

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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

Dear Sir/Madam

EXECUTION OF USD50 MILLION AND USD10 MILLION DEBT FACILITIES AND ANCILLARY ARRANGEMENTS

The Board of OM Holdings Limited ("OMH" or the "Company") wishes to announce that OMH and its wholly owned subsidiary OM Materials (S) Pte Ltd ("OMS" and together with OMH, the "Borrowers"), have successfully executed a USD50 million debt facility ("New Debt Facility") with the Company's long standing financier Standard Chartered Bank (the "Lender").

In addition to the New Debt Facility, the Borrowers have entered into a USD10 million loan facility (the "Management/Investor Tranche") with certain managers and investors of the Borrowers.

The New Debt Facility together with the Management/Investor Tranche will allow the Group to strengthen its capital structure, refinance its short-term liabilities and create additional liquidity to ensure the on-time delivery of the OM Sarawak project.

The New Debt Facility

The New Debt Facility will be available to the Borrowers in the form of a non-amortising term loan of USD26 million to refinance an existing loan with the Lender and a three-year working capital facility of USD24 million.

The New Debt Facility, which is supported by guarantees from the Company and most of its material subsidiaries, requires full repayment on the third anniversary of its execution, with flexibility at the Borrower's option to extend for a further 12 months.

As part of the Lender's strategic relationship with and long-term investment in the Borrowers, the Company has also agreed to grant the Lender a total of 26,000,000 unquoted warrants (each, a "Warrant") convertible into an equivalent number of fully paid ordinary shares in the Company. Each Warrant can be exercised at any time before the fifth anniversary of its grant at AUD0.40 per Warrant.

Management / Investor Tranche

As noted above, the Borrowers have also entered into a three-year USD10 million loan facility ("Management/Investor Tranche") with certain managers and investors of the Borrowers. None of the lenders under the Management/Investor Tranche are related parties or associates of related parties of the Company.

No Directors of OMH have participated in the Management/Investor Tranche.



In addition to the Lender's Warrants, a further 5,200,000 Warrants will be granted to these same managers and investors. In all material respects, the Management/Investor Tranche carries the same terms and conditions as the New Debt Facility, including the Management/Investor Warrants.

Funds drawn under the Management/Investor Tranche will be available for general corporate purposes or may otherwise be applied in any manner determined by the Borrowers.

A summary of the material terms and conditions of the New Debt Facility (and the Management/Investor Tranche) is set out below:

Borrowers	OMH for USD26 million and OMS for USD24 million under the New Debt Facility. OMH for USD10 million under the Management/Investor Tranche.
Guarantors	OMH, OMS and various other entities within the OMH group of companies ("Group") are guaranteeing the New Debt Facility and the Management/Investor Tranche.
Lender (New Debt Facility)	Standard Chartered Bank ("SCB") or an affiliate of SCB designated by SCB and/or a group of funds, banks or financial institutions arranged by SCB.
Facility amount	New Debt Facility: USD50 million. Management/Investor Tranche: USD10 million.
Maturity date	Full repayment for the New Debt Facility (and the Management/Investor Tranche) is due on the third anniversary from the date of execution. The Borrowers have the option to extend for a further 12 months.
Cash sweep	As the loans are non-amortising, there is a cash sweep requirement if/when the Company has excess cash flows.
Board representation	SCB has the right to appoint one director to the Board of OMH. The investment is being made by the Principal Finance group of SCB.
Covenants	In addition to a number of covenants and undertakings which are largely customary for a debt facility of this nature, OMH and OMS are required to achieve a number operating and project related milestones. Compliance with these milestones will be tested quarterly based on an annualised run rate. Some of the key milestones include the maintenance of agreed production rates at Bootu Creek and OM Materials (Qinzhou), as well as the attainment of agreed project development and construction milestones at OM Sarawak.
Financial covenants	OMH has covenanted with the Lenders that it will remain within certain agreed financial parameters. The most material of these parameters include (i) the maintenance of agreed Total Debt / EBITDA and (ii) Net Debt / EBITDA ratios.
Other	Generally customary for a debt facility of the nature of the New Debt Facility.



The Warrants

The Warrants to be granted in connection with the above will be issued under OMH's available ASX Listing Rule 7.1 placement capacity and as such OMH shareholder approval will not be required.

Commenting on the execution of the New Debt Facility and the Management/Investor Tranche OMH Chief Executive Officer Mr Peter Toth said that the New Debt Facility and the Management/Investor Tranche will provide the Company with enhanced financial flexibility as it executes its strategic and operational objectives. The Group is particularly pleased with the continued strong support of its key financier expressing confidence in the Group's strategic direction and execution capability.

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 2,400km².

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 is a constituent of the S&P/ASX 300 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:

- *11% 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*
- *4% shareholding in **Shaw River Resources Limited** (ASX Code: SRR), a company presently exploring for manganese in Namibia, Western Australia and Ghana.*