

**07/04/2010**

**EXECUTION OF A DEED OF AMENDMENT TO THE SHAREHOLDERS' AGREEMENT AND THE SUBSCRIPTION AGREEMENT AND A SHARE TRANSFER AGREEMENTS IN RELATION TO ARABIAN DRILLING SERVICES L.L.C.**

**1. INTRODUCTION**

We refer to our announcement dated 23rd July 2009 in respect of the Execution of a Share Subscription and Share Sale Agreement ("the SSSSA") in relation to Arabian Drilling Services L.L.C. ("ADS") between UMW Sher (L) Ltd ("UMW Sher"), a subsidiary in the UMW Group, Saif bin Hashil bin Rashid Al Maskery ("SM") and Nabeel bin Abdullah bin Mohammed Al Riyami ("NR"), both of Oman.

UMW wishes to announce that UMW Middle East Ventures Holding W.L.L. ("UMWMEV"), a wholly-owned subsidiary in the UMW Group, had on 6th April 2010, entered into a Deed of Amendment to the Shareholders' Agreement and the Subscription Agreement ("the Deed") with UMW Sher, SM and Nham Energy Services L.L.C. ("NES"), a company incorporated in the Sultanate of Oman. Pursuant to the Deed, the Shareholders' Agreement dated 23rd July 2009 and the SSSSA are amended by replacing UMW Sher with UMWMEV. Save for the amendment mentioned above, the Shareholders' Agreement and the SSSSA will remain in full force and effect.

UMW also wishes to announce that UMWMEV has received the Certificate of Commercial Registration Information ("CCRI") issued by the Ministry of Commerce and Industry, Sultanate of Oman, dated 6th April 2010, confirming the completion of the transfer of shares. This is consequent to the Share Sale Agreement ("the SSA") entered into between UMWMEV with SM and NR on 31st March 2010. Pursuant to the SSA, UMWMEV acquired 680,000 shares from SM, representing 40% of the paid-up share capital of ADS for a total consideration of RO701,760 (equivalent to approximately USD1.825 million), and 425,000 shares from NR, representing 25% of the paid-up share capital of ADS for a total consideration of RO438,600 (equivalent to approximately USD1.140 million).

UMWMEV now owns 1,105,000 ordinary shares of par value RO1.00 each, representing 65% of the issued and paid-up share capital of ADS. The respective shareholding of the parties in the share capital of ADS is reflected in Table A.

**2. DETAILS OF PARTIES**

**2.1 Information on SM**

Saif bin Hashil bin Rashid Al-Maskery, an Omani, of P.O. Box 431, PC 115, Madinat Sultan Qaboos, Sultanate of Oman. He was the founder promoter in Nawrass Telecomm, Oman UAE Exchange and Modern College of Business and Sciences. He served as Assistant Secretary-General for Gulf Corporation Council from 1987 to 1993 and Under-Secretary for Ministry of Commerce, Industry and Tourism from 1994 to 1997.

**2.2 Information on NR**

Nabeel bin Abdullah bin Mohamed Al-Riyami, an Omani, of P.O. Box 621, PC 116, Mina Al Fahal, Sultanate of Oman. He has 18 years experience in providing operating, strategic, technical and business leadership with PDO, Shell, Petronas, Falcon Oil, Abraj & Nordic Arabia Energy.

**2.3 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 principal activity of UMW Sher is to provide onshore contract drilling and engineering services for the Oil and Gas Industry and leasing of onshore drilling rigs. UMW Sher has already made significant

inroads in India since 2008 and it currently owns three (3) onshore rigs, namely, Sher 1, Sher 2 and Sher 3. All the rigs are now operating in northeast India.

The issued and paid-up share capital of UMW Sher is USD6,710,000 divided into 6,710,000 ordinary shares of par value USD1.00 each.

#### 2.4 Information on UMWMEV

UMWMEV is a company incorporated under the laws of the Kingdom of Bahrain and has its registered office at Flat 141, Building 20, Road 385, Block 305, Kingdom of Bahrain.

The principal activity of UMWMEV is investment holding.

#### 2.5 Information on NES

NES is a company incorporated under the laws of the Sultanate of Oman and has its registered office at P.O. Box 522, Madinat Sultan Qaboos, PC 115, Sultanate of Oman.

The principal activity of NES is the provision of services relating to exploration of petroleum and natural gas in the Oil & Gas industry.

### 3. RATIONALE

The acquisition of shares in ADS is to enable UMWMEV to position itself and expand its geographical market to the Middle East in the Oil & Gas industry so as to provide a base for future growth. It will also enable the Group to streamline its investment in the Oil & Gas industry in the Middle East and to further develop its onshore drilling business. The acquisition is also intended to be a springboard for further investments and inroads into the Middle East.

### 4. APPROVAL

The said acquisition is not subject to the approval of the shareholders of UMW.

### 5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

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

### 6. FINANCIAL EFFECTS OF THE ACQUISITION

The above transactions are 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 said acquisition is in the best interests of the UMW Group.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Deed, the CCRI and the SSA are 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 from 9.00 a.m. to 5.00 p.m. on any weekday (except public holidays) from 8th April 2010 to 15th April 2010.

cc - Securities Commission  
(Issues & Investment Division)

<b>Name of Shareholder</b>	<b>Number of ordinary shares of RO1.00 each</b>	<b>%</b>
UMWMEV	1,105,000	65
NES	425,000	25
SM	170,000	10
Total	1,700,000	100.00