

09/06/2008

EXECUTION OF SALE AND PURCHASE AGREEMENT BETWEEN UMW OILFIELD INTERNATIONAL (L) LTD AND AIRTRUST (SINGAPORE) PTE LIMITED

Announcement Details :

1. INTRODUCTION

UMW wishes to announce that UMW Oilfield International (L) Ltd (“UOIL”), a 60%-owned subsidiary of UMW Petropipe (L) Ltd (“UMW Petropipe”), which is in turn a wholly-owned subsidiary of UMW, has today entered into a Sale and Purchase Agreement (“SPA”) with Airtrust (Singapore) Pte Limited (“Airtrust”) for the acquisition from Airtrust of 50% of the issued and paid-up share capital in Tubulars International Pte Ltd (“TIPL”), a wholly-owned subsidiary of Airtrust, at a total consideration of SGD50,000 (equivalent to approximately RM119,250) (“Proposed Acquisition”).

TIPL owns 49,000 ordinary shares, representing 49% of the issued and paid-up share capital in TPCO Pan Asia Pte Ltd (“TPCOPA”), an investment holding company, whilst Tianjin Pipe (Group) Corporation (“TPCO”), the largest producer of seamless pipes in China, owns the remaining 51,000 ordinary shares, representing 51% of the issued and paid-up share capital in TPCOPA.

TPCOPA intends to establish a plant in Batam, Indonesia, for the manufacture, processing and/or finishing of oil country tubular goods (“OCTG”), pipes and other related products with a production capacity of 60,000 metric tonnes per year under its wholly-owned subsidiary, PT TPCO Pan Asia.

2. DETAILS OF PARTIES TO THE SPA

2.1 Information on UOIL

UOIL is a company incorporated in the Federal Territory of Labuan on 29th December 2004 and having its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of UOIL is the marketing, importation, exportation, distribution of equipment and component parts and provision of technical support, consultancy services and general services related to the oil and gas industry.

The issued and paid-up share capital of UOIL is USD100,000 divided into 100,000 ordinary shares of par value USD1.00 each.

2.2 Information on Airtrust

Airtrust is a company incorporated in the Republic of Singapore and having its registered office at 5, Shenton Way #16-01/12, UIC Building, Singapore 068808.

The principal activity of Airtrust is investment holding.

The issued and paid-up share capital of AIRTRUST is SGD10,000,000 divided into 10,000,000 ordinary shares of par value SGD1.00 each.

3. RATIONALE

The rationale for the Proposed Acquisition is to expand the market presence, coverage and activities of UOIL in the Asia-Pacific region, in particular to penetrate the Indonesian market. The Proposed Acquisition will also enable UOIL to leverage on TPCO and its network to further enhance UOIL’s competitiveness.

4. APPROVALS

The Proposed Acquisition is not subject to the approval of the shareholders of UMW.

5. 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.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

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

7. STATEMENT BY DIRECTORS

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA 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, Malaysia, during normal office hours (8.00 a.m. to 5.30 p.m.) on any weekday (except public holidays) from 10th June 2008 to 20th June 2008.

cc-Securities Commission

(Issues & Investment Division)

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