



No. of Pages Lodged: 3

4 March 2016

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

Dear Sir/Madam

EXTENSION OF A\$20 MILLION CONVERTIBLE NOTE FACILITY

The Board of OM Holdings Limited ("OMH" or "the Company") is pleased to advise that it has today reached an agreement and executed with Hanwa Co., Ltd ("Hanwa") an Amendment and Restatement Agreement ("ARA") in respect of the Convertible Note Subscription Agreement dated 28 February 2012 ("CNSA") relating to the convertible notes due to mature in 2016 with a principal amount of approximately A\$20 million (being approximately US\$21 million¹). Under the ARA, the convertible notes issued in accordance with the CNSA will be extended for four (4) years from the original maturity date of 6 March 2016 to 6 March 2020.

The key terms of the convertible note facility under the CNSA remain unchanged except for:

Maturity date	The convertible notes will mature on 6 March 2020.
Redemption amount and date	<p>The convertible notes which are not purchased, converted, redeemed or cancelled by OMH will be redeemed by OMH as follows:</p> <ol style="list-style-type: none">1) 20% of the principal amount of the convertible notes outstanding as at the effective date, on or before 6 March 2018;2) 30% of the principal amount of the convertible notes outstanding as at the effective date, on or before 6 March 2019; and3) Remaining balance of the principal amount of the convertible notes outstanding as at the effective date, on or before 6 March 2020. <p>At any time, and from time to time, OMH may give notice in writing to Hanwa that OMH wishes to redeem such number of convertible notes as it specifies in such notice. There shall be no limit on the number and amount of such redemptions which may be made by OMH, and there shall be no premium, fee or penalty payable in relation to each such redemption.</p>

Commenting on the extension of the convertible note arrangement under the CNSA, OMH's Executive Chairman Low Ngee Tong stated: "We have worked closely with the Hanwa team over the last four years to establish a highly co-operative and long-term strategic partnership in order to create a platform for significant value creation through executing mutually beneficial synergies between our companies. The extension of the convertible notes for another four years will allow OMH to concentrate on the operations of the Sarawak smelter project and allow the smelter time to ramp up to its maximum potential."

¹ Under the CNSA, the AUD/USD conversion rate for the principal amount was calculated based upon the average exchange rate on the 15-days prior to and including 27 February 2012.



Mr Low added: "Hanwa has an offtake agreement with OM Sarawak for 50,000 tonnes of Ferrosilicon and 70,000 tonnes of manganese alloy. The Company's Sarawak smelter project possesses the advantages of cheap and clean hydropower, ready access to raw materials and logistical advantage from its proximity to ports and major shipping routes. These will stand the Sarawak smelter among the lowest cost producers of ferro-alloys in the world, and together with Hanwa's strong and established global network, allow Hanwa to perform the offtake into Japan and other markets in the offtake agreement. The offtake of ferrosilicon into Japan is very important and strategic to Hanwa as Sarawak offers a reliable long-term substitute from Hanwa's existing supply. We are honored to have Hanwa as a strategic partner and we look forward to working with the Hanwa team to extract the full value from the Sarawak smelting project."

Hanwa's President Hironari Furukawa stated: "We would like to express our sincere appreciation to OMH for their unwavering commitment to the relationship with Hanwa. We are proud to have OMH as a significant strategic partner of Hanwa. The extension of the convertible note will allow OMH to realise the full potential of the Sarawak Smelter project and bring it to the next level of operations. The success of this project will allow Hanwa and OMH to further expand their footprint in the global ferro-alloy business."

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH Holdings Limited (OMH) was listed on the ASX in March 1998 and has its foundations in metals trading – incorporating the sourcing and distribution of manganese ore products.

OMH is involved in mining manganese product in Australia and South Africa and smelting in Sarawak, East Malaysia.

The smelter in Sarawak is 75% owned by OMH and physical construction of Phase 1 of the ferrosilicon production facility has been completed.

Having commenced construction in Q3 2012, first tapping was achieved on 22 September 2014. The facilities' capacity of 308,000 tonnes per annum will make it one of the largest ferrosilicon smelters in the world. Manganese Alloy production is under review and is expected to commence in 2016.

OMH, through a wholly owned subsidiary, owns the Bootu Creek manganese mine in the Northern Territory. This mine has the capacity to produce up to 1,000,000 tonnes of manganese product per annum.

OMH also owns a 26% investment in Main Street 774 (Pty) Limited, which, in turn owns 50.1% interest in the world class Tshipi Borwa ("Tshipi") manganese mine in South Africa. This mine has the capacity to produce up to 2,400,000 tonnes of manganese product per annum when the permanent processing plant is completed.

The manganese products of Bootu Creek, and those from Tshipi, are exclusively marketed through the OMH's trading division and OM Tshipi Pte Ltd (33.33% owned) respectively. Through all these activities OMH has established itself as a significant manganese supplier to the global market.