

OM HOLDINGS LIMITED

(ARBN 081 028 337)



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

Dear Sir/Madam

BOOTU CREEK MANGANESE MINE MARKET UPDATE

The Board of OM Holdings Limited ("OMH") is pleased to provide the following market update on the Bootu Creek Manganese Mine.

HIGHLIGHTS

BOOTU CREEK MANGANESE MINE - OPERATIONS

- Project ramp-up continuing with positive results obtained from the first full month of the operation of the bypass feeder and upgraded tailings pumps.
- Record monthly production of 38,080 tonnes grading 43.8% Mn achieved for November 2006, representing 83% of design plant capacity.
- Continued improvement in plant performance in December 2006, with 115% of design plant capacity achieved month to date.
- Experienced mining expert Frank Fergusson appointed on a fixed short term contract to oversee a technical review and assist in implementation of required operational changes designed to ensure the achievement of forecast production targets.

PROJECT FINANCING

- Standstill arrangement agreed as discussions are pursued with the project's financier in relation to restructuring the existing financing obligations and supporting the recommendation to change the mine plan.



BOOTU CREEK MANGANESE MINE – Northern Territory, Australia

Physical product movements for the month of November

Production at the Bootu Creek Manganese Mine for the month of November 2006 was as follows:

	November 2006		Year To Date	
	Ore/ Product Tonnes	Mn Grade %	Ore/ Product Tonnes	Mn Grade %
Mining (Dry T's)				
Ore Mined	107,367	23.05	745,988	22.04
Closing ROM Stocks	217,826	19.95	217,826	19.95
Production (Dry T's)				
Lumps	27,298	43.87	142,141	43.71
Fines	10,782	43.66	55,590	44.60
Total Production	38,080	43.81	197,731	43.96
Sales (Dry T's)				
Lumps	28,143	43.30	109,602	43.35
Fines	-	-	34,489	44.18
Total Sales	28,143	43.30	144,091	43.38

November 2006 production was 38,080 tonnes at 43.8% Mn. This is highest month of actual production since commissioning and represents a significant improvement on previous months. The November 2006 production was 96% of budgeted production and 83% of rated capacity (based on 550,000 tonnes per annum). This was attributable to improved plant throughput and availability following the completion of plant modification work including tails pump upgrades and installation of a bypass feeder system.

Despite the record plant production, ROM ore stockpiles increased to 215,000 tonnes at an average grade of 20.0% Mn. The higher level of ore stockpiles is one of the initiatives being addressed in preparation for the wet season.

Outlook for December 2006

The average daily production rate achieved for the period 1 December to 15 December 2006 is in excess of 1,600 tonnes, exceeding the design production rate of 1,500 tonnes per day.

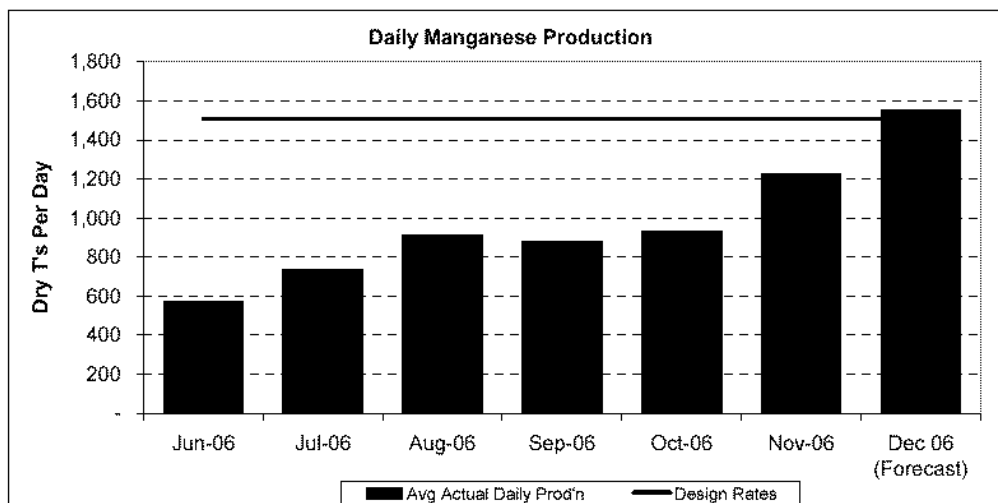
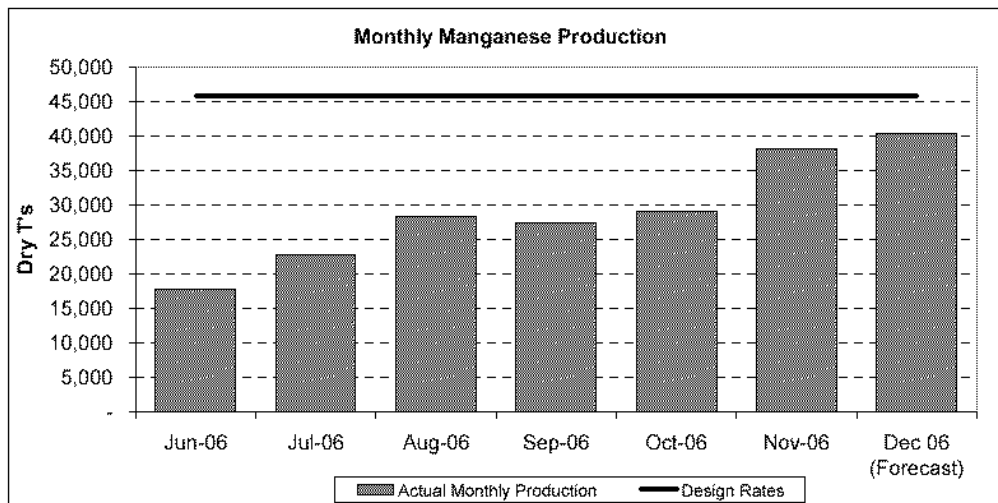
Planned shipping activities include loading 40,000 tonnes before month end and a further 30,000 tonnes by mid January 2007.

Other operational activities planned for December 2006 include:

- Further preparatory work for the wet season including building ROM stockpiles ; and
- Improvements to drainage systems.

During December 2006 further work will be undertaken on optimising mine plans to reduce operating costs in the short term. A review of the operation by mining and geology consultants has commenced aimed to further identify and enhance operating and technical practices.

The recent derailment of the Ghan passenger train on 12 December 2006 is not expected to affect the next shipment as there are sufficient stocks held at port. The derailment occurred 130 kms south of Darwin. The track is currently being repaired and the full production impact, if any, will then be ascertained.



Note:
1) Total monthly production since installation of permanent crushing facility
2) Design Rates based on 550,000 dts / year
3) Dec-06 represents actuals to 10 December 2006 and forecast thereafter

Appointment of Mining and Operational Review Team

The Company has engaged the services of Mr Frank Fergusson for a three month term. Mr Fergusson has had over 23 years of experience in the Australian mining industry. He was a founding director and shareholder of Equigold NL until his retirement earlier this year. Mr Fergusson has a successful track record in relation to managing mining operations. He will be instrumental in overseeing an independent technical review of the Bootu Creek Mine and will be responsible for identifying and implementing recommended operational changes designed to improve current productivity and production targets.

Upon the completion of the technical review and assuming project performance criteria are met Mr Fergusson will be offered 1,000,000 unlisted options in the Company at an exercise price of 20 cents each and expiring in five years from the date of issue.



Project Finance & Hedging Facilities

Discussions are ongoing with the project financiers in relation to restructuring the existing funding arrangements. The project financiers have been briefed on the proposed change of mine plan.

To date a standstill arrangement has been entered into between the Company and CBA pending the review by the project financiers of an interim revised forecast and presentation of a revised Life of Mine Plan due to be tabled in the first quarter of 2007.

Appointment of Euroz Securities Limited

The Company has mandated Euroz Securities Limited ("Euroz") as its corporate advisor for an initial three month period.

Upon the completion of the technical review and assuming project performance criteria are met Euroz will be offered 2,000,000 unlisted options in the Company at an exercise price of 20 cents each and expiring in five years from the date of issue.

OM (Manganese) Ltd Forecast Second Half Result

The OMM operation in the second half is forecast to contribute an unaudited operating loss after tax of approximately A\$9.1 million due predominantly to the effect of lower production, lower Australian dollar manganese price and the expensing of all mine operating costs since 1 September 2006. The operation will also be subject to impairment testing at 31 December 2006 whereby project and asset write-downs will be also require to be assessed.

The unaudited operating loss after tax and pre impairment is forecast to include the following:

	A\$ million
Operating loss from activities	4.3
Depreciation/amortisation	3.5
Corporate overheads	0.3
Interest expense	1.0
Tax	-
Operating loss after tax	9.1

Yours faithfully

OM HOLDINGS LIMITED

Heng Siow Kwee/Julie Wolseley
Company Secretary



BACKGROUND PROFILE OF OM HOLDINGS LIMITED

OMH which was listed on the ASX in March 1998 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. In the immediate future, the OMH Group expects to commence commercial mining operations – leading to a fully integrated operation covering Australia, China and Singapore.

Through its wholly owned subsidiary, OM (Manganese) Ltd (“OMM”), OMH controls 100% of the Bootu Creek Manganese Mine (“Bootu Creek”) located 110 km north of Tennant Creek in the Northern Territory.

Bootu Creek is expected to produce at an annual rate of 550,000 tonnes of manganese ore. Bootu Creek has further exploration potential given that its tenement holdings extend over 1,750 km².

Bootu Creek’s manganese product will be exclusively marketed by the OMH Group’s own trading division with a proportion of the product expected to be 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 will strengthen OMH’s position in this market.

OMH also holds an 18% shareholding in Territory Iron Ltd, a company presently pursuing the development of the Frances Creek iron ore project in the Northern Territory.