

20110505

EXECUTION OF A CONTRACT FOR THE PROVISION OF UMW'S JACK-UP DRILLING RIG "NAGA 3" FOR PETRONAS CARIGALI DRILLING PROGRAMME

1. INTRODUCTION

We refer to our announcements dated 17th March 2011 and 30th March 2011 in respect of the Letter of Award received by UMW Standard Drilling Sdn Bhd ("UMWSD"), a subsidiary in the UMW Group, 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.

We are pleased to announce that UMWSD has received confirmation from PCSB that the contract (No: CHO/2010/DDR/367) ("the Contract"), with PCSB for the provision of the Jack-up Drilling Rig "NAGA 3", for the Petronas Carigali Drilling Programme, has been executed. Under the Contract, UMWSD is to provide its expertise, equipment, materials, consumables and personnel required to perform the mobilisation, anchoring and positioning, drilling services, in-field rig movement, completion of drilling services and demobilisation of equipment and personnel, to PCSB for its drilling programme.

2. INFORMATION ON PARTIES

2.1 Information in 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 activities of UMWSD are 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 PCSB

PCSB is a company incorporated under the Companies Act, 1965 on 11th May 1978 and has its registered office at Tower 1, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.

The principal activities of PCSB are the exploration, development and production of oil and gas.

3. DURATION OF THE CONTRACT

The Contract is for a duration of one (1) year with two (2) one-year extension options, with effect from the Letter of Award which was dated 21st January 2011.

4. 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.

5. 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 Contract.

6. STATEMENT OF DIRECTORS

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

cc - Securities Commission
(Issues & Investment Division)