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AWARD OF CONTRACT BY PETRONAS CARIGALI SDN BHD FOR THE PROVISION OF UMW'S JACK-UP DRILLING RIG "NAGA 3"

1. INTRODUCTION

UMW is pleased to announce that UMW Standard Drilling Sdn Bhd ("UMWSD"), a wholly-owned subsidiary in the UMW Group, has received a Letter of Award dated 21st January 2011 ("LOA") from Petronas Carigali Sdn Bhd ("PCSB") of Tower 1, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia, for the provision of UMW's Jack-Up Drilling Rig "NAGA 3" for PCSB's domestic operations within the Malaysian waters at a contract value of approximately USD41.5 million. The contract agreement in respect of the above LOA is expected to be signed by the end of March 2011. An announcement will be duly made upon execution of this contract.

NAGA 3 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 a duration of one (1) year with two (2) one-year options for renewal. The rig is expected to be mobilised in March 2011.

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 2011 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.

6. PARAGRAPH 9.05 OF MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

The LOA dated 21st January 2011, together with an accompanying Exhibit, was received by UMWSD on 21st January 2011. However, amendments were made to the Exhibit and the revised Exhibit was received by UMWSD on 27th January 2011. The announcement on the matter was deferred as provided under Paragraph 9.05 of the Main Market Listing Requirements, due to a specific clause in the LOA which stipulates that the prior written approval of PCSB be obtained before release of any announcement on the matter by UMWSD. Approval was obtained from PCSB on 17th March 2011.

cc - Securities Commission
(Issues & Investment Division)