

# OM HOLDINGS LIMITED

(ARBN 081 028 337)



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Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

## **OMH SECURES \$20 MILLION PROJECT FINANCING FACILITY**

### **Highlights**

- **Project financing of \$20 million has been secured to fund Bootu Creek Resources Pty Ltd's ("BCR") capital and working capital obligations for its 75% interest in the Bootu Creek Manganese Project ("the Project") located in the Northern Territory.**
- **Security has been provided by BCR with limited recourse to OMH.**

### **Transaction Summary**

The Board of OM Holdings Limited ("OMH") is pleased to announce that its wholly owned subsidiary, Bootu Creek Resources Pty Ltd has secured a limited recourse project financing facility of \$20 million and foreign exchange hedging facility with the Commonwealth Bank of Australia. The project financing facility will be utilised to fund BCR's 75% interest in the Project's remaining development and working capital programmes.

The Facility Agreement and related documentation has been executed and all conditions precedent satisfied.

The first facility drawdown is scheduled to occur within the next week.

The major features of the project financing facility are as follows:

- Total funds of up to \$20 million will be made available with \$13 million able to be applied for funding remaining capital works and \$7 million able to be applied for working capital purposes.
- The project loan is for a three year term.
- Security is limited to BCR's 75% interest in the Project. Security provided by OMH has been limited to a share mortgage over OMH's shareholding in BCR.
- BCR has deposited \$5 million into a cost overrun account with the Commonwealth Bank of Australia to be used only in the event that the capital cost to complete exceeds the budgeted cost to complete. Upon project completion the cost overrun account will be released to BCR.
- Hedging contracts will be entered into equating to 40% of annual US\$ revenues in the first year of production following project completion.



The Commonwealth Bank of Australia project financing facility reflects the bank's confidence in the robust economics of the Project.

Following completion of the project financing facility OMH is strongly positioned on a long-term growth plan underpinned by the expected commissioning of the Project in March/April 2006. Once commissioning occurs further value is expected to be added by way of an aggressive exploration program aimed at doubling the Project's resource base and mine life.

Yours faithfully

**OM HOLDINGS LIMITED**

Heng Siow Kwee/Julie Wolseley  
**Company Secretary**

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## BACKGROUND PROFILE OF OM HOLDINGS LIMITED

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*OMH was listed on the ASX in March 1998 and has grown into a fully integrated miner, processor and trader of manganese product with operations in Australia, China and Singapore.*

*Through its wholly owned subsidiary, Bootu Creek Resources Pty Ltd ("BCR"), OMH manages the Bootu Creek Manganese Project located 110 km north of Tennant Creek in the Northern Territory. The Project is a joint venture between BCR (75%) and GEMCO (25%). GEMCO is a wholly-owned subsidiary of Samancor Limited, which is 60% owned by BHP Billiton Limited and 40% owned by Anglo American Corporation of South Africa.*

*The Bootu Creek Manganese Project is presently under development and is expected to produce at an annual rate of 550,000 to 600,000 manganese tonnes. The Project also has excellent exploration potential.*

*Product from the Project will be exclusively marketed by OMH's successful trading division with a proportion of production from the Project shipped to OMH'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. The development of the Bootu Creek Manganese Project will facilitate and further strengthen OMH's position in this market.*

*OMH has a strong, lowly geared financial position and has paid regular dividends since 1998.*