

17/08/2010

AWARD OF CONTRACT BY HESS (INDONESIA-PANGKAH)LIMITED FOR THE PROVISION OF UMW'S JACK-UP DRILLING RIG "NAGA 2" AND DRILLING SERVICES FOR THE PANGKAH WHP-B DEVELOPMENT DRILLING PROGRAMME

Announcement Details :

1. INTRODUCTION

UMW wishes to announce that a Letter of Award has been received from HESS (Indonesia-Pangkah) Limited of The Energy, 11th - 12th Floor, SCBD Lot 11A, Jl. Jendral Sudirman Kav. 52-53, Jakarta, 12100 Indonesia, for the provision of UMW's Jack-Up Drilling Rig "NAGA 2" and drilling services for the Pangkah WHP-B Development Drilling Programme in the Ujung Pangkah Field located in the Pangkah PSC - Offshore, East Java, at a total contract value of approximately USD183.12 million. The contract shall consist of 7 firm wells and 13 option wells. The contract agreement in respect of the above is expected to be signed before the end of August 2010. An announcement will be duly made upon execution of this contract.

NAGA 2 is a premium independent-leg cantilever jack-up rig that has drilling depth capability of 30,000 feet and has a rated operating water depth of 350 feet, resulting in more efficient drilling compared to older jack-ups, with better safety features.

2. DURATION OF THE CONTRACT

The contract is for an estimated period of 1,355 days, equivalent to 3.7 years. The contract is expected to commence in the first week of September 2010.

3. FINANCIAL EFFECTS

The contract is expected to contribute positively to the earnings and net assets of UMW for the financial year ending 31st December 2010 and beyond.

4. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED TO THEM

None of the Directors and substantial shareholders of UMW and/or persons connected with the Directors and/or substantial shareholders, has any interest, direct or indirect, in the above-mentioned award of contract.

5. STATEMENT OF DIRECTORS

The Board of Directors of UMW is of the opinion that the acceptance of the above-mentioned award of contract is in the best interests of the UMW Group.

cc - Securities Commission
(Issues & Investment Division)