning of the Bootu Creek Manganese Mine during 2005 and 2006.

OMM's claim was essentially concerned with recovering the cost of the rectification works that it undertook to rectify those design defects during 2006 and 2007.

OMM's claim was brought against Lonsdale Investments Pty Ltd (being the company previously called Promet Engineers Pty Ltd) ("Lonsdale") and Promet Engineers Pty Ltd ("Promet"). Lonsdale and Promet had also brought a claim against OMM for alleged unpaid invoices.

The Supreme Court found that OMM had succeeded in its claim for damages and ordered that Lonsdale pay OMM A\$5,474,450.59 and that Promet pay OMM A\$256,425. OMM was ordered to pay Lonsdale an amount of A\$1,999.02 in respect to Lonsdale's and Promet's total alleged claim of A\$533,000.

The Supreme Court found that Lonsdale and Promet were negligent, and breached the duty of care owed by them as process plant design engineers to OMM.

However, OMM advises that it was unsuccessful in proving its claim that Lonsdale and its director Mr James Dindsdale Cribbes had engaged in misleading or deceptive conduct in breach of the *Trade Practices Act 1974* (Cth) and the *Fair Trading Act 1987* (WA).

The proceedings have been adjourned to a further hearing in respect to the legal costs of the action, and the quantum of interest payable to OMM on the damages it has been awarded. An estimate of the legal costs that OMM is entitled to recover from Lonsdale and Promet is unable to be provided at this time.

OMM will now take steps to enforce the judgment against Lonsdale and Promet.

#08 – 08, Parkway Parade
80 Marine Parade Road, 449269 Singapore
Tel: 65-6346 5515 Fax: 65-6342 2242
Email address: om@ommaterials.com
Website: www.omholdingsltd.com
ASX Code: OMH



In accordance with the Rules of the Supreme Court, the parties will have a period of time to review the judgment to determine whether there are any findings that they wish to appeal to the Court of Appeal of the Supreme Court.

OMM is unable to provide any comment on whether such an appeal is likely or the prospects of success of any such appeal.

A full copy of the judgment can be obtained from the Supreme Court of Western Australia's website at www.supremecourt.wa.gov.au

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 2,400km².

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; and*
 - *8% shareholding in **Shaw River Manganese Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana.*
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