

22/04/2008

**EXECUTION OF SHARE SALE AGREEMENT AND SHARE SUBSCRIPTION AGREEMENT
BETWEEN UMW INDIA VENTURES (L) LTD, JOGEN N. BURAGOHAIN AND UMW SHER (L) LTD**

Announcement Details :

1. INTRODUCTION

Further to our announcement on 4th March 2008 in respect of the execution of a Heads of Agreement in relation to the establishment of a joint venture to undertake the business of onshore drilling activities in India, we wish to announce that UMW India Ventures (L) Ltd (“UMWIV”), a 65%-owned subsidiary in the UMW Group, has today entered into a Share Sale Agreement with Jogen N. Buragohain (“Jogen”) for the acquisition of 60% of the issued and paid-up share capital of Jaybee Drilling (P) Ltd (formerly known as Assam Barytes & Chemicals (P) Ltd) (“JDPL”) from Jogen and his associates (“Proposed Acquisition”). UMWIV has also entered into a Share Subscription Agreement with Jogen and UMW Sher (L) Ltd (“UMW Sher”), a company presently wholly-owned by UMWIV, in respect of the subscription of up to 40% of the eventual enlarged and paid-up share capital of UMW Sher of USD5,000,000 (“Proposed Subscription”).

2. DETAILS OF THE PROPOSED ACQUISITION AND PROPOSED SUBSCRIPTION

Under the Share Sale Agreement, UMWIV will acquire 30,000 ordinary shares of INR100 each, representing 60% of the issued and paid-up share capital of JDPL from Jogen and his associates for a total consideration of USD1,894,566 (equivalent to approximately RM6,024,720). The remaining 20,000 ordinary shares of par value INR100 each, representing 40% of the paid-up capital in JDPL, will be owned by Jogen.

Under the Share Subscription Agreement, Jogen and/or his nominees, will subscribe, in stages, up to 2,000,000 ordinary shares of USD1.00 each, representing 40% of the eventual enlarged issued and paid-up share capital of UMW Sher for a total consideration of USD2,000,000.

Upon completion of the Proposed Acquisition and Proposed Subscription, JDPL will be the operating company for the Charter hire onshore drilling activities in India whilst UMW Sher will be the asset owner holding all new assets required for the operations of the onshore drilling activities in India.

3. DETAILS OF THE PROPOSED ACQUISITION AND PROPOSED SUBSCRIPTION

3.1 Information on UMWIV

UMWIV is a company incorporated in the Federal Territory of Labuan on 12th June 2007 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of UMWIV is investment holding.

The issued and paid-up share capital of UMWIV is USD17,000,000 divided into 17,000,000 ordinary shares of par value USD1.00 each.

3.2 Information on JDPL

JDPL is a company incorporated and existing under the laws of India with its registered office at B G Road, Sivasagar, Assam, India.

The intended principal activity of JDPL is Charter hire onshore drilling activities in India.

The existing paid-up capital of JDPL is INR5,000,000 divided into 50,000 ordinary shares of INR100 each.

3.3 Information on UMW Sher

UMW Sher is a company incorporated in the Federal Territory of Labuan on 4th December 2007 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The intended activity of UMW Sher is the provision of contract drilling and engineering services for the oil and gas industry and leasing of drilling rigs and vessels.

The issued and paid-up share capital of UMW Sher is USD1.00 comprising 1 ordinary share of par value USD1.00 each and will eventually be increased to USD5,000,000 to cater for the operational requirements.

3.4 Purchase Consideration

The total consideration of USD1,894,566 for the acquisition of 60% equity interest in JDPL by UMWIV from Jogen and associates was arrived at on a willing-buyer willing-seller basis.

4. RATIONALE

The rationale for the Proposed Acquisition and Proposed Subscription is to strengthen the UMW Oil & Gas Division's exploration and development support operations in India and Middle East.

5. APPROVALS

The Proposed Acquisition and Proposed Subscription are not subject to the approval of the shareholders of UMW.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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 Acquisition and Proposed Subscription.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND PROPOSED SUBSCRIPTION

The Proposed Acquisition and Proposed Subscription are not expected to have any material impact on the earnings and net assets of the UMW Group.

8. STATEMENT BY DIRECTORS

The Board of Directors of UMW is of the opinion that the Proposed Acquisition and Proposed Subscription are in the best interests of the UMW Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the Share Sale Agreement and Share Subscription Agreement will be available for inspection, in accordance with UMW's Documents Inspection Policy, at the registered office of UMW Holdings Berhad at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan, during normal office hours (8.00 a.m. to 5.30 p.m.) on any weekday (except public holidays) from 23rd April 2008 to 7th May 2008.

cc-Securities Commission

(Issues & Investment Division)

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