

05/03/2008

EXECUTION OF HEADS OF AGREEMENT BETWEEN UMW INDIA VENTURES (L) LTD AND JOGEN N. BURAGOHAIN

UMW wishes to announce that UMW India Ventures (L) Ltd (“UMWIV”), a 65%-owned subsidiary in the UMW Group, has today entered into a Heads of Agreement (“the Agreement”) with Jogen N. Buragohain (“Jogen”), for the establishment of a joint venture to undertake the business of onshore drilling activities in India (“Proposed Joint Venture”).

The Proposed Joint Venture involves the purchase of 60% equity interest in Assam Barytes & Chemicals (P) Ltd (“ABCPL”), a company incorporated under the laws of India and presently 100%-owned by Jogen, by UMWIV from Jogen (“Proposed Acquisition”). Under the Agreement, Jay Bee Energy Pvt Ltd (“JBE”), a company incorporated under the laws of India, presently 100%-owned by Jogen and engaged in the services of deep well onshore drilling, workover rig services and automotive trading activities, will transfer all its current and future business relating to onshore drilling to ABCPL. ABCPL will be renamed as Jay Bee Drilling Pvt Ltd at a later date to more appropriately reflect its business activities. The Proposed Acquisition is conditional upon 1) satisfactory due diligence findings and 2) transfer of above-stated business from JBE to ABCPL.

Upon completion of the Proposed Acquisition, UMWIV shall dispose of its 40% equity interest in UMW Sher (L) Ltd (“UMW Sher”), presently a wholly-owned subsidiary of UMWIV, to Jogen at a mutually-agreed price.

Pursuant to the Proposed Joint Venture, all new assets required for the onshore drilling operations will be held by UMW Sher while ABCPL will be the operating company.

The rationale of the Proposed Joint Venture is to strengthen the UMW Oil & Gas Division’s exploration and development support operations in India and Middle East.

UMWIV and Jogen shall enter into various definitive agreements to set out the respective duties and obligations of the parties within 3 months from the date of the Agreement or upon the completion of the due diligence review and the result being satisfactory to UMWIV, failing which the Agreement shall lapse and deemed terminated.

None of the Directors or substantial shareholders of UMW and/or persons connected with the Directors and/or substantial shareholders, has any interest, direct or indirect, in the Proposed Joint Venture.

cc-Securities Commission
(Issues & Investment Division)
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