OM HOLDINGS LIMITED

(ARBN 081 028 337)

NO. OF PAGES LODGED: 3

28 August 2012

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

Dear Sir/Madam

OM MATERIALS (SARAWAK) SDN BHD – POWER SUBSTATION CONTRACT AWARDED AND OFF-TAKE AGREEMENT SECURED

Highlights

- USD36.1 million (approximately RM110 million) contract executed with PESTECH to construct and commission a 275kV power substation for OM Materials (Sarawak) Sdn Bhd's ferro alloy smelting plant. PESTECH has commenced site works with targeted completion in December 2013
- Binding Off-Take Agreement secured between OM Materials (Sarawak) Sdn Bhd and JFE Shoji for 80,000 tonnes per year of ferrosilicon

PESTECH Contract:

A power substation contract between PESTECH International Berhad ("PESTECH") and OM Materials (Sarawak) Sdn Bhd has been executed. The 16-month project is targeted for completion in December 2013.

PESTECH has taken possession of the site and commenced site works. PESTECH is an integrated power technology company with industry expertise including connecting power generators to end-users through High Voltage and Extra High Voltage substations, transmission lines and underground cable works. PESTECH's skills, experience and technological leadership has earned the company a strategic position in the ferro alloy industry. Utility companies and industrial users engage PESTECH's services to provide electric transmission and distribution systems and solutions to their consumers and plants. PESTECH is listed on the Main Market of Bursa Malaysia Securities Berhad.

#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

JFE Binding Off-Take Agreement

A binding Off-Take Agreement between OM Materials (Sarawak) Sdn Bhd and JFE Shoji Trade Corporation ("JFE Shoji") for 80,000 tonnes per year of ferrosilicon has been executed. The execution of the agreement follows the signing of a binding off-take Term Sheet by both parties in June 2012 and formalises the off-take relationship between the parties.

The agreement provides for the supply of ferrosilicon from OM Sarawak to JFE Shoji once the project commences its first ferrosilicon production, expected to occur during H1 2014. JFE Shoji will exclusively supply the ferrosilicon from the project to JFE Steel in Japan (which produced 29.9 million tonnes of crude steel in 2011 according to the World Steel Association) with the balance of the off-take tonnages to be marketed to electric arc furnace steel producers and foundries based in Japan as well as to JFE Steel's joint venture plants in the region.

The Off-Take Agreement contains terms and conditions standard for an agreement of this nature.

The signing of this Off-Take Agreement with such a prominent, high profile and established end user is a key milestone for OM Materials (Sarawak) Sdn Bhd and will significantly underpin the development and construction plans for the smelting project whilst the project financing arrangements are continuing to be well progressed.

Yours faithfully
OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary

BACKGROUND INFORMATION ON 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 2,400km^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 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*

- *5% shareholding in **Shaw River Manganese Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana.*