

19/10/2009

**EXECUTION OF A SHARE SALE AGREEMENT AND A SHAREHOLDERS' AGREEMENT
BETWEEN VINA OFFSHORE HOLDINGS PTE LTD AND SWG INTERNATIONAL HOLDINGS PTE
LTD**

Announcement Details :

1. INTRODUCTION

We refer to our announcements dated 10th August 2009 and 8th September 2009 in respect of the following -

1) Execution of a Heads of Agreement ("HOA") between UMW Petropipe (L) Ltd ("UMW Petropipe"), a wholly-owned subsidiary of the Company, with SWG Holdings (2005) Pty Ltd for the establishment of a joint venture to provide installation and construction services to the offshore Oil & Gas sector in South East Asia, and

2) Subsequent extension of the HOA for a period of thirty (30) working days from 8th September 2009.

UMW wishes to announce that Vina Offshore Holdings Pte Ltd ("Vina"), a 70%-owned subsidiary of UMW Petropipe, which is in turn wholly-owned by UMW, has today entered into a Share Sale Agreement ("SSA") and a Shareholders' Agreement ("SA") with SWG International Holdings Pte Ltd ("SWG") to establish a joint venture through UMW Deepnautic Pte Ltd (formerly known as Offshore Fabrication Pte Ltd) ("UDPL") for the provision of installation and construction services to the offshore Oil & Gas sector in South-East Asia ("Proposed Joint Venture").

Under the SSA, Vina will dispose 245,000 ordinary shares, representing 49% of the paid-up share capital of its wholly-owned subsidiary company, UDPL, to SWG for a total consideration of SGD419,382 (equivalent to approximately RM1,014,192) ("Proposed Disposal").

Upon completion of the Proposed Disposal, UDPL will be owned by Vina and SWG in the proportion of 51% and 49%, respectively.

Vina and SWG has also today entered into a SA to regulate the conduct of business and affairs of UDPL. Under the SA, the parties agreed that UDPL will establish a new company in Malaysia, to undertake a similar business.

UMW Petropipe has also today entered into a Deed of Guarantee and Indemnity with SWG, under which UMW Petropipe agrees to guarantee the performance by Vina of its obligations towards SWG as stipulated in the SSA.

2. DETAILS OF THE JOINT VENTURE PARTNERS

2.1 Information on UMW Petropipe

UMW Petropipe is a company incorporated under the Offshore Companies Act, 1990 in the Federal Territory of Labuan on 21st May 2003 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of UMW Petropipe is investment holding.

2.2 Information on Vina

Vina is a company limited by shares, incorporated in Singapore on 27th May 2004 and has its registered office at 2 Havelock Road #07-02, Apollo Centre, Singapore 059763.

The principal activity of Vina is investment holding and sale of supplies used in the marine and offshore oil rig industry.

2.3 Information on SWG

SWG is a company limited by shares, incorporated in Singapore on 16th December, 2005 and has its registered office at 146 Robinson Road, #07-01, Singapore 069909.

The principal activity of SWG is to provide project management, engineering and construction services to the offshore oil and gas industry.

2.4 Information on UDPL

UDPL is a company limited by shares, incorporated in Singapore on 12th September 2007 and has its registered office at 2 Havelock Road #07-12, Apollo Centre, Singapore 059763.

The principal activity of UDPL is the provision of fabrication services mainly to the Oil and Gas Industry. Upon completion of the Proposed Joint Venture, UDPL will be involved in providing installation and construction services to the offshore Oil & Gas sector in South-East Asia or such other territory as the parties may mutually agree at a later date.

3. RATIONALE

The Proposed Joint Venture is a strategic fit to UMW's growing oil and gas business that will further strengthen the existing internal synergies.

4. APPROVALS

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

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

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

6. FINANCIAL EFFECTS OF THE PROPOSED JOINT VENTURE

The Proposed Joint Venture 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 Joint Venture is in the best interests of the UMW Group.

8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SSA and SA will be available for inspection, in accordance with UMW's Document 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 from 9.00 a.m. to 5.00 p.m. on any weekday (except public holidays) from 20th October 2009 to 30th October 2009.

cc - Securities Commission
(Issues & Investment Division)