

22/11/2010

EXECUTION OF A DRILLING SERVICES ASSISTANCE COOPERATION AGREEMENT IN RESPECT OF 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

1. INTRODUCTION

We refer to our announcements dated 17th August 2010, 7th September 2010 and 29th September 2010 in respect of the Letter of Award received from HESS (Indonesia-Pangkah) Limited ("HESS") 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.

We wish to announce that UMW Standard Drilling Sdn Bhd ("UMWSD"), a wholly-owned subsidiary in the UMW Group, has today entered into a Drilling Services Assistance Cooperation Agreement ("the Agreement") with PT. Isis Megah ("PTIM") and PT. Harmoni Drilling Services ("PTHDS"), to regulate and formalise the conduct of business processes and cooperation in relation to the provision of and the performance of the Drilling Contract ("the Contract") in respect of "NAGA 2" entered into between HESS and PTIM.

The Agreement serves to confirm the roles of each of the parties as mentioned in our announcement on 29th September 2010 in relation to the execution of the Contract by HESS and PTIM.

2. DETAILS OF PARTIES

2.1 Information on UMWSD

UMWSD is a company incorporated under the Companies Act, 1965 on 29th July 2003 and has its registered office at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan.

The principal activity of UMWSD is to perform contract offshore drilling business and operations and other engineering services for oil and gas exploration, development and production in Malaysia and overseas.

2.2 Information on PTIM

PTIM is a company incorporated in Indonesia on 29th July 1991 and having its business address at Jl. Raya Kebayoran Lama No. 194-A3 Jakarta Selatan 12220 Indonesia.

The principal activities of PTIM are supply of drilling and production equipment to the Oil and Gas industry.

2.3 Information on PTHDS

PTHDS is a company incorporated in Indonesia on 2nd July 2009 and having its business address at Jl. K. H. Mas Mansyur No. 98 Jakarta 10230, Indonesia.

The principal activities of PTHDS are the provision of offshore and onshore drilling and workover services to the Oil and Gas industry.

3. 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 Agreement.

4. STATEMENT OF DIRECTORS

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

5. DOCUMENTS FOR INSPECTION

Copy of the 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 November 2010 to 29th November 2010.

cc - Securities Commission
(Issues & Investment Division)