All defined terms and abbreviations contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus, unless stated otherwise.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your UMW-OG Shares, you should hand this Abridged Prospectus together with the Notice of Provisional Allotment and Rights Subscription Form (collectively, the "**Documents**") at once to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue With Warrants should be addressed to the Share Registrar, Securities Services (Holdings) Sdn Bhd at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia. The Documents are only despatched to shareholders who have provided the Share Registrar of UMW-OG with a registered address in Malaysia and whose names appear in the Record of Depositors as at 5.00 p.m. on 25 September 2017.

The Documents are not intended to be (and will not be) issued, circulated or distributed in any country or jurisdiction other than Malaysia and no action has been or will be taken to ensure that either the Rights Issue With Warrants or the Documents comply with the laws related to public offerings of any country or jurisdiction where action for such purpose is required, other than the laws of Malaysia. Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of the Provisional Rights Shares With Warrants, application for the Excess Rights Shares or the subscription, offer, sale, resale, pledge or other transfer of the Provisional Rights Shares With Warrants would result in the contravention of any laws of such countries or jurisdictions. The Company and the Principal Adviser shall not accept any responsibility or liability in the event that any acceptance or renunciation (as the case may be) of the Provisional Rights Shares With Warrants, application for the Excess Rights Shares, or the subscription, offer, sale, resale, pledge or other transfer of the Provisional Rights Shares With Warrants made by any Entitled Shareholder and/or their renouncee(s) and/or transferee(s), if applicable, is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the said Entitled Shareholder and/or their renouncee(s) and/or transferee(s), if applicable, are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue With Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

Approval for the Rights Issue With Warrants has been obtained from the shareholders of the Company at the EGM held on 25 August 2017. Approval has also been obtained from Bursa Securities vide its letter dated 22 June 2017 for the admission of the Warrants into Official List and the listing and quotation of the Rights Shares, Warrants and Exercised Shares on the Main Market of Bursa Securities, which will commence after, among others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the successful Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have been duly credited and the notices of allotment have been despatched to them. However, such admission, listing and quotation are not an indication that Bursa Securities recommends the Rights Issue With Warrants and are in no way reflective of the merits of the Rights Issue With Warrants.

The Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in the Documents false or misleading.

Maybank IB, being the Principal Adviser for the Rights Issue With Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue With Warrants.

UMW
OIL & GAS

UMW OIL & GAS CORPORATION BERHAD

(Company No. 878786-H)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 6,053,600,000 NEW ORDINARY SHARES IN UMW OIL & GAS CORPORATION BERHAD ("UMW-OG") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.30 PER RIGHTS SHARE ON THE BASIS OF FOURTEEN (14) RIGHTS SHARES FOR EVERY FIVE (5) ORDINARY SHARES IN UMW-OG ("UMW-OG SHARES") HELD AS AT 5.00 P.M. ON 25 SEPTEMBER 2017 TOGETHER WITH UP TO 1,513,400,000 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED ("RIGHTS ISSUE WITH WARRANTS")

Principal Adviser

Maybank Investment Bank

Maybank Investment Bank Berhad (15938-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Monday, 25 September 2017 at 5.00 p.m.
Last date and time for the sale of the Provisional Rights Shares With Warrants	: Monday, 2 October 2017 at 5.00 p.m.
Last date and time for the transfer of the Provisional Rights Shares With Warrants	: Thursday, 5 October 2017 at 4.00 p.m.
Last date and time for the acceptance and payment for the Provisional Rights Shares With Warrants	: Tuesday, 10 October 2017 at 5.00 p.m.
Last date and time for the application and payment for the Excess Rights Shares	: Tuesday, 10 October 2017 at 5.00 p.m.

This Abridged Prospectus is dated 25 September 2017

ALL DEFINED TERMS AND ABBREVIATIONS CONTAINED IN THIS ABRIDGED PROSPECTUS ARE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS, UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE RIGHTS ISSUE AND ANY INVESTMENT IN THE COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA (SUCH AS THE DIRECTORS OF THE COMPANY AND THE ADVISERS) ARE RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. UMW-OG AND THE PRINCIPAL ADVISER ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. UMW-OG AND THE PRINCIPAL ADVISER HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF THE RIGHTS SHARES AND WARRANTS BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY THE RIGHTS SHARES AND WARRANTS IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. UMW-OG AND THE PRINCIPAL ADVISER REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. THE COMPANY AND THE PRINCIPAL ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

DEFINITIONS

The following definitions apply throughout this Abridged Prospectus unless the context requires otherwise:

Abridged Prospectus	:	This abridged prospectus dated 25 September 2017 issued by the Company for the Rights Issue With Warrants
Act	:	Companies Act, 2016
Amendment	:	Amendment to the Constitution, which was approved by the shareholders of UMW-OG on 25 August 2017
Announcement LPD	:	28 April 2017, being the latest practicable date prior to UMW-OG's announcement dated 4 May 2017 in relation to the Corporate Exercises
ART-ASB	:	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera
ASB	:	Amanah Saham Bumiputera
ASEAN	:	Association of Southeast Asian Nations
ASG	:	Amanah Saham Gemilang, the umbrella fund for ASG-Pendidikan, ASG-Kesihatan and ASG-Persaraan
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of UMW-OG
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS	:	Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
CDS Account	:	A securities account established by Bursa Depository for a depositor for the recording of deposits and dealings in such securities by the depositor
Closing Date	:	10 October 2017 at 5.00 p.m., being the last date and time for the acceptance, application and payment for the Provisional Rights Shares With Warrants and Excess Rights Shares
CMSA	:	Capital Markets and Services Act, 2007
Collective Shareholding	:	The collective shareholding of PNB, ASB and the Funds in UMW-OG
Collective Shareholding Threshold	:	The threshold of the Collective Shareholding of 65% of the enlarged issued share capital of UMW-OG upon the subscription of their respective entitlements and applications for the Excess Rights Shares, if any
Constitution	:	The memorandum and articles of association of UMW-OG's constitution
Corporate Exercises	:	Collectively, the Rights Issue With Warrants, Subscription, Exemption and Amendment
Deed Poll	:	The deed poll constituting the Warrants dated 8 September 2017

DEFINITIONS *(Cont'd)*

Director	:	Members of the Board and the term "director" shall have the same meaning assigned to it in Section 2(1) of the CMSA
Distribution	:	Distribution of 1,204,777,400 UMW-OG Shares, being the entire shareholding of UMWH in UMW-OG, on the basis of 1.0312 UMW-OG Shares for every one (1) share held in UMWH to the entitled shareholders of UMWH by way of a reduction to the issued share capital of UMWH by RM704,759,950, which was completed on 11 July 2017
Documents	:	Collectively, this Abridged Prospectus and the accompanying NPA and RSF
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of UMW-OG whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	:	25 September 2017 at 5.00 p.m., being the date and time on which the names of the shareholders of the Company must appear in the Record of Depositors of the Company in order to be entitled to participate in the Rights Issue With Warrants
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per UMW-OG share
Excess Rights Shares	:	Rights Shares which are not taken up or validly taken up by the Entitled Shareholders and/or their renouncee(s) and/or transferee(s), prior to excess application
Exemption	:	Exemption granted by the SC to the PAC Group from the obligation to undertake the Mandatory Offer pursuant to Paragraphs 4.08(1)(b) and 4.08(1)(c) of Rule 4, Part B of the Rules
Exercise Period	:	Any time after six (6) months from the date of issue of the Warrants and ending at 5.00 p.m. on the Expiry Date
Exercise Price	:	The exercise price of the Warrants of RM0.395 per Warrant
Exercised Shares	:	New UMW-OG Shares to be issued upon exercise of the Warrants
Expiry Date	:	A date being seven (7) years from and including the date of issue of the Warrants, provided that if such day falls on a day which is not a Market Day, then on the preceding Market Day
Foreign Addressed Shareholders	:	Entitled Shareholders who have not provided an address in Malaysia for the service of the Documents
FPE	:	Financial period ended/ending, as the case may be
Funds	:	Funds under PNB's management, namely Amanah Saham Wawasan 2020, Amanah Saham Malaysia, Amanah Saham 1Malaysia, Amanah Saham Didik, Amanah Saham Bumiputera 2, Amanah Saham Nasional, Amanah Saham Nasional 2, Amanah Saham Nasional 3 Imbang, ASG and Yayasan Tun Ismail Mohamed Ali (Berdaftar), other than ASB

DEFINITIONS *(Cont'd)*

Funds' RCPS-i	:	The number of RCPS-i to be offered to ASB and/or the Funds for subscription equivalent to the number of Rights Shares not being able to be subscribed by ASB and/or the Funds (based on ASB and/or the Funds' respective entitlements and applications of the Excess Rights Shares, if any) as a consequence of the Collective Shareholding Threshold
Funds' Subscription	:	Issuance of the Funds' RCPS-i to be subscribed by ASB and/or the Funds at the Subscription Price together with Warrants on the basis of one (1) Warrant for every four (4) RCPS-i subscribed
FYE	:	Financial year ended/ending, as the case may be
GDP	:	Gross domestic product
GDV	:	Gross development value
GNI	:	Gross national income
Government	:	Government of Malaysia
HWU	:	Hydraulic Workover Unit
Intended Gross Proceeds	:	The intended gross proceeds of RM1,816,080,000 to be raised by the Company from the Rights Issue With Warrants and if applicable, the Subscription
KWAP	:	Kumpulan Wang Persaraan (Diperbadankan)
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	5 September 2017, being the latest practicable date prior to the date of this Abridged Prospectus
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maybank IB or Principal Adviser	:	Maybank Investment Bank Berhad
Mandatory Offer	:	The obligation of PNB, ASB and the PACs to undertake a mandatory take-over offer to acquire: (i) all the remaining UMW-OG Shares and Warrants not already owned by them after the Rights Issue With Warrants; and/or (ii) all the remaining UMW-OG Shares following the exercise of the Warrants during the tenure of the Warrants and/or the conversion of the RCPS-i during the tenure of the RCPS-i
NA	:	Net assets
NPA	:	Notice of provisional allotment of the Rights Shares and Warrants
Non-Interested Entitled Shareholders	:	Being the Entitled Shareholders other than PNB, ASB, and the Funds

DEFINITIONS *(Cont'd)*

O&G	:	Oil and gas
OPR	:	Overnight policy rate
PAC Group	:	PNB, ASB and the PACs
PACs	:	Persons deemed to be acting in concert with PNB and ASB in accordance with Sections 216(2) and/or 216(3) of the CMSA, namely UMWH and the Funds
PNB	:	Permodalan Nasional Berhad
PNB Subscription	:	Issuance of up to 4,847,539,594 new RCPS-i to be subscribed by PNB at the Subscription Price together with up to 1,211,884,898 Warrants on the basis of one (1) Warrant for every four (4) RCPS-i subscribed
Provisional Rights Shares With Warrants	:	Rights Shares provisionally allotted to the Entitled Shareholders together with the Warrants attached
RCPS-i	:	Islamic redeemable convertible preference shares in UMW-OG
RCPS-i Undertaking	:	The undertaking from PNB to subscribe for such amounts of new RCPS-i to be issued pursuant to the PNB Subscription, after the Rights Issue With Warrants and if applicable, the Funds' Subscription, so as to ensure that UMW-OG will be able to raise the Intended Gross Proceeds
Record of Depositors	:	A record of securities holders established by Bursa Depository pursuant to Chapter 24 of the Rules of Bursa Depository
Rights Issue Price	:	The issue price of RM0.30 per Rights Share
Rights Issue Undertakings	:	The irrevocable undertakings from PNB to subscribe in full its entitlement to the Rights Shares based on its shareholding as at the Entitlement Date (including any increase in its entitlement arising from the increase in PNB's shareholding in UMW-OG as a result of the Distribution from the date of the Undertakings and Subscription Letter), and to apply for all the remaining Excess Rights Shares via excess application, pursuant to the Undertakings and Subscription Letter
Rights Issue With Warrants	:	Renounceable rights issue of up to 6,053,600,000 Rights Shares at the Rights Issue Price on the basis of fourteen (14) Rights Shares for every five (5) UMW-OG Shares held on the Entitlement Date together with up to 1,513,400,000 Warrants on the basis of one (1) Warrant for every four (4) Rights Shares subscribed
Rights Shares	:	New UMW-OG Shares to be issued pursuant to the Rights Issue With Warrants
RSF	:	Rights subscription form for the Rights Issue With Warrants
Rules	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia

DEFINITIONS *(Cont'd)*

Scenario I	:	Assuming all the Entitled Shareholders subscribe in full their respective entitlements under the Rights Issue With Warrants
Scenario II	:	Assuming none of the Entitled Shareholders subscribes for their respective entitlements under the Rights Issue With Warrants other than PNB such that the Collective Shareholding after the Rights Issue With Warrants will be 65%, and the remaining amount of proceeds to enable the Intended Gross Proceeds to be raised will be via the PNB Subscription
Share Registrar	:	Securities Services (Holdings) Sdn Bhd
Shareholder Loan	:	The intercompany loan provided by UMWH to UMW-OG amounting to RM308 million on 2 June 2016
SICDA	:	Securities Industry (Central Depositories) Act, 1991
Subscription	:	Issuance of up to 4,847,539,594 new RCPS-i to be subscribed at the Subscription Price by PNB, ASB and/or the Funds together with up to 1,211,884,898 Warrants on the basis of one (1) Warrant for every four (4) RCPS-i subscribed pursuant to the PNB Subscription and, if applicable the Funds' Subscription
Subscription Price	:	The subscription price of RM0.30 per RCPS-i
TERP	:	Theoretical ex-rights price
UMW-OG or Company	:	UMW Oil & Gas Corporation Berhad
UMW-OG Group or Group	:	Collectively, UMW-OG and its subsidiaries
UMW-OG Shares	:	Ordinary shares in UMW-OG
UMWH	:	UMW Holdings Berhad
Undertakings and Subscription Letter	:	Letter dated 9 June 2017 issued by PNB and accepted by UMW-OG in relation to, amongst others, the Rights Issue Undertakings and the PNB Subscription
United States or U.S.	:	United States of America
VWAMP	:	Volume-weighted average market price
Warrants	:	Free detachable warrants issued pursuant to the Rights Issue With Warrants and the Subscription (if applicable)
YPB	:	Yayasan Pelaburan Bumiputera

CURRENCIES

RM and sen	:	Ringgit Malaysia and sen respectively
USD	:	United States Dollar

All references to "**you**" or "**your**" in this Abridged Prospectus are to the Entitled Shareholders and/or, where the context requires otherwise, the renouncee(s) and/or transferee(s).

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations and individuals, unless otherwise specified.

Any reference in this Abridged Prospectus to any legislation, statute, guidelines, code, rules and regulations is a reference to that legislation, statute, guidelines, code, rules and regulations as for the time being amended or re-enacted. Any reference to a time of day or date in this Abridged Prospectus is a reference to Malaysian time and date respectively.

Any discrepancies in the tables included in this Abridged Prospectus between the amounts stated, actual figures and the totals thereof are due to rounding.

Unless otherwise stated, the exchange rate of USD1.00:RM4.2675, being the middle rate quoted by BNM as at 5.00 p.m. on the LPD is used throughout this Abridged Prospectus.

Any exchange rate translations in this Abridged Prospectus are provided solely for the convenience of readers and should not be constituted as representative that the translated amounts stated in this Abridged Prospectus could have been or would have been converted into such other amounts or vice versa.

[The rest of this page is intentionally left blank]

TABLE OF CONTENTS

TABLE OF CONTENTS *(Cont'd)*

Company No. 878786-H

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name/Designation	Address	Age	Nationality	Occupation/ Profession
Dato' Abdul Rahman bin Ahmad *(Chairman, Non-Independent Non-Executive Director)*	No. 1A, Lorong 14/47B 46100 Petaling Jaya Selangor Darul Ehsan	48	Malaysian	Company Director / Chief Executive Officer (PNB)
Rohaizad bin Darus *(President, Non-Independent Executive Director)*	No. 8, Jalan Cempaka 8 Taman Cempaka 68000 Ampang Selangor Darul Ehsan	52	Malaysian	Company Director / Chief Executive Officer (UMW-OG)
Razalee bin Amin *(Independent Non-Executive Director)*	No. 7, SS 19/3A 47500 Subang Jaya Selangor Darul Ehsan	64	Malaysian	Company Director / Accountant
Dato' Afifuddin bin Abdul Kadir *(Senior Independent Non-Executive Director)*	No. 1, Jalan 3/2F Seksyen 3 43650 Bandar Baru Bangi Selangor Darul Ehsan	64	Malaysian	Company Director
Cheah Tek Kuang *(Independent Non-Executive Director)*	No. 1, Jalan Setiabakti 10 Bukit Damansara 50490 Kuala Lumpur	70	Malaysian	Company Director
Dato' Ibrahim bin Marsidi *(Independent Non-Executive Director)*	No. 18, Jalan Suasana 5/3A Bandar Tun Hussein Onn 43200 Cheras, Selangor Darul Ehsan	65	Malaysian	Company Director
Mohd Rashid bin Mohd Yusof (*Independent Non-Executive Director)*	No. 13, Jalan Memanah 13/55A Laman Seri, Seksyen 13 40100 Shah Alam Selangor Darul Ehsan	61	Malaysian	Company Director
Rowina Ghazali Seth (*Independent Non-Executive Director)*	B-3A-01, Tiffani Kiara Changkat Duta Kiara Mont Kiara, 50480 Kuala Lumpur	55	Malaysian	Company Director
Haida Shenny binti Hazri (*Non-Independent Non-Executive Director)*	No. 4463, Lorong Lee Hin Neo 3 Ukay Heights, 68000 Ampang, Selangor Darul Ehsan	43	Malaysian	Company Director / Project Director

CORPORATE DIRECTORY *(Cont'd)*

AUDIT COMMITTEE

Name	Designation	Directorship
Razalee bin Amin	Chairman	Independent Non-Executive Director
Dato' Afifuddin bin Abdul Kadir	Member	Senior Independent Non-Executive Director
Cheah Tek Kuang	Member	Independent Non-Executive Director
Dato' Ibrahim bin Marsidi	Member	Independent Non-Executive Director

[The rest of this page is intentionally left blank]

CORPORATE DIRECTORY *(Cont'd)*

COMPANY SECRETARY	:	Lee Mi Ryoung (MAICSA No. 7058423) Level 18, Block 3A Plaza Sentral Jalan Stesen Sentral 5 50470 Kuala Lumpur
HEAD / MANAGEMENT / REGISTERED OFFICE	:	Level 18, Block 3A Plaza Sentral Jalan Stesen Sentral 5 50470 Kuala Lumpur Tel. no.: 03 – 2096 8788 Fax no.: 03 – 2274 7787 Website: http://www.umw-oilgas.com *(Information on this website does not constitute part of this Abridged Prospectus)* Email: secretarial@umw-oilgas.com
SHARE REGISTRAR	:	Securities Services (Holdings) Sdn Bhd Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur Tel. no.: 03 – 2084 9000 Fax no.: 03 – 2094 9940
AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Ernst & Young (AF 0039) Level 23A, Menara Milenium Jalan Damanlela, Pusat Bandar Damansara 50490 Kuala Lumpur Tel. no.: 03 – 7495 8000 Fax no.: 03 – 2095 5332
PRINCIPAL BANKERS (in alphabetical order)	:	Affin Bank Bhd 17th Floor, Menara Affin 80, Jalan Raja Chulan 50200 Kuala Lumpur Tel. no.: 03 – 2055 9000 Fax no.: 03 – 2026 1415 CIMB Bank Bhd Level 17, Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel. no.: 03 – 2261 8888 Fax no.: 03 – 2261 8889 HSBC Amanah Malaysia Berhad No. 2, Leboh Ampang 50100 Kuala Lumpur Tel. no.: 03 – 2070 0744 Fax no.: 03 – 2070 1146 Malayan Banking Berhad Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. no.: 03 – 2070 8833 Fax no.: 03 – 2715 9442

CORPORATE DIRECTORY *(Cont'd)*

SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	:	Kadir, Andri & Partners Level 10, Menara BRDB 285 Jalan Maarof, Bukit Bandaraya 59000 Kuala Lumpur Tel. no.: 03 – 2780 2888 Fax no.: 03 – 2780 2833
PRINCIPAL ADVISER	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel. no.: 03 – 2059 1888 Fax no.: 03 – 2070 6521
INDEPENDENT MARKET RESEARCH CONSULTANT	:	Clarkson Research Services Limited Commodity Quay St. Katherine Docks London E1W 1BF United Kingdom Tel. no.: +44 (0) 20 – 7334 3134 Fax no.: +44 (0) 20 – 7522 0330
STOCK EXCHANGE LISTED AND LISTING SOUGHT	:	Main Market of Bursa Securities

[The rest of this page is intentionally left blank]

UMW OIL & GAS CORPORATION BERHAD
(Company No. 878786-H)
(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Act)

Registered Office
Level 18, Block 3A, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur
Malaysia

25 September 2017

Board of Directors
Dato' Abdul Rahman bin Ahmad *(Chairman, Non-Independent Non-Executive Director)*
Rohaizad bin Darus *(President, Non-Independent Executive Director)*
Razalee bin Amin *(Independent Non-Executive Director)*
Dato' Afifuddin bin Abdul Kadir (*Senior Independent Non-Executive Director)*
Cheah Tek Kuang *(Independent Non-Executive Director)*
Dato' Ibrahim bin Marsidi (*Independent Non-Executive Director)*
Mohd Rashid bin Mohd Yusof (*Independent Non-Executive Director)*
Rowina Ghazali Seth (*Independent Non-Executive Director)*
Haida Shenny binti Hazri (*Non-Independent Non-Executive Director)*

To : The Shareholders of UMW-OG

Dear Sir/Madam,

RIGHTS ISSUE WITH WARRANTS

---

1. INTRODUCTION

On 4 May 2017, Maybank IB, on behalf of the Board, announced that the Company proposes to undertake the Corporate Exercises.

Subsequently on 9 June 2017, Maybank IB, on behalf of the Board, announced that PNB had on 9 June 2017 issued and UMW-OG had on even date accepted the Undertakings and Subscription Letter providing, amongst others, the Rights Issue Undertakings, which are subject to the Collective Shareholding Threshold. The threshold of 65% to the Collective Shareholding of the enlarged issued share capital of UMW-OG upon the subscription of the PAC Group's respective entitlements and/or applications for the Excess Rights Shares was arrived at after taking into consideration the following:

(i) public shareholding spread requirement of 25% pursuant to Paragraph 8.02(1) of the Listing Requirements; and

(ii) potential emergence of other non-public shareholders following the Rights Issue With Warrants where, based on the Collective Shareholding Threshold, up to 10% of the enlarged issued share capital of UMW-OG can be in the hands of these new non-public shareholders without falling below the public shareholding spread requirement of 25%.

Subscription of RCPS-i by PNB, ASB and the Funds

As at the LPD, the public shareholding spread of the Company is approximately 64.3%. In accordance with the Undertakings and Subscription Letter, in the event that UMW-OG is unable to raise the Intended Gross Proceeds from the Rights Issue With Warrants as a result of the Rights Issue Undertakings being subject to the Collective Shareholding Threshold, PNB has further undertaken, via the Undertakings and Subscription Letter, to subscribe for up to 4,847,539,594 new RCPS-i together with up to 1,211,884,898 Warrants so as to ensure that UMW-OG shall be able to raise the Intended Gross Proceeds.

In the same announcement, Maybank IB further announced, on behalf of the Board that UMW-OG proposes to undertake the Funds' Subscription to allow the Funds' RCPS-i to also be offered to ASB and/or the Funds. As the issuance of the RCPS-i does not affect the ordinary share capital of UMW-OG until such time the RCPS-i are converted into new UMW-OG Shares, the subscription of RCPS-i by ASB and the Funds will not impact the public shareholding spread. The Funds' Subscription therefore allows ASB and the Funds to participate in full in UMW-OG's recapitalisation exercise whilst adhering to the Collective Shareholding Threshold. For the avoidance of doubt, in view of the RCPS-i Undertaking, in the event the Funds' Subscription is applicable, ASB and/or the Funds will be offered the RCPS-i prior to such offer being made to PNB. Thereafter, PNB shall subscribe for such number of RCPS-i in order to raise the Intended Gross Proceeds.

Exemption

The Company was notified that the PAC Group intends to seek an exemption from the obligation to undertake the Mandatory Offer in relation to the exercise of any conversion or subscription rights or options into new voting shares or voting rights pursuant to Paragraph 4.08(1)(c) of Rule 4, Part B of the Rules.

Mercury Securities Sdn Bhd was appointed by UMW-OG pursuant to the Rules to act as the Independent Adviser to the non-interested Directors and non-interested shareholders of UMW-OG on the Exemption.

Other Matters

On 23 June 2017, Maybank IB, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 22 June 2017, approved the following:

(i) admission to the Official List of Bursa Securities and the listing and quotation of up to 1,513,400,000 new Warrants to be issued pursuant to the Rights Issue With Warrants and the Subscription (if applicable);

(ii) listing and quotation of up to 6,053,600,000 new UMW-OG Shares to be issued pursuant to the Rights Issue With Warrants and the Subscription (if applicable) on the Main Market of Bursa Securities; and

(iii) listing and quotation of up to 1,513,400,000 new UMW-OG Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities,

subject to, among others, the following conditions:

No.	Condition	Status of compliance
(i)	UMW-OG and Maybank IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue With Warrants and the Subscription	Noted
(ii)	UMW-OG and Maybank IB to inform Bursa Securities upon the completion of the Rights Issue With Warrants and the Subscription	To be complied
(iii)	UMW-OG and Maybank IB to furnish Bursa Securities with a written confirmation of their compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue With Warrants and Subscription are completed	To be complied
(iv)	UMW-OG to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants and/or conversion of RCPS-i as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

On 25 August 2017, the Company announced that the shareholders of UMW-OG had approved the Corporate Exercises at the EGM held on 25 August 2017. A certified true copy of the extract of the resolution relating to the Corporate Exercises passed at the aforesaid EGM is set out in Appendix I of this Abridged Prospectus.

On 7 September 2017, Maybank IB, on behalf of the Board, announced that the SC had, vide its letter dated 6 September 2017, approved the Exemption.

On 8 September 2017, Maybank IB, on behalf of the Board, announced the Entitlement Date for the Rights Issue With Warrants.

No person is authorised to give any information or make any representation not contained in the Documents and if given or made, such information or representation must not be relied upon as having been authorised by UMW-OG or Maybank IB in connection with the Rights Issue With Warrants.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Rights Issue With Warrants

The Rights Issue With Warrants entails the issuance by the Company of up to 6,053,600,000 Rights Shares together with up to 1,513,400,000 Warrants to the Entitled Shareholders at the Rights Issue Price on the basis of fourteen (14) Rights Shares for every five (5) UMW-OG Shares held by the Entitled Shareholders on the Entitlement Date. The Warrants shall be issued free to the Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, who subscribe for the Right Shares on the basis of one (1) Warrant for every four (4) Rights Shares subscribed. The basis for the Warrants was determined after taking into consideration the proceeds that can be raised from the potential exercise of the Warrants.

As at the LPD, the issued share capital of UMW-OG is RM2,453,818,724 comprising 2,162,000,000 UMW-OG Shares.

The Rights Issue With Warrants is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce and/or transfer, if applicable their entitlements to the Rights Shares in full or in part.

The renunciation of the Rights Shares by the Entitled Shareholders will entail the renunciation of the Warrants to be issued together with the Rights Shares. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in the proportion of their acceptance of their Rights Shares entitlements. For the avoidance of doubt, the Rights Shares and the Warrants are not separately renounceable.

The Rights Shares will be provisionally allotted to the Entitled Shareholders. In determining shareholders' entitlements under the Rights Issue With Warrants, fractional entitlements, if any, will be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company.

The actual number of Warrants to be issued pursuant to the Rights Issue With Warrants will depend on the total number of Rights Shares subscribed by the Entitled Shareholders. As at the LPD, the total number of UMW-OG Shares in issue is 2,162,000,000. Assuming the Entitled Shareholders subscribe in full to their respective entitlements under the Rights Issue With Warrants, a total of 1,513,400,000 Warrants will be issued. Assuming full exercise of all the Warrants issued pursuant to the Rights Issue With Warrants, a total of 1,513,400,000 new UMW-OG Shares will be issued.

2.2 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Issue size	:	Up to 1,513,400,000 Warrants
Issue price	:	The Warrants are to be issued free
Issue date	:	The date on which the Warrants are issued and allotted
Form and constitution	:	The Warrants will be issued in registered form and constituted by the Deed Poll
Basis of allotment	:	- One (1) Warrant for every four (4) Rights Shares subscribed by the Entitled Shareholders - One (1) Warrant for every four (4) RCPS-i subscribed by PNB, ASB and/or the Funds
Expiry Date	:	A date being seven (7) years from and including the date of issue of the Warrants, provided that if such day falls on a day which is not a Market Day, then on the preceding Market Day
Exercise Period	:	Any time after six (6) months from the date of issue of the Warrants and ending at 5.00 p.m. on the Expiry Date
Exercise Price	:	RM0.395 per Warrant
Entitlement	:	Subject to the provisions of the Deed Poll, each Warrant shall entitle the registered holder to subscribe for one (1) new UMW-OG Share at the Exercise Price during the Exercise Period
Mode of exercise	:	The registered holders shall pay cash for the Exercise Price when exercising the Warrants for new UMW-OG Shares

Rights of registered holders	:	The registered holders are not entitled to any voting rights or participate in any distribution and/or offer of further securities in the Company until and unless such registered holders are issued with the Exercised Shares
Adjustments in the Exercise Price and/or number of Warrants	:	The Exercise Price and/or number of Warrants in issue may be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll
Transferability	:	The Warrants shall be transferable in the manner provided under the SICDA and the Rules of Bursa Depository
Board lot	:	For the purpose of trading on Bursa Securities, one (1) board lot of Warrants shall comprise 100 units of Warrants carrying the rights to subscribe for 100 new UMW-OG Shares at any time during the Exercise Period
Listing status	:	The Warrants will be listed and quoted on the Main Market of Bursa Securities
Ranking of the Exercised Shares	:	The new UMW-OG Shares to be issued upon exercise of the Warrants will, upon allotment and issuance, rank equally in all respects with the then existing UMW-OG Shares including the entitlements to dividends, rights, allotments or other distributions, except that they will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to the shareholders of UMW-OG, the entitlement date of which is before the date of allotment of such new UMW-OG Shares

2.3 Basis and justification for the Rights Issue Price and Exercise Price

2.3.1 Rights Issue Price

The Rights Issue Price of RM0.30 per Rights Share represents a discount of approximately 24.05% to the TERP of UMW-OG Shares of RM0.395 based on the five (5)-day VWAMP of UMW-OG Shares up to and including the Announcement LPD of RM0.66.

The Rights Issue Price was determined after taking into consideration, among others, the following:

(i) prevailing market price of the UMW-OG Shares;

(ii) TERP of UMW-OG Shares of RM0.395; and

(iii) prevailing market conditions which include, among others, market sentiment and performance of the Malaysian stock market. As at the Announcement LPD, the FTSE Bursa Malaysia KLCI Index stood at 1,768.06.

The Board is of the opinion that the discount is reasonably attractive to encourage the Entitled Shareholders to subscribe for their respective entitlements under the Rights Issue with Warrants.

2.3.2 Exercise Price

The Exercise Price is based on the TERP of UMW-OG Shares of RM0.395 based on the five (5)-day VWAMP of UMW-OG Shares up to and including the Announcement LPD of RM0.66, and was determined after taking into consideration, among others, the potential proceeds from the exercise of the Warrants towards meeting the future funding requirements of the UMW-OG Group and the expected timing of such requirements over the next seven (7) years.

2.4 Ranking of the Rights Shares and Exercised Shares

The Rights Shares will, upon allotment and issuance, rank equally in all respects with the then existing UMW-OG Shares, save and except that they will not be entitled to any dividends, rights, allotments and/ or other forms of distribution which may be declared, made or paid to the shareholders of UMW-OG, the entitlement date of which is prior to the date of allotment of the Rights Shares.

The Exercised Shares will, upon allotment and issuance, rank equally in all respects with the then existing UMW-OG Shares including the entitlements to dividends, rights, allotments or other distributions, except that they will not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid to the shareholders of UMW-OG, the entitlement date of which is prior to the date of allotment of the Exercised Shares.

2.5 Listing and quotation of the Rights Shares, Warrants and Exercised Shares

Bursa Securities had, vide its letter dated 22 June 2017 granted its approval for the listing and quotation of the Rights Shares, Warrants and Exercised Shares on the Main Market of Bursa Securities, subject to the conditions set out in Section 1 of this Abridged Prospectus.

2.6 Allocation of Excess Rights Shares

The Rights Shares which are not taken up or not validly taken up will be made available for excess application by the Entitled Shareholders and/or their renouncee(s) and/or their transferee(s), if applicable.

In this regard, AmanahRaya Trustees Berhad (being the trustee and the registered legal owner of the UMW-OG Shares held by ASB, Amanah Saham Wawasan 2020, Amanah Saham Malaysia, Amanah Saham 1Malaysia, Amanah Saham Didik, Amanah Saham Bumiputera 2, Amanah Saham Nasional, Amanah Saham Nasional 2, Amanah Saham Nasional 3 Imbang and ASG) had on 25 July 2017 notified the Board that since the Funds' Subscription is only being offered to ASB and the Funds, AmanahRaya Trustees Berhad has no objection to UMW-OG giving priority to the other Entitled Shareholders and their renouncee(s) with regards to the allocation of the Excess Rights Shares such that those Funds whose UMW-OG Shares are registered under AmanahRaya Trustees Berhad are allocated their Excess Rights Shares only after all the other Entitled Shareholders and their renouncee(s) who have applied for Excess Rights Shares have been allocated their Excess Rights Shares. Further, in view of the Rights Issue Undertakings, PNB had on 25 July 2017 notified UMW-OG that it has no objection to being allocated the balance number of the Excess Rights Shares (subject always to the Collective Shareholding Threshold) after the allocation of the Excess Rights Shares to all the other Entitled Shareholders and their renouncee(s), including the funds under its management whose UMW-OG Shares are registered under AmanahRaya Trustees Berhad. PNB, in its capacity as investment manager for Yayasan Tun Ismail Mohamed Ali (Berdaftar) further notified UMW-OG on 18 August 2017 that Yayasan Tun Ismail Mohamed Ali (Berdaftar) has no objection to UMW-OG giving priority of allocation of Excess Rights Shares to all the other Entitled Shareholders.

In view of the above, it is the intention of the Board to allot the Excess Rights Shares, if any, in a fair and equitable manner in accordance with the procedures as set out in **Section 8.4** of this Abridged Prospectus.

2.7 Shareholder's undertaking

The Intended Gross Proceeds are to be raised in full pursuant to the Corporate Exercises.

As at the LPD, PNB, ASB and the Funds collectively directly hold 983,159,865 UMW-OG Shares, representing approximately 45.47% of the issued share capital of UMW-OG. Based on the number of UMW-OG Shares held by them as at the LPD and the basis of entitlement for the Rights Issue With Warrants, they will be entitled to subscribe for approximately 45.47% of the total number of Rights Shares of approximately 2,752,847,608.

To ensure the Intended Gross Proceeds are raised, the Company has obtained the Rights Issue Undertakings from PNB pursuant to the Undertakings and Subscription Letter which are subject to the following:

(i) the collective shareholding of PNB, ASB and the Funds in the Company not exceeding the Collective Shareholding Threshold;

(ii) the receipt of the Exemption, which was obtained from the SC vide its letter dated 6 September 2017;

(iii) the approval of UMW-OG's shareholders for the Corporate Exercises, which was obtained at the EGM of UMW-OG on 25 August 2017; and

(iv) the approval of Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities and the listing and quotation of the Rights Shares, Warrants, Exercised Shares and Conversion Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 22 June 2017.

In the event that UMW-OG determines that the Collective Shareholding Threshold may be breached as a result of the subscription by PNB, ASB and/or the Funds for their respective entitlements of the Rights Shares and/or applications for the Excess Rights Shares, the Funds' Subscription shall be undertaken to offer ASB and/or the Funds such number of RCPS-i equivalent to the total number of Rights Shares that ASB and/or the Funds are not able to subscribe based on their respective entitlements and/or applications of the Excess Rights Shares as a consequence of the Collective Shareholding Threshold.

In the event that UMW-OG is unable to raise the Intended Gross Proceeds from the Rights Issue With Warrants and the Funds' Subscription, pursuant to the RCPS-i Undertaking, PNB will subscribe for such amounts of RCPS-i as required in order to ensure the Intended Gross Proceeds shall be raised.

For illustrative purposes only, assuming none of the other Entitled Shareholders subscribe for their respective entitlements under the Rights Issue With Warrants, PNB will subscribe for 1,206,060,406 Rights Shares pursuant to its entitlement and such application for the Excess Rights Shares by excess application up to the Collective Shareholding Threshold ("**Minimum Scenario**"), as shown below:

	Shareholding as at the LPD		No. of Rights Shares to be subscribed/ applied for	Minimum Scenario	
	No. of UMW-OG Shares	%	No. of UMW-OG Shares	No. of UMW-OG Shares	%
	('000)		('000)	('000)	
PNB	81,782	3.78	(1) 1,206,060	1,287,843	38.24
ASB	688,952	31.87	-	688,952	20.46
Funds	212,426	9.83	-	212,426	6.31
Collective Shareholding	**983,160**	**45.47**	(1) **1,206,060**	**2,189,220**	(1) **65.00**

Note:

(1) *Pursuant to the Rights Issue Undertakings, if none of the Entitled Shareholders and/or their renouncee(s) and/or transferee(s) subscribe for any Rights Shares, PNB will subscribe for 1,206,060,406 Rights Shares (of which 228,990,216 Rights Shares will be based on its entitlement and 977,070,190 Rights Shares are Excess Rights Shares to be applied for), which will result in PNB, ASB and the Funds reaching the Collective Shareholding Threshold.*

Under the Minimum Scenario, the amount of proceeds that will be raised will be approximately RM361.8 million, which gives rise to a shortfall of approximately RM1,454.3 million from the Intended Gross Proceeds. PNB will subscribe for such amount of RCPS-i pursuant to the RCPS-i Undertaking to raise the remaining amount of the Intended Gross Proceeds. Accordingly, in view of the Rights Issue Undertakings and the PNB Subscription, UMW-OG will not procure any underwriting for the Excess Rights Shares.

PNB has confirmed via the Undertakings and Subscription Letter that it has sufficient financial resources to fulfil its commitment pursuant to the Rights Issue Undertakings and RCPS-i Undertaking. Maybank IB has verified that PNB has sufficient financial resources to fulfil its commitment pursuant to the Rights Issue Undertakings and RCPS-i Undertaking.

For illustrative purposes, the total number of Rights Shares, RCPS-i and Warrants to be issued under Scenario I and Scenario II, will be as follows:

	Maximum no. of Rights Shares	Maximum no. of Warrants attached to the Rights Shares	Maximum no. of RCPS-i	Maximum no. of Warrants attached to the RCPS-i	Maximum no. of new UMW-OG Shares assuming full exercise of Warrants and conversion of RCPS-i
Scenario I	6,053,600,000	1,513,400,000	-	-	7,567,000,000
Scenario II	1,206,060,406	(1) 301,515,101	4,847,539,594	1,211,884,898	(1) 7,566,999,999

Note:

(1) *Due to the entitlement basis of the Warrants, one (1) less Warrant will be allotted under Scenario II compared to Scenario I.*

In the event that none of the Entitled Shareholders and/or their renouncee(s) and/or their transferee(s), if any, subscribe for their respective entitlements under the Rights Issue With Warrants such that PNB is required to fulfil the Rights Issue Undertakings as illustrated in Scenario II, the PAC Group will be obliged to undertake the Mandatory Offer.

As it is not the intention of the PAC Group to undertake the Mandatory Offer, approval for the Exemption from the non-interested shareholders of UMW-OG and the SC were sought and obtained on 25 August 2017 and 6 September 2017 respectively.

In the event the Entitled Shareholders fully subscribe for their entitlements under the Rights Issue With Warrants, the public shareholding spread of UMW-OG will remain at approximately 64.3%. In the event that none of the Entitled Shareholders and/or their renouncee(s) and/or their transferee(s), if any, subscribes for their respective entitlements under the Rights Issue With Warrants such that PNB is required to fulfil the Rights Issue Undertakings as illustrated in Scenario II, UMW-OG will still remain in compliance with the public shareholding spread requirement as stipulated by Bursa Securities, as shown below:

	Shareholding in UMW-OG as at the LPD		Shareholding pursuant to the Rights Issue With Warrants		Shareholding pursuant to the Subscription	
	No. of UMW-OG Shares (‘000)	**%**	**No. of UMW-OG Shares (‘000)**	**%**	**No. of UMW-OG Shares (‘000)**	**%**
Non-public [(1)]	772,511	35.73	[(2)] 2,190,998	65.05	[(3)] 2,190,998	65.05
Public	1,389,489	64.27	1,177,062	34.95	1,177,062	34.95

Notes:

[(1)] *Includes Directors, substantial shareholders (except where such shareholder(s) fulfils all the requirements under the Listing Requirements to be included as ‘public’), and associates of Directors and substantial shareholders of UMW-OG.*

[(2)] *Pursuant to the allotment of 1,206,060,406 Rights Shares to PNB pursuant to the Rights Issue Undertakings, PNB will become a substantial shareholder of UMW-OG and the Funds will become non-public shareholders in view of being associates of PNB.*

[(3)] *The non-public shareholding spread will not increase pursuant to the subscription of 4,847,539,594 RCPS-i by PNB pursuant to the RCPS-i Undertaking because the RCPS-i will not impact the ordinary issued share capital of UMW-OG.*

Following PNB’s subscription of 1,206,060,406 Rights Shares and 4,847,539,594 RCPS-i pursuant to the Rights Issue Undertakings and RCPS-i Undertaking, respectively, and assuming full conversion of the RCPS-i, the public shareholding spread of UMW-OG would reduce to approximately 14.3%, falling below the public shareholding spread requirement as stipulated by Bursa Securities. In view of this, PNB has further undertaken to ensure that any increase to the Collective Shareholding will be subject to UMW-OG complying with the public shareholding spread requirement.

In the event the Board foresees that as a result of the subscription of the Rights Shares by the other Entitled Shareholders, UMW-OG may not comply with the public shareholding spread requirement, the Board will assess and take the necessary steps to comply with the public shareholding spread requirement.

2.8 Put option arrangement(s)

On 25 July 2017, PNB informed UMW-OG that it has been approached by potential third party investor(s) to explore the possibility of entering into an option arrangement(s) to place up to RM300 million in value of UMW-OG Shares together with Warrants on the basis of one (1) Warrant for every four (4) UMW-OG Shares to third party investors upon the exercise of the put option ("**Put Option**").

UMW-OG was further informed that based on on-going preliminary discussions and negotiations between PNB and these potential third party investors, the Put Option would only be exercisable after the Rights Issue With Warrants has been completed, at an option price of RM0.30 per UMW-OG Share which is equivalent to the Rights Issue Price. Based on these on-going preliminary discussions and negotiations, no consideration would be payable for the Warrants.

However, on 28 August 2017, PNB subsequently informed UMW-OG that no agreement has been entered pertaining to the Put Option and PNB has no plans to undertake the Put Option.

2.9 Use of proceeds

The Company expects to raise the Intended Gross Proceeds as follows:

	Scenario I	Scenario II
	(RM' million)	(RM' million)
(1) Via the Rights Issue With Warrants		
By way of subscription of entitlement of the Rights Shares:		
- PNB	68.7	361.8
- ASB and the Funds	757.2	-
- Remaining Entitled Shareholders	990.2	-
(2) Via the PNB Subscription	-	1,454.3
Total gross proceeds	**1,816.1**	**1,816.1**

The Company intends to use the Intended Gross Proceeds in the following Shariah-compliant manner:

Description of use of proceeds	Estimated timeframe for use of proceeds from date of listing of the Rights Shares and/or issuance of the RCPS-i, if applicable	Amount	
		(RM' million)	(%)
Part repayment of the bank borrowings of the UMW-OG Group [(1)]	Within 4 months	1,500.0	82.6
Working capital requirements of the UMW-OG Group [(2)]	Within 24 months	310.0	17.1
Defray estimated expenses relating to the Corporate Exercises [(3)]	Within 2 months	6.1	0.3
Total gross proceeds		**1,816.1**	**100.00**

Notes:

(1) As at 30 June 2017, the total bank borrowings of the UMW-OG Group is approximately RM3.55 billion (excluding the Shareholder Loan), the details of which are as follows:

Facility	Name of lender	Purpose	Maturity Date	Range of interest rates	Outstanding amount (RM'million)
Term loan (USD) - Secured	• CIMB Bank Bhd, Labuan Offshore Branch; • Deutsche Bank AG, Singapore Branch; and • Maybank International, Labuan Branch	Purchase of rigs	June 2021	4.20% (floating rate)	708.8
Term loan (USD) - Unsecured	• Affin Bank Bhd; • Malayan Banking Bhd, Singapore Branch; and • Maybank Islamic Bank Bhd	Purchase of rigs	Ranging from April 2017 to October 2025	2.95% – 3.97% (floating rate)	1,609.5
Revolving credit (99% USD; 1% RM)	• Affin Bank Bhd; • Asian Finance Bank Bhd; • CIMB Bank Bhd; • HSBC Amanah Malaysia Bhd; • Malayan Banking Bhd; • Maybank International, Labuan Branch; and • Sumitomo Mitsui Banking Corporation Malaysia Bhd	Working capital	Repayable on demand	2.16% – 5.06% (floating rate)	1,234.1

As at 30 June 2017, the maturity profile of the loan facilities are as follows:

	Maturity Profile			
	<1 year	**1-5 years**	**> 5years**	**Total outstanding amount**
		(RM'million)		
Secured				
- Term loan	-	708.8	-	708.8
Unsecured				
- Term loan	241.6	1,024.5	343.4	1,609.5
- Revolving credit	1,234.1	-	-	1,234,1
Total [(a)]	**1,475.7**	**1,733.3**	**343.4**	**3,552.4**

Note:

(a) Excludes amortisation of transaction costs amounting to approximately RM16.0 million.

As at the LPD, the Company has not finalised the exact amounts to be allocated to the individual lenders of the Group for the repayment of the Group's bank borrowings from the RM1.5 billion earmarked for the repayment of bank borrowings. The quantum and timing of the repayment to each lender of the Group shall be determined by the Board after taking into consideration, amongst others:

(i) the potential reduction in interest expenses arising from the loan repayment; and

(ii) other terms, conditions or obligations of the Group under the respective loan agreements.

For information purposes, the amount to be repaid to Malayan Banking Berhad and its related and associated businesses ("**Maybank Group**") will not exceed RM665.5 million, being the amount that would have been due to the Maybank Group in the event that the debt repayment is undertaken on a pro-rata basis.

Based on an assumed interest rate of approximately 3.6% per annum, being the weighted-average interest rate of the total bank borrowings of the UMW-OG Group for the first half of 2017, the repayment of RM1.5 billion of the total bank borrowings of the UMW-OG Group is expected to result in the reduction of interest expenses arising from the said bank borrowings by approximately RM54.0 million per annum.

(2) The breakdown of the working capital requirements of the UMW-OG Group is as follows:

Description	**Amount**
	(RM' million)
Raw materials, parts and consumables (a)	100.0
Repair and maintenance of equipment and rigs, periodic survey and dry-docking costs (b)	155.0
Other operating expenses (c)	55.0
Total	**310.0**

Notes:

(a) Comprises spare parts, consumables, tools, accessories and lubricants.

(b) Comprises surveys, inspections, repair and maintenance of equipment and rigs, as well as expenditures related to the periodic survey and dry-docking of offshore drilling rigs to be incurred within the next two (2) FYEs 31 December 2018 and 31 December 2019.

(c) Comprises expenses related to rental of equipment, third party manpower supply, catering fees, insurance and warehouse expenses.

(3) The breakdown of the estimated expenses to be defrayed relating to the Corporate Exercises is as follows:

Description	Amount
	(RM' million)
Professional fees [a]	4.7
Regulatory fees [b]	1.0
Other expenses [c]	0.4
Total	**6.1**

Notes:

(a) Comprises estimated professional fees payable to advisers in relation to the Corporate Exercises.

(b) Comprises estimated fees payable to the relevant authorities.

(c) Comprises estimated printing and despatch costs and other incidental expenses relating to the Corporate Exercises.

In the event that the actual expenses are lower than estimated, the surplus will be allocated for working capital.

Pending use of the proceeds from the Rights Issue With Warrants, the Company will place the proceeds in interest-bearing deposits with financial institutions and/or short-term money market instruments as the Board deems fit. The interest derived from deposits with financial institutions and/or any gains arising from short-term money market instruments will be used for working capital purposes.

The quantum of proceeds that may be raised by the Company pursuant to the exercise of the Warrants would depend on the number of Warrants exercised. The proceeds from the exercise of the Warrants will first be used to repay bank borrowings other than the working capital facilities of the Group and any surplus thereof, to satisfy the future working capital requirements of the Group.

3. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

The Rights Issue With Warrants is the first equity fund raising exercise by UMW-OG since its listing on 1 November 2013 on the Main Market of Bursa Securities and the Intended Gross Proceeds was determined after taking into consideration the UMW-OG Group's gearing ratio of 1.81 times as at 31 December 2016 and the working capital requirements of the UMW-OG Group.

After due consideration of the various methods of fund-raising such as debt financing/bank borrowing as well as the capital structure of UMW-OG, the Board is of the opinion that the Rights Issue With Warrants is the most appropriate means of raising funds due to the following reasons:

(i) it enables the Company to raise proceeds which is to be used in the manner set out in Section 2.9 of this Abridged Prospectus;

(ii) the Rights Issue With Warrants will further strengthen UMW-OG's capital base and improve its gearing level with the reduction in debts of the UMW-OG Group to a manageable level as well as reduced exposure to foreign exchange risk and interest rate fluctuations; and

(iii) it provides the Entitled Shareholders with an opportunity to further increase their equity participation in UMW-OG via subscription of the Rights Shares at a discount to the

TERP based on the prevailing market price of the UMW-OG Shares up to and including the Announcement LPD without diluting their respective percentage of shareholdings in UMW-OG, provided that such Entitled Shareholders fully subscribe for their respective entitlements for the Rights Shares.

The Warrants attached to the Rights Shares is meant to reward and provide the Entitled Shareholders with an option to further increase their equity participation in UMW-OG by exercising their Warrants during the Exercise Period. The exercise of the Warrants will also strengthen the capital base of UMW-OG and provide additional funds to the UMW-OG Group. In addition, as the Warrants will be listed and traded separately from the UMW-OG Shares, this will provide the Entitled Shareholders with an avenue to monetise the Warrants should they choose to do so.

UMW-OG is looking at refinancing the remaining borrowings of the UMW-OG Group to ensure that the maturity profile of its borrowings better match the long-term useful life of its assets to further alleviate short-term liquidity pressures. The refinancing exercise will also result in cash currently pledged by UMW-OG towards the Group's borrowings to be released. Accordingly, UMW-OG may utilise the released pledged cash to reduce further the borrowings of the UMW-OG Group, which may include the Shareholder Loan provided by UMWH (who has ceased to be a shareholder of UMW-OG after the disposal of its residual UMW-OG Shares following the completion of the Distribution). Approximately USD125.0 million (approximately RM537.0 million based on BNM's middle rate of USD1.00: RM4.2960 at 5.00 p.m. as at 30 June 2017) of pledged cash will be released following the refinancing exercise.

The Shareholder Loan is a contractual agreement between UMWH and UMW-OG where the terms were agreed upon on arm's length basis. The Shareholder Loan has a tenure of five (5) years. As at the LPD, the outstanding principal amount of the Shareholder Loan is RM308 million.

4. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for the Rights Issue With Warrants.

4.1 Risks relating to the O&G industry

4.1.1 Demand, pricing and profit margins for the UMW-OG Group's drilling services and oilfield services depend on the level of activity of, and the corresponding capital spending by, O&G companies, which are significantly affected by volatile oil and natural gas prices and cyclicality in the offshore drilling and oilfield services sectors

As the customers of the UMW-OG Group operate mainly in the O&G industry, demand for its drilling services and oilfield services is closely linked to the levels of offshore exploration, development and production activity of, and the corresponding capital spending by, O&G companies, which in turn are primarily affected by the trends in and outlook of oil and natural gas prices.

Both oil and natural gas prices have historically been volatile and may be volatile in the future. Oil and natural gas prices have a direct bearing on the levels of activity in the O&G industry, including the levels of offshore exploration, development and production activity. Prices for oil and natural gas fluctuate in response to a variety of factors, including, without limitation:

(i) the level of demand for oil and natural gas, which is strongly correlated with global economic growth;

(ii) the cost of exploring for, developing, producing and delivering oil and natural gas;

(iii) advances in exploration, development and production technology;

(iv) the level of oil production by non-OPEC countries, the ability of countries within OPEC to set and maintain oil production levels and oil prices and the availability of excess production capacity by countries within OPEC;

(v) competition from non-conventional fossil fuels, including but not limited to shale O&G, oil sands and gas to liquids;

(vi) government policies, including policies relating to the exploration, production and development of their oil and natural gas reserves (particularly offshore reserves) and policies relating to energy security or environmental regulations;

(vii) adverse global weather conditions and natural disasters;

(viii) global political, military and economic conditions;

(ix) shifts in end-customer preferences toward fuel efficiency; and

(x) progress in development of alternative energy, including but not limited to renewable energy.

Any prolonged reduction in oil and natural gas prices may depress the levels of exploration, development and production activity. This in turn may ultimately depress the demand for drilling services and oilfield services, the prices charged for such services and the utilisation rates of drilling rigs and other assets related to exploration, development and production activity. In addition, any perception of lower oil and natural gas prices in the longer term may also similarly reduce or defer major expenditures by O&G companies given the long-term nature of many large-scale development projects.

In addition, the offshore drilling industry has historically been cyclical, with periods of high demand and high day rates for offshore drilling rigs leading to increased capital expenditure on new and existing offshore drilling rigs. Increased capital expenditure and higher demand generally increase the price of these rigs and, in the case of newly built offshore drilling rigs, the amount of time to construct and deliver these rigs. More offshore drilling rigs being brought into service may eventually lead to periods of oversupply, which are often followed by low utilisation rates and day rates for such rigs. This cyclicality in the offshore drilling industry can result in similar cyclicality in oilfield services related to offshore drilling.

Uncertainty concerning potential movements in oil and natural gas prices or cyclicality in the offshore drilling and oilfield services sectors could have a material adverse effect on its business, results of operations and cash flows.

4.1.2 The UMW-OG Group may fail to respond to technological changes in the drilling and oilfield services markets or changes in the needs, preferences and technical requirements of its customers

The competitiveness of the UMW-OG Group in the drilling and oilfield services markets depends largely on its ability to keep up with developments in technology in related areas. This technology is subject to rapid and significant change. If the UMW-OG Group is unable to anticipate technological trends or to rapidly develop and incorporate new technology that its customers require, it may not be able to meet the high technical requirements of its customers or otherwise to offer sufficiently advanced services to its customers' satisfaction.

In addition, the UMW-OG Group's operations, including its range of services, offerings and pricing, are largely subject to changes in the needs, preferences and technical requirements of its customers. For example, future demand for drilling of offshore fields in deepwater regions of Southeast Asia and higher-specification rigs that can drill deeper and/or into high-pressure high-temperature (HPHT) reservoirs, could require it to adjust its offerings. If the UMW-OG Group does not have the expertise, technology or capital resources to respond adequately to changes required by its customers or fails to respond to those changes in a timely manner or at all, it may lose these customers or fail to establish relationships with new customers, which could have a material adverse effect on its business, results of operations and cash flows.

4.1.3 The UMW-OG Group operates in a global, competitive environment, and if it fails to compete effectively, the UMW-OG Group may not be able to expand its operations or its existing market presence

The UMW-OG Group faces competition from local and global players providing similar services, and it expects to see increased competition from these players. Some of its competitors may have a competitive advantage over it in selected areas by having, for example, better asset portfolios (including larger fleets of semi-submersible rigs, premium jack-up rigs and HWUs or more technologically advanced versions of these assets), longer operating histories, stronger capital resources, larger customer bases, stronger relationships with particular customers or better name recognition. The UMW-OG Group's contracts are traditionally awarded on a competitive bid basis, and it and its competitors tend to compete on experience, technology, personnel, scale of operations and costs. The UMW-OG Group's ability to succeed in the markets where it operates will depend on many factors, including its pricing, experience (including track record of timely project completion), service quality, financial strength, equipment suitability, reputation for Health Safety and Environment ("**HSE**") practices and suitability of technology. If the UMW-OG Group fails to compete effectively, it may not be able to secure new or maintain current contracts. Subsequently, the UMW-OG Group may not be able to expand its operations or maintain its existing market presence, which in turn could have a material adverse effect on its business, results of operations and cash flows.

4.1.4 The UMW-OG Group's drilling operations are subject to the inherent risks and occupational hazards of the O&G industry

The UMW-OG Group's drilling operations are subject to the inherent risks and occupational hazards of the O&G industry, and its customers' emphasis on the safety records and quality management systems of their drilling service providers. Risks and hazards inherent to its drilling operations include blowouts, reservoir damage, loss of production, lost or stuck drill strings, equipment defects, uncontrolled fires or explosions, and pollution and other damage to the environment as a result of spillage of hydrocarbons, fuel, lubricants or other chemicals and substances used in drilling services operations. The provision of drilling services requires the use of heavy equipment and exposure to dangerous conditions that can cause personal injury or loss of life, severe damage to or destruction of property and equipment, pollution or environmental damage and involuntary suspension of its operations. Any of these developments may subject the UMW-OG Group to property, environmental and other damage claims by employees, customers and third parties, and it may have to channel substantial resources towards defending or resolving these claims. The UMW-OG Group's customers may be unable or unwilling to indemnify it against these developments. The UMW-OG Group's contractual indemnification rights also may not adequately cover losses arising from these developments, may not be customary or available at all, and courts may decide that certain indemnities in its current or future contracts are not enforceable. The occurrence of any of the foregoing could have a material adverse effect on its business, results of operations and cash flows.

In addition, governmental action relating to these inherent risks and occupational hazards at other O&G companies could adversely impact the O&G industry and its operations. Governmental investigations and proceedings into drilling accidents may result in significant changes to existing laws and regulations and substantially stricter government regulation of offshore drilling rigs for particular companies and the industry as a whole. For example, following the explosion and related fire at the Deepwater Horizon offshore drilling rig in the United States in 2010, the United States government issued a six-month moratorium on all deepwater drilling in the outer continental shelf regions of the U.S. Gulf of Mexico and the Pacific Ocean, which was only lifted in 2011 when the national commission investigating the incident released its final report, with recommendations for new regulations. While the UMW-OG Group has not operated, and currently do not operate, any drilling rigs or HWUs in the U.S. Gulf of Mexico, amendments to existing laws and regulations or the adoption of new laws and regulations curtailing or further regulating exploratory or development drilling and production of O&G in the areas where it operates may be restrictive and require compliance measures that could have a material adverse effect on its business, operating results and financial condition.

4.1.5 The UMW-OG Group's operations may be impacted by adverse weather conditions and natural hazards

The UMW-OG Group's operations may be impacted by adverse weather conditions, such as tropical storms, that may compromise its ability to carry out offshore drilling or workover operations, either in whole or in part.

In addition, natural hazards, such as tropical storms, tsunamis and earthquakes, in the areas where it operates may damage its equipment, offshore structures, ports or other facilities used in the UMW-OG Group's operations, and prolonged downtime in any of its equipment could result in disruption to its operations. Any of the foregoing could have a material adverse effect on its revenue, profits, financial position, business, results of operations and cash flows.

4.1.6 Regulation of greenhouse gas emissions and climate change could have a negative impact on the UMW-OG Group's business

Some scientific studies have suggested that emissions of certain gases (primarily carbon dioxide and methane), commonly referred to as "greenhouse gases", may be contributing to the warming of the earth's atmosphere and other climatic changes. In response to such studies, the issue of climate change and the effect of greenhouse gas emissions, in particular emissions from fossil fuels, is attracting increasing attention worldwide. As a result, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. For example, pursuant to the Kyoto Protocol, adopting countries, such as Malaysia, are required to implement national programmes to reduce emissions of greenhouse gases.

Because the UMW-OG Group's business depends on the level of activity in the O&G industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on its business if such laws, regulations, treaties or international agreements lead to lower worldwide demand for oil and natural gas or otherwise result in reduced economic activity generally. In addition, such laws, regulations, treaties or international agreements could result in increased compliance costs or additional operating restrictions, which may have a negative impact on its business. Further, any regulation that reduces or restricts the usage of fossil fuels will have a significant impact on demand in the O&G industry. Drilling activities as a result will be affected, and resultantly so will UMW-OG's operations. In addition to potential impacts on its business directly or indirectly resulting from climate-change legislation or regulations, its business could also be negatively affected by severe weather patterns related to climate change. An increase in severe weather patterns could result in damage to or loss of the UMW-OG Group's drilling rigs or HWUs, impact its ability to conduct its operations and/or result in a disruption of its customers' operations.

Any of the abovementioned regulatory changes may impact UMW-OG's operations or its customers' operations, which in turn could have a material adverse effect on UMW-OG's revenue, profits, financial position, business, results of operations and cash flows.

4.1.7 The UMW-OG Group may be affected by a fundamental change in PETRONAS' policies towards the O&G industry

PETRONAS' current policies in Malaysia towards the O&G industry include the imposition of licensing requirements. Under these policies, only companies with valid licences may supply goods, products and services to the upstream sector of the O&G industry in Malaysia and the PETRONAS group of companies in the downstream sector. In addition, these PETRONAS policies also restrict the ability of suppliers of goods, products and services to operate in Malaysia. These restrictions can require, for example, foreign suppliers to use Malaysian content in their operations and to operate with a Malaysian partner or company either by forming a joint venture with the Malaysian partner or company or by designating the Malaysian partner or company as an exclusive agent representing the said foreign entity.

The UMW-OG Group’s Malaysian business is primarily dependent on licences issued by PETRONAS for its domestic operations, both for drilling operations as well as for oilfield services. Any fundamental change in PETRONAS' policies, such as a relaxation or liberalisation of licensing requirements for the provision of goods, products and services related to the O&G industry or permitting foreign suppliers to operate in Malaysia without restrictions (including without local content or a local partner or company), would have a material adverse effect on its business, results of operations and cash flows.

4.1.8 Political, economic, market and regulatory risks

Any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of the Group despite the Group taking necessary measures, including but not limited to, keeping abreast with local policies and laws as well as seeking professional legal advice prior to committing to new projects.

Any change in the political situation and/or government policies in Malaysia may also affect the business of the Group. Political or regulatory changes such as introduction of new laws and regulations which impose and/or increase restrictions on imports, imposition of capital or foreign exchange controls and changes in interest rates or taxes will impact the Group’s business, financial condition, results of operations and prospects. Other adverse political situations include the risks of wars, terrorism, nationalisation and expropriation which may also affect the performance of the Group.

From the FYE 31 December 2014 (being the first full financial year since the listing of UMW-OG) up to the LPD, there have been no instances of political, economic or regulatory risks which have impacted the financial performance of the Group.

Over the past three (3) financial years, the plunge in global crude oil prices has resulted in a significant reduction in drilling activities and subsequently a reduction in capital expenditure by oil majors. This reduction in capital expenditure by oil majors has resulted in a lower number of available contracts in the offshore drilling sector, exerting significant pressure on the day rates. The depressed day rates coupled with the lower number of available contracts have impacted the UMW-OG Group’s financial performance significantly, contributing to a decline in revenue of approximately 69% in FYE 31 December 2016 as compared to the FYE 31 December 2014.

4.2 Risks relating to the UMW-OG Group

4.2.1 The UMW-OG Group is dependent on a limited number of major customers

The UMW-OG Group has historically derived a substantial amount of its revenue from a limited number of major customers, such as certain subsidiaries of certain national oil companies or international oil companies. While it expects to continue to be awarded contracts from local customers in the future, there is no guarantee that the UMW-OG Group can continue to secure contracts from other regular foreign customers. Approximately 46%, 50% and 98% of its total revenues were derived from local customers for the FYEs 31 December 2014, 2015 and 2016, respectively. The UMW-OG Group's concentration of revenue sources exposes it to a variety of risks, such as the loss of substantial sources of revenue resulting from discontinuation of contracts by major customers due to its failure to fulfil contractual obligations. Some of these contracts provide for the suspension of the contract at zero day rate (i.e. no day rate payable during the suspension period) due to changes in drilling programme or cancellation of certain wells to be drilled and contracts that allow for termination without cause. Any of the foregoing could have a material adverse effect on its business, results of operations and cash flows.

4.2.2 The UMW-OG Group may be affected by compliance with government laws and regulations, including those relating to HSE, governing the industry in which it operates

Local, national and overseas government laws and regulations, including those related to HSE govern the industry in which the UMW-OG Group operates. These laws and regulations govern, among others, HSE compliance, specifications related to project operations, specifications related to offshore drilling rigs and HWUs and requirements related to equipment operation. In addition, its operations rely on licences, permits and registrations to conduct business in the jurisdictions where it operates, including, among others, its ability to secure drilling projects locally and globally. Even when the UMW-OG Group has obtained the required licences, permits and registrations, it is subject to continued review under applicable laws and regulations, the implementation of which is subject to change. Further, the UMW-OG Group has incurred, and expects to continue to incur, operating costs to comply with applicable laws and regulations, and it has made, and expects to continue to make, capital expenditures on an ongoing basis to comply with relevant laws and regulations.

There can be no assurance that the UMW-OG Group will be able to remain in compliance with applicable laws and regulations, that it will be able to obtain, maintain or renew required licences, permits and registrations or that it will not become involved in future litigation or other proceedings (or be held responsible in any future litigation or other proceedings) relating to HSE matters, the costs of which could be material. In addition, there can be no assurance that the adoption of new HSE laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of these laws and regulations or other similar developments will not result in its being subject to fines and penalties or having to incur additional capital expenditures or operating expenses to upgrade, supplement or relocate its equipment and facilities.

The UMW-OG Group's failure to comply with all applicable government laws and regulations, or a change in the government laws and regulations governing the industry in which it operates, may disrupt its operations and could have a material adverse effect on its business, results of operations and cash flows.

From the FYE 31 December 2014 up to the LPD, there have been no instances of non-compliance with government laws and regulations, including those relating to HSE, which has significantly impacted the financial performance of the UMW-OG Group.

4.2.3 The UMW-OG Group may not be able to procure inputs, including equipment, assembly parts and chemicals, from suppliers in a timely manner, on satisfactory terms or at all

The UMW-OG Group's operations are dependent on a sufficient supply of inputs, including equipment, assembly parts and chemicals, used in its provision of services. Some of these inputs, in particular certain technical equipment used in its offshore drilling rigs and HWUs, such as top drives, blowout preventers and related parts, are only available from limited suppliers. In addition, inventory management on its drilling rigs is an important aspect of its drilling operations due to the high cost of transporting spare parts and supplies by air, ship or other means on short notice to drilling rigs operating offshore. The Company cannot assure you that there will not be any substantial fluctuations in the supply and price of these inputs, that it will be able to secure sufficient amounts of these inputs from limited suppliers or that it will be able to adequately manage its inventories for certain inputs. In addition, if any of its suppliers fail to supply these inputs in a timely manner, on satisfactory terms or at all, and the UMW-OG Group is not able to obtain acceptable substitutes, its operations may be disrupted and its relationships with customers may be affected. Any of these factors could have a material adverse effect on the UMW-OG Group's business, results of operations and cash flows.

4.2.4 Some of the UMW-OG Group's drilling services contracts may be terminated prematurely under various circumstances

Some of the UMW-OG Group's customers have the right to terminate their drilling services contracts upon payment of early termination fees or other fees, but these payments may not fully compensate the UMW-OG Group for the loss of these contracts. Some of its customers may also terminate these contracts without payment of early termination fees or other fees under various circumstances, typically including, but not limited to, delayed commencement of operations or mobilisation of its drilling rig, sustained periods of non-performance or deficient performance by its drilling rig or equipment, prolonged periods of downtime due to force majeure events, changes in their drilling plans or field development programme, insufficient budget or funding, and other operational issues. Many of these circumstances are beyond its control. The Company cannot assure you that the UMW-OG Group's customers will not terminate some of its contracts prematurely, or that it will be able to secure new contracts in a timely manner, on satisfactory terms or at all, any of which may result in periods where its assets are underutilised and unable to generate revenue. Any of the foregoing could have a material adverse effect on its business, results of operations and cash flows.

From the FYE 31 December 2014 up to the LPD, the UMW-OG Group has received only one (1) notice of contract termination, which was mutually agreed, during the FYE 31 December 2016. The mutual termination of the said contract did not result in a loss of revenue as the contract, if not terminated, would have been put on suspension at zero day rate (i.e. no day rate payable during the suspension period) in the absence of a firm drilling programme.

4.2.5 The Company cannot provide any assurance that the UMW-OG Group's drilling services contracted backlog will be ultimately realised

As at 30 June 2017, the contracts that make up the UMW-OG Group's drilling services contracted backlog or future contracted revenue totalled approximately USD159.06 million and reflects firm commitments represented by signed drilling services contracts. It has been calculated by multiplying the contracted operating day rate by the number of days in the remaining contract period, assuming full utilisation throughout the relevant period. Factors that may cause its actual revenues to be lower than contracted backlog include downtime caused by scheduled and unscheduled repairs and maintenance, upgrades and weather and other operating factors. In some of its contracts, its customers have the right to terminate their drilling services contracts with the UMW-OG Group upon payment of early termination fees or other fees, but these payments may not fully compensate it for the loss of these contracts. Some of its contracts also allow the clients to suspend the contracts at zero day rate (i.e. no day rate payable during the suspension period). The UMW-OG Group's inability or the inability of its customers to perform under its or their contractual obligations may have a material adverse effect on its financial position, business, results of operations and cash flows.

4.2.6 The UMW-OG Group's insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with its operations

The UMW-OG Group maintains insurances at levels that it believes are customary in the businesses where it operates to protect against various losses and liabilities. The UMW-OG Group maintains insurances to cover, among others, damage to its equipment, infrastructure and facilities, operational interruption risks and workers compensation. There can be no assurance that its insurances will be adequate to cover all losses or liabilities that might occur in the UMW-OG Group's operations in the future. The operation of its facilities involves inherent risks and occupational hazards, and if the UMW-OG Group were to incur a significant loss or liability for which it were not fully insured, it could have a material adverse effect on its business, reputation, results of operations and cash flows.

The UMW-OG Group's insurance coverage is also subject to periodic renewal. If the availability of its insurance coverage is reduced significantly for any reason, the UMW-OG Group may become exposed to certain risks for which it is not and/or could not be insured. Further, if premium levels for the insurance coverage required for its operations increase significantly, it could incur substantially higher costs for such coverage or may decide to reduce the coverage amount, either of which could have a material adverse effect on its business, results of operations and cash flows.

4.2.7 As the UMW-OG Group continues to expand internationally, it is increasingly susceptible to legal, regulatory, political, economic and competitive conditions outside of Malaysia, as well as operational risks that are different from those that it faces in Malaysia

The UMW-OG Group operates internationally and expects to continue expanding its business activities outside of Malaysia. The UMW-OG Group is required to comply with foreign laws and regulations in the countries where it operates including but not limited to, trade laws, investment sanction laws, environmental laws, tax laws, industry laws and capital control regulations. The UMW-OG Group conducts country risk assessments and in-country risk management to ensure that it understands the legal and regulatory operating environment and the political, economic and competitive conditions of a particular country, both when commencing work in that country and on an ongoing basis. The Company cannot ensure, however, that local legal, regulatory, political, economic or competitive developments in the countries where it operates will not have a material adverse effect on its business, financial condition or results of operations.

The UMW-OG Group has expanded its business through investments and projects outside of Malaysia, and it may continue to make similar investments or undertake similar projects in the future, including seeking opportunities in promising O&G exploration markets, such as Vietnam, Indonesia, Thailand, Brunei and Middle East (Abu Dhabi, Saudi and Kuwait). These transactions subject it to different risks than those it faces in growing the UMW-OG Group's operations in Malaysia, including foreign legal and regulatory risks associated with cross-border transactions and operational risks related to managing transactions outside of Malaysia, such as those arising from dealing with entrenched domestic competitors in overseas markets and its relative lack of familiarity with the rules and regulations in other jurisdictions. These risks may complicate the UMW-OG Group's efforts to complete these transactions and impede its efforts to integrate the overseas businesses into its global operations. Addressing these risks may require it to devote substantial management resources, which could distract its management from overseeing the UMW-OG Group's ongoing operations. Any failure by the UMW-OG Group to address these issues could delay or prevent it from completing any future overseas expansions or could make such transactions substantially more expensive to complete than it had anticipated, any of which could have a material adverse effect on its business, financial condition or results of operations.

4.2.8 The UMW-OG Group is dependent on PETRONAS-issued licences used by its drilling services and oilfield services businesses and on licences used by its oilfield services business in connection with Oil Country Tubular Goods ("OCTG") threading, inspection and repair services focused on premium connections

For activities undertaken by the UMW-OG Group's drilling services and oilfield services businesses in Malaysia, it is dependent on licences issued by PETRONAS. These licences allow it to participate in bidding exercises and/or to be considered for projects in the Malaysian O&G sector. In addition, in its oilfield services business, the UMW-OG Group offers OCTG threading, inspection and repair services focused on premium connections used in high-end and complex wells. The UMW-OG Group has secured the necessary licences from key international and local licensors in the threading industry that permit it to provide threading, inspection and repair services in accordance with each licence's scope of services, tenure and other specifications.

The UMW-OG Group's licences are subject to periodic renewal, and it has been able to renew its licences in the past. However, there can be no assurance that these licences will be maintained or renewed upon expiry in the future. In addition, there can be no assurance that it will be able to obtain new licences to grow its business.

Failure to obtain, maintain or renew the UMW-OG Group's PETRONAS-issued licences would prevent it from being able to provide its drilling and oilfield services to the Malaysian O&G sector. Failure to obtain, maintain or renew its OCTG threading, inspection and repair-related licences could result in the loss of customers requiring such licenced services and restrict its access to the more premium segments of the OCTG threading, inspection and repair market. Any of these developments could have a material adverse effect on its business, results of operations and financial condition.

4.2.9 The UMW-OG Group may not be able to grow successfully through future acquisitions or to effectively integrate the acquired businesses

The UMW-OG Group's business strategy has included, and will continue to include, growth through the acquisition of other businesses and assets. The UMW-OG Group may not be able to continue to identify attractive acquisition opportunities or successfully acquire identified targets on favourable terms. Currently, competition for acquisition opportunities is limited but it may escalate, increasing its acquisition cost or causing it to refrain from making acquisitions. The UMW-OG Group may be required to incur substantial indebtedness to finance future acquisitions, with additional debt service requirements imposing a burden on its operations and financial condition. The UMW-OG Group may also be unable to incur further indebtedness without the consent of the financiers of its new financing facilities. In addition, the UMW-OG Group may not be successful in integrating its current or future acquisitions into the UMW-OG Group's existing operations which may result in unforeseen operational difficulties or weaker financial performance and may require a disproportionate amount of management attention.

4.2.10 Repair and maintenance of the UMW-OG Group's key assets, equipment and facilities may require substantial expenditure, and breakdown, non-performance or loss of the key assets, equipment and facilities which it is dependent on may cause the UMW-OG Group to incur losses

The UMW-OG Group's operations are dependent on the operating efficiency and reliability of its key assets, equipment and facilities in terms of operational worthiness and compliance with safety standards, and the UMW-OG Group is required to maintain its key assets (such as its offshore drilling rigs and HWUs), equipment and facilities through scheduled and unscheduled repair and maintenance. The UMW-OG Group's repair and maintenance programme is an important part of its business operations and involves substantial expenditure and results in loss of opportunity from downtime of its equipment and facilities. Repair and maintenance performed after any breakdown of its key assets, equipment and facilities can be costly and time-consuming and, in certain cases, can be more costly and time-consuming than anticipated, any or both of which could result in significant tangible and intangible losses to the Group. As at the year-to-date 31 August 2017, the total downtime of UMW-OG's rigs on working contracts was 1.8% of contracted working days, which did not result in any significant loss of revenue for the UMW-OG Group.

Unexpected breakdowns, non-performance or loss of key assets, equipment and facilities are by their nature unpredictable. In the event of downtime or loss of its key assets, equipment and facilities, it may incur additional costs and losses arising from the disruption of its workflow and scheduled activities. Rectification of breakdown or non-performance of this type, depending on its severity, may also require replacement or repair of key components, the procurement of which may entail long lead-times. Rectification on the affected key assets, equipment and facilities may require it to incur substantial expenditures, which may result in the affected key assets, equipment and facilities being out of service and unable to generate revenue for extended periods of time.

As the UMW-OG Group is also dependent on a small number of offshore drilling rigs and HWUs to provide its services, the UMW-OG Group may incur losses as a result of service disruption, damage to any of its drilling rigs or HWUs or loss of any of its drilling rigs or HWUs. For instance, the unscheduled repair works on a few of UMW NAGA 3, its jack-up drilling rig's ballast tanks in 2013 resulted in the delay in commencement and completion of subsequent drilling campaign. Consequently, there was a delay in delivering UMW NAGA 3 to another contract within the expected delivery date for commencement of the new contract. This delay resulted in the client to award one of the wells which was supposed to be drilled by UMW NAGA 3 to another operator.

The occurrence of any of the above developments may potentially disrupt the operation of the UMW-OG Group's affected key assets, equipment or facilities and may result in it being unable to meet its contractual obligations with its customers or may otherwise have a material adverse effect on its business, results of operations and cash flows. The loss of such key assets, equipment or facilities may have a material adverse effect on its business, results of operations and cash flows.

4.2.11 The UMW-OG Group may not be able to effectively manage its present or future assets and joint ventures

The UMW-OG Group has previously expanded its business through acquisitions, investments and joint ventures. Acquisitions, investments or joint ventures may require it to make significant cash commitments and incur substantial debt. Further, problems may arise preventing the effective integration of expanded operations and the ability to maintain key pre-acquisition relationships.

The UMW-OG Group may not be able to effectively manage or execute its strategies with respect to its present or future assets and joint ventures. The UMW-OG Group's control over these assets and joint ventures is generally subject to the terms of applicable agreements and arrangements.

In addition, the UMW-OG Group's partners in these assets and joint ventures may:

(i) have economic or business interests or goals that are inconsistent with the Group;

(ii) take actions contrary to the UMW-OG Group's instructions or requests or contrary to its policies or objectives; or

(iii) be unable or unwilling to fulfil their obligations under the applicable agreement or arrangement or to provide anticipated levels of support.

A disagreement, depending on its severity, with any of the partners of the UMW-OG Group could affect its ability to develop or operate the respective asset or joint venture, which could have a material adverse effect on its business, financial condition, results of operations and cash flows.

4.2.12 The UMW-OG Group is exposed to the credit risk of its customers and counterparties with whom the UMW-OG Group does business

Adverse economic conditions affecting, or financial difficulties of, the UMW-OG Group's customers and counterparties could impair their ability to pay for the UMW-OG Group's services or fulfil their contractual obligations or cause them to delay payments or obligations. The UMW-OG Group depends on its customers and counterparties to remit payments on a timely basis. Any delay or default in payment could have a material adverse effect on its financial condition, results of operations and cash flows.

4.2.13 The UMW-OG Group's controlling shareholder may have interests that may not be aligned or may conflict with those of its other shareholders

As at the LPD, PNB, ASB and the Funds collectively own approximately 45.47% of the Company's issued and paid-up share capital and are its controlling shareholders and may remain as its controlling shareholders upon the successful completion of the Rights Issue With Warrants. As the UMW-OG Group's controlling shareholders, other than in respect of certain votes regarding matters where they are an interested party and must abstain from voting under the Listing Requirements, PNB, ASB and the Funds would be able to influence the approval of any corporate proposal or transaction requiring a shareholders' resolution under the Act, including the approval of all final dividends as well as the election and the appointment of the UMW-OG Group's directors. The interests of PNB, ASB and the Funds may differ from the interests of the UMW-OG Group's other shareholders.

4.2.14 Global capital and credit market issues could negatively affect the UMW-OG Group's liquidity, increase its costs of borrowing and disrupt the operations of its suppliers and customers

Volatility in global financial markets has added to the uncertainty of the global economic outlook and a number of countries are experiencing slow economic activity. In addition, the UMW-OG Group remains subject to the possibility of reduced access to and increased costs of funding, a slowing down in the activity of its business partners or other adverse impacts on entities with whom it has business dealings.

The UMW-OG Group's business is capital intensive, requiring drilling rigs, HWUs and specialised equipment to provide its services, and may involve acquiring and/or upgrading its equipment and facilities, including its offshore drilling rigs and HWUs. The UMW-OG Group depends on stable, liquid and well-functioning capital and credit markets to fund its future projects and development, and failure to obtain sufficient financing on a timely and satisfactory basis could cause it to forego acquisitions or opportunities to tender for certain projects. If market conditions deteriorate due to economic, financial, political or other reasons or interest rates were to increase, the UMW-OG Group's ability to obtain bank financing and access the capital markets in the future may be adversely affected. The Company cannot assure you that any required additional financing, either on a short-term or long-term basis, will be made available on terms satisfactory to the UMW-OG Group or at all. If the UMW-OG Group is unable to obtain adequate funding when needed or obtain funding on favourable terms, it may find it difficult to meet its own capital needs, take advantage of business opportunities or respond to competitive pressures. Any or all of these developments could have a material adverse effect on its business, financial condition, results of operations and cash flows.

4.2.15 The UMW-OG Group is exposed to foreign exchange risk arising from changes in the exchange rates between the functional currencies of the companies in the UMW-OG Group and other currencies

The UMW-OG Group's exposures to foreign currency risk primarily consist of trade receivables, trade payables, bank borrowings and deposits, cash and bank balances, as a result of transactions entered into in currencies other than its functional currency. In addition, the majority of the companies in the UMW-OG Group use USD as their functional currency, but the UMW-OG Group's consolidated financial information as included in this Abridged Prospectus is in RM, being the presentation currency of the Company. As such, changes in the exchange rates between RM, functional currencies of the companies in the Group, in particular USD, and other currencies, could have an adverse impact on its results of operations and financial position, including as a result of translation when converting other currency amounts to RM for consolidated financial statement purposes.

The impact of foreign exchange on the financial results of the operations of the UMW-OG Group as at 31 December 2014, 31 December 2015 and 31 December 2016, respectively, are as follows:

	Audited as at 31 December 2014	Audited as at 31 December 2015	Audited as at 31 December 2016
	(RM' million)	(RM' million)	(RM' million)
Net realised foreign exchange gain	3.8	32.8	43.5
Net unrealised foreign exchange loss	(1.6)	(2.1)	(17.5)
	2.2	**30.7**	**26.0**

The foreign currency translation gain of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 were RM136.6 million, RM501.2 million and RM98.5 million, respectively.

4.2.16 The use of derivative instruments, such as currency forward contracts, may not fully hedge the risks of exchange rate fluctuations

The UMW-OG Group made limited use of derivative instruments, such as currency forward contracts or other similar transactions, in the ordinary course of its business to hedge the risks of adverse fluctuations in foreign exchange as most of the UMW-OG Group's payments are naturally hedged by its revenue in the same currencies. The notional value of the UMW-OG Group's outstanding forward contracts as at 31 December 2014 was RM10.5 million. The UMW-OG Group had no outstanding forward contracts as at FYE 31 December 2015, FYE 31 December 2016 and FPE 30 June 2017.

However, the UMW-OG Group's exposure to exchange rate fluctuations has increased with the introduction of the BNM Supplementary Notice on Foreign Exchange Administration Rules dated 2 December 2016 which requires all the Group's Malaysia-resident customers to settle foreign currency denominated contract proceeds including USD, in RM. As a major portion of the contract proceeds are denominated in RM, upon receipt, would need to be converted to USD to meet the Group's commitments in USD, the amount of

USD after conversion may be lesser than the invoiced amount in USD, thereby resulting in foreign exchange loss.

However, because foreign exchange markets are volatile, the UMW-OG Group may not be able to fully hedge the future gains or losses with these instruments against the corresponding change in foreign exchange rates. Any severe or wide fluctuation in foreign exchange rates could have an adverse effect on the UMW-OG Group's business, financial condition and results of operations if the UMW-OG Group is unable to manage such fluctuations effectively through these derivative instruments.

4.2.17 The UMW-OG Group is exposed to interest rate risk arising from interest rate fluctuations

The Group is exposed to interest rate risk in respect of its loans and borrowings at floating rate as well as its placements with financial institutions. Interest rate may vary or fluctuate over time based on an underlying benchmark interest rate or index that changes periodically. A higher underlying benchmark interest rate or index (e.g. the London Interbank Offer Rate) will translate to an increase in interest expenses to the Group. In addition, any material adverse change in factors affecting the industry the Group is operating in and/or the credit rating of the Group, may result in higher interest expense to the Group.

The UMW-OG Group may use derivative instruments, such as interest rate swap, in the ordinary course of the UMW-OG Group's business to hedge interest rate risk. As at the LPD, the Group uses interest rate swap arrangements to manage exposure to interest rate movements in respect of part of its unsecured term loan. The Group had no outstanding interest rate swap arrangements as at 31 December 2014. The notional value of outstanding interest rate swap arrangements of the Group as at 31 December 2015, 31 December 2016 and FPE 30 June 2017, were RM688.9 million, RM660.9 million and RM605.1 million, respectively.

4.2.18 The carrying values of the UMW-OG Group's property, plant and equipment may be impaired when events or changes in circumstances indicate that the carrying value may not be recoverable or is lower than the recoverable amount

The property, plant and equipment of the Group mainly consist of drilling rigs, HWUs, drilling related equipment and pipe threading equipment. The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, UMW-OG will estimate the recoverable amount of the asset. Downturn in the O&G industry, decline in time charter rates and low asset utilisation are indications that the assets may be impaired. In the event future assessments of the UMW-OG Group's property, plant and equipment lead to impairment losses of the assets, the said impairment losses may have a material adverse effect on the UMW-OG Group's financial position and earnings. The Group had no impairment losses to the property, plant and equipment of the Group as at 31 December 2014. The impairment losses to the property, plant and equipment of the Group as at 31 December 2015 and 31 December 2016 were RM336.4 million and RM780.3 million, respectively.

4.2.19 Failure to refinance existing loans may have a material adverse effect on the Group's financial position and earnings

As the financial performance of O&G players deteriorates industry-wide, many lenders had downgraded the risk profiles of O&G companies and reduced their credit exposures to the O&G industry. The Company cannot ensure that it will be able to successfully restructure or refinance all or a portion of the UMW-OG Group's debts should the industry-wide challenges continue or that the restructuring or refinancing of debts will be on a timely basis. Any refinancing of its debt could be at higher interest rates or on less favourable terms, and may require it to comply with more onerous covenants, which could further restrict the UMW-OG Group's business and may have a material adverse effect on the Group's financial position and earnings.

4.3 Risks relating to the Rights Issue With Warrants

4.3.1 Capital market risk

The market price of UMW-OG Shares is influenced by, among others, the volatility of the stock market, movements in interest rates, demand and supply of the UMW-OG Shares, outlook of the industry in which the Group operates, prevailing market sentiments, financial performance of the Group and changes in regulatory requirements or market conditions.

Accordingly, there can be no assurance that the market price of the UMW-OG Shares will trade at or above the TERP upon or subsequent to the completion of the Rights Issue With Warrants. In addition, the market price of the Rights Shares may not be at a level which meets the specific investment targets of any subscriber of the Rights Shares With Warrants.

The market price of the Warrants, like all listed securities traded on Bursa Securities, being new issue of securities is subject to, amongst others, price discovery by investors, fluctuation in tandem with the overall outlook of stock market in Malaysia and globally, and will be influenced by, amongst others, the market price, volatility of the UMW-OG Shares and the remaining exercise period of the Warrants.

The Warrants are new instruments issued by the Company. Therefore there can be no assurance that an active market for the Warrants will develop upon listing on Bursa Securities, or if developed, will be sustainable or adequately liquid during the tenure of the Warrants. In addition, there is no assurance that the Warrants will be "in-the-money" during the Exercise Period.

There is also no assurance that the market price of the Warrants will be at a level that meets the specific investment objective or targets of any subscriber of the Warrants. The Warrants will be traded on Bursa Securities at prices which are dependent upon market forces and may be beyond the control of the Company.

4.3.2 Delay in or termination of the Rights Issue With Warrants

The Rights Issue With Warrants may be delayed or terminated if force majeure events or circumstances which are beyond the control of the Company, including without limitation, acts of government, acts of God (including without limitation, the occurrence of a tsunami, flooding, landslide and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of war, diseases or accidents, any change in law, regulation, policy or ruling, arising prior to the implementation of the Rights Issue With Warrants.

In the event of a failure in the implementation of the Rights Issue With Warrants, the Company will undertake the necessary procedures to ensure the refund of monies is made in full without interest, in respect of any application for the subscription of the Rights Issue With Warrants including the Excess Rights Shares within 14 days after the Company becomes liable to do so, in accordance with the provisions of the CMSA. If such monies are not repaid within 14 days after the Company becomes liable, the Company will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA.

In the event the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renouncee(s) and/or their transferee(s), if applicable, and the Rights Issue With Warrants is subsequently cancelled or terminated, a return of monies to the successful applicants can only be achieved by way of cancellation of the share capital as provided under the Act. Such cancellation requires the approval of UMW-OG's shareholders by way of special resolution in a general meeting, consent of UMW-OG's creditors (where applicable) and may require the confirmation of the High Court of Malaya. There can be no assurance that such monies can be returned within a short period of time under such circumstances.

4.3.3 Potential dilution

The Entitled Shareholders' proportionate ownership and voting interests in the Company and the percentage of the enlarged issued share capital represented by their shareholdings in the Company will be reduced accordingly if the Entitled Shareholders do not or are unable to accept their Provisional Rights Shares With Warrants.

4.4 Other risk

4.4.1 Forward-looking statements

This Abridged Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Abridged Prospectus, including, without limitation, those regarding the financial position, business strategies, prospects, plans and objectives for future operations of the UMW-OG Group, are forward-looking statements. Such forward-looking statements are made based on estimates and assumptions made by the Board, and although believed to be reasonable as at the LPD, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements, or industry results expressed or implied by such forward-looking statements.

In light of these uncertainties, the inclusion of such forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company and Maybank IB in relation to the Rights Issue With Warrants that the plans and objectives of the Group will be achieved.

5. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

5.1 Overview and outlook of the global economy

The global economy has been subject to a range of pressures in recent years. Global economic growth averaged around 3.4% per annum between 2012 and 2016, more moderate than in the years immediately prior to the global financial crisis when expansion reached around 5-6% per annum. While growth in developed economies has generally remained relatively muted in recent years, expansion in developing countries has been an important global economic driver, with growth in China, India and other developing Asian countries remaining robust. Expansion in South East Asian economies has consistently outpaced global growth. Economic growth in the ASEAN-5 countries (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) averaged 5.1% per annum between 2012 and 2016, with particularly strong growth in the Philippines (averaging 6.5% per annum over this period), Indonesia (5.3%) and Malaysia (5.1%). Lower commodity prices exerted significant pressure on a number of commodity exporting developing countries in 2015-2016, undermining global growth and contributing to the rate of expansion of the global economy easing to just 3.2% in 2016, the slowest rate of growth since 2009. However, momentum in the world economy has picked up in 2017 so far. According to projections released in July 2017, which are subject to change moving forwards, the International Monetary Fund anticipates world growth will accelerate to 3.5% in full year 2017 and 3.6% in 2018, supported by improved economic activity in both the advanced economies as well as the emerging and developing economies. With an increase in global trade and strengthening domestic demand, growth in the ASEAN-5 economies is projected to reach 5.1% in 2017 and 5.2% in 2018, again outpacing global growth. However, there remain a number of risks to the outlook, ranging from policy uncertainties in many economies to financial issues and rising geopolitical tensions.

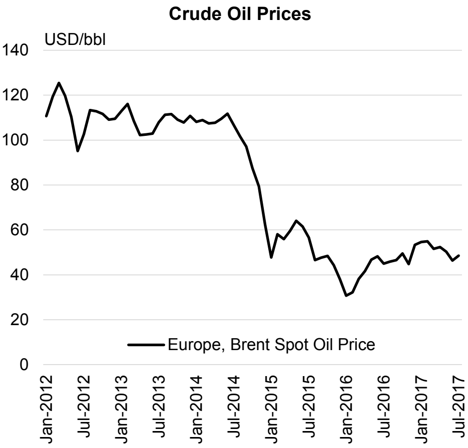
(*Source: The Global Mobile Offshore Drilling Rig Industry, Clarksons Research)*

5.2 Overview and outlook of the global offshore O&G market

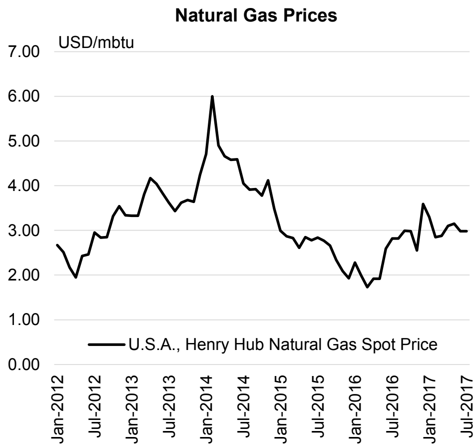
Oil and natural gas remain two of the world's most important energy sources. According to the *BP Statistical Review of World Energy 2017*, oil and natural gas accounted for approximately 33.3% and 24.1% of world energy consumption respectively in 2016. Future demand for O&G will be impacted by a range of factors, including global economic development, energy efficiency, environmental issues and alternative energy sources. The offshore O&G Exploration and Production ("**E&P**") industry plays a vital role in meeting the demand for O&G. In total, approximately 28% of global oil production and 31% of global natural gas production was via offshore activities in 2016.

Global Oil Prices

The demand for offshore support vessels, drilling and oil services is fundamentally driven by the E&P expenditure of O&G companies. Amongst other factors, E&P expenditure depends on the cash flow of O&G producers, which is primarily determined by O&G prices and production volumes. Generally higher, or higher expectations of, O&G prices will result in greater demand for offshore drilling services and lower O&G prices will result in reduced demand for offshore drilling services. The following charts show the movements of crude oil and natural gas prices since the start of 2012.



Source: US Energy Information Administration, August 2017



Source: US Energy Information Administration, August 2017

Note (1): The information contained in the above graphs are monthly figures sourced from the United States' ("US") Energy Information Administration.
Note (2): "USD/bbl" = United States dollar per barrel; "USD/mbtu" = United States dollar per one million British Thermal Units.

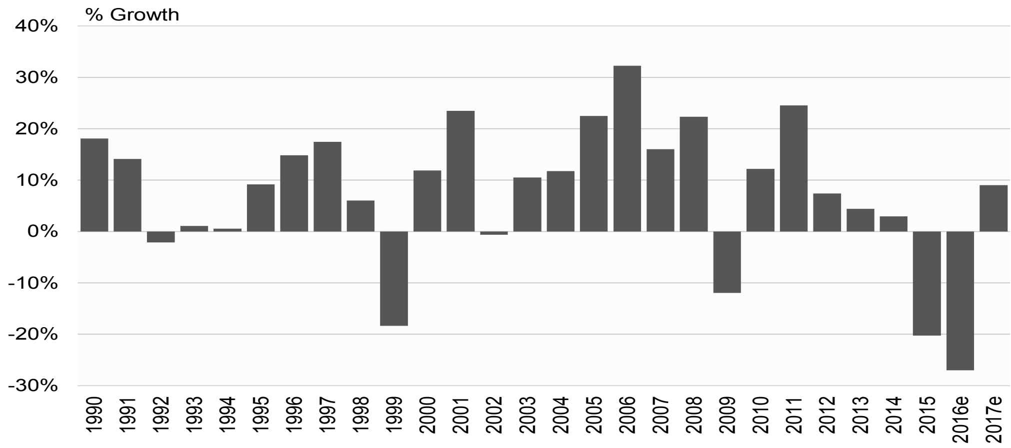
Price volatility has been an enduring feature of oil markets in the last 18 months. In early 2016, Brent oil prices reached a low of around USD26/barrel ("**bbl**"). Despite initially being supported by production outages in Nigeria and Canada, oil prices were unable to make sustained headway above USD50/bbl until after the successful conclusion of the November 2016 OPEC agreement, during which OPEC and non-OPEC participants agreed to a combined 1.73 million barrels per day ("**bpd**") of production cuts across 2017. After these came into effect in January 2017, initial reports indicated high levels of compliance and the Brent oil price benchmark moved into the USD50-57/bbl range in the first quarter of 2017. However, several developments have put downward pressure on oil prices since the first quarter of 2017. Increased production in Libya and Nigeria has added around one million bpd to global oil production as of start August 2017 versus the start of the year. In the United States, where tight oil production has proven itself highly responsive to oil prices, the land rig count stood at over 930 units as of start August 2017, more than double the level of a year previously, and onshore oil production in the US is growing significantly again. In the wake of the June 2017 OPEC agreement to extend the cuts until the end of the first quarter of 2018, Brent crude fell to a daily low of around USD44/bbl in June 2017, as it seems many market participants were expecting cuts to deepen. Reports of greater than expected inventory drawdowns in conjunction with a fall in Venezuelan output provided some price support, and the Brent oil price subsequently stabilised at around USD52/bbl in the first half of August 2017.

Recent evidence suggests that the supply-demand balance is becoming more closely balanced. At the start of August 2017, global oil demand was projected to increase from 96.17 million bpd in 2016 to 97.53 million bpd in full year 2017. Global supply is projected to increase by just 0.1% year-on-year in 2017, totalling 96.42 million bpd. However, it is important to note that the market is sensitive and downside risks remain. Concerns have been growing about deteriorating compliance with production quotas, whilst global oil demand growth indicators have not yet shown any definitive, sustained improvement. Uncertainty will remain a key feature of the supply-demand balance in oil markets in the near term. This is likely to lead to volatility and uncertainty in the oil price, with US shale production in particular limiting upside potential.

E&P Spending Trends

After several years of growth following the onset of the global financial downturn in 2009, global E&P spending declined by an estimated 20% in 2015 and by a further 27% in 2016, the largest recorded decline for 30 years. Based on oil company reports, E&P spending is anticipated to increase by approximately 9% in 2017. This is expected to be primarily driven by an annual increase in onshore spending of approximately 30% and offshore E&P spending is anticipated to decline slightly or remain flat in full year 2017. However, supported by project cost deflation of around 30% since the start of the offshore market downturn, offshore capital expenditure ("**CAPEX**") commitments via final investment decisions ("**FIDs**") totalled USD42 billion in the first seven months of 2017, which exceeded the total for full year 2016. Much of this spending will not take place in 2017, but this is a positive leading indicator for the future.

Global E&P Spending



Source: Clarksons Research, August 2017

Note (1): Includes onshore and offshore E&P spend. 2016 and 2017 figures are estimates.
Note (2): The information contained in the above graph is drawn from the Clarksons Research database and other sources. Clarksons Research has advised that (i) some information in Clarksons Research's database is derived from estimates or subjective judgments, (ii) the information in the databases of other shipping and offshore data collection agencies may differ from the information in Clarksons Research's database, and (iii) while Clarksons Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

Activity in the offshore market, including E&P spending, is generally divided between the operationally independent, international oil companies ("**IOCs**") and national oil companies ("**NOCs**"), which are generally closely linked to the governments of petroleum producing states. NOCs tend to operate in fairly low cost environments and are not as sensitive to short-term market movements as IOCs. This distinction is particularly prominent in the drilling markets, where the presence of NOC operators in some regions has insulated some rig owners, albeit often to a limited extent, from the highly challenging market conditions in recent years. For example, between January 2015 and August 2017, the number of jack-up drilling rigs operated by NOCs declined by 17% from 247 to 204 units. Over the same period, the number of jack-up drilling rigs operated by IOCs fell by 49% from 106 to 54 units. It is difficult to generalise, but the future approach to E&P spending commitments by NOCs and IOCs may be somewhat differentiated. The downturn has forced IOCs to reprioritise and focus on a smaller number of key, strategically important projects. However, their E&P spending is liable to downside risk if weaker oil prices or design issues result in the delay or cancellation of such projects. Although there are a number of potential phased developments, additional spending by NOCs, in many cases, is more likely to be focused on the redevelopment and expansion of existing active fields.

Mobile Offshore Drilling Market

The offshore drilling services industry provides O&G companies with the means to drill wells offshore through the leasing of mobile offshore drilling units and through the provision of drilling and well intervention capabilities on both mobile offshore drilling units and offshore fixed platforms. The mobile offshore drilling market is sensitive to changes in active supply of, and demand for, offshore drilling rigs.

Jack-Up Drilling Rig Supply

The mobile offshore drilling fleet contains three main types of unit: (i) jack-up drilling rigs; (ii) semi-submersible drilling rigs; and (iii) drillships. These last two types are often referred to collectively as "floaters". In addition, there are two other niche types of mobile offshore drilling units: drill barges and drill tenders – these tend to have applications in some areas of the world, but are not always considered part of the mainstream fleet. The type of unit utilised typically depends on the water depth of the well and the depth of the well to be drilled. Generally, wells in shallow waters up to 500 feet ("**ft**") tend to be serviced by jack-up drilling rigs, while floaters service those in deeper waters.

[The rest of this page is intentionally left blank]

Summary of the Mobile Offshore Drilling Fleet and Orderbook

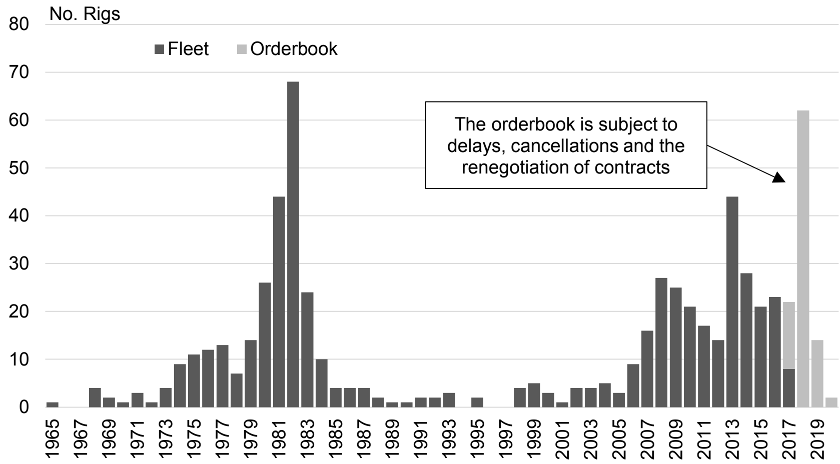
	Fleet No.	Orderbook			Orderbook Delivery Schedule (No.)			
		No.	*% Total Fleet*	*% Active Fleet*	*2017*	*2018*	*2019*	*2020+*
Jack-Up <= 300ft	296	12	4%	7%	1	9	2	
Jack-up > 300ft	265	80	33%	50%	13	53	12	2
Total Jack-Ups	**561**	**92**	**17%**	**28%**	**14**	**62**	**14**	**2**
Semi-Sub <= 5,000ft	77	4	4%	12%	3	1		
Semi-Sub > 5,000ft	87	14	15%	39%	3	4	6	1
Drillship	121	35	28%	52%	5	16	10	4
Total Floaters	**285**	**53**	**17%**	**39%**	**11**	**21**	**16**	**5**
Drill Barge	112							
Drill Tender	30	9	24%	45%	3	2	3	1
Total	**988**	**154**	**15%**	**30%**	**28**	**85**	**33**	**8**

Source: Clarksons Research, August 2017.
Note (1): Orderbook data is correct as of August 1, 2017 and does not take into account potential delivery problems. Going forward, the orderbook will be influenced by delays, cancellations and the renegotiation of contracts. Due to these technical and contractual issues, there is currently considerable uncertainty surrounding the orderbook.
Note (2): The information contained in the above chart is drawn from the Clarksons Research database and other sources. Clarksons Research has advised that (i) some information in Clarksons Research's database is derived from estimates or subjective judgments, (ii) the information in the databases of other shipping and offshore data collection agencies may differ from the information in Clarksons Research's database, and (iii) while Clarksons Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

The Company’s fleet consists of jack-up drilling rigs. Jack-up drilling rigs are barge shaped, floating units that are fitted with supporting legs that can be raised or lowered as necessary. Upon arrival at location, the legs are deployed to the sea floor and driven into the sea floor to ensure stability. Many of the new designs are equipped for exploration drilling and work-over operations in harsh environments and are capable of drilling wells to a total depth of 40,000ft in water depths of approximately 500ft. Oversupply is the predominant factor affecting the jack-up drilling rig market in recent years and at present. As of the start of August 2017, there were 561 jack-up drilling rigs in the fleet. There were also a further 92 on order, almost all of which have no contract cover, but there is uncertainty about when these will deliver. Half of the fleet is more than 20 years of age, and 43% were built since the start of 2007.

[The rest of this page is intentionally left blank]

Jack-Up Drilling Rig Age Profile



Source: Clarkson Research, August 2017

Note (1): Orderbook data is correct as of August 1, 2017 and does not take into account potential delivery problems. Going forward, the orderbook will be influenced by delays, cancellations and the renegotiation of contracts. Due to these technical and contractual issues, there is currently considerable uncertainty surrounding the orderbook.

Note (2): The information contained in the above graph is drawn from the Clarksons Research database and other sources. Clarksons Research has advised that (i) some information in Clarksons Research's database is derived from estimates or subjective judgments, (ii) the information in the databases of other shipping and offshore data collection agencies may differ from the information in Clarksons Research's database, and (iii) while Clarksons Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

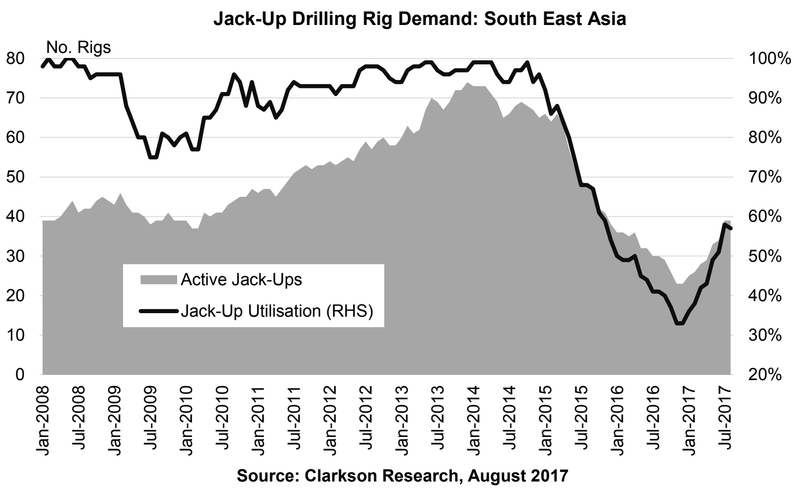
Despite the large number of older jack-up drilling rigs still in the fleet, demolition activity has been slow due to the low scrap prices and the expense involved in hiring anchor handlers to move assets to scrap yards. 15 were scrapped in 2015, 16 in 2016 and only 5 units have been scrapped in the first seven months of 2017. Instead, owners have chosen to “stack”, or idle, units. Of the 561 jack-up drilling rigs in the fleet at the start of August 2017, only 324 were classified as active. The remaining 237 were either “cold” or “warm” stacked. The number of jack-up drilling rigs that are “cold” stacked has remained relatively stable for the last couple of years, currently at 74 units, with any reactivation costs expected to be significant. However, the number of ready “warm” stacked units has increased steadily to 163 at the start of August 2017, compared to 148 in August 2016 and 92 in August 2015. On an overall basis, the active and “warm” stacked jack-up drilling rig fleet, which constitutes the marketable supply of units and is used in utilisation calculations stood at 487 units at the start of August 2017, showing almost no change on 485 units at the start of 2014.

Company No. 878786-H

Jack-up Drilling Rig Demand and Utilisation

Overall, global demand for jack-up drilling rigs declined markedly between 2014 and the start of 2017, with the number of active units declining from a high of 463 in April 2014 to 308 in the first two months of 2017. Demand has improved in the year-to-date and at the start of August 2017, the number of active jack-up drilling rigs had increased to 324 units, equivalent to an utilisation rate of 67%. While this is an improvement on the utilisation rate of 63% at the start of February 2017, overall utilisation still remains at historically low levels.

The most important areas for jack-up drilling rig demand are those east of Suez. The Middle East Gulf is the single most important area, accounting for around one third of the 324 active jack-up drilling rigs globally. The region's key features are its shallow waters, which do not require more expensive floater drilling units, and its stability, with most drilling activity in the area undertaken by NOCs. Much of the drilling activity in the Middle East is driven by redevelopment of existing fields, though planned future development of the major North Field in Qatar and South Pars in Iran is likely to create additional demand in the future. Meanwhile, in numerical terms, Asia Pacific appears to be the fastest recovering region in terms of jack-up drilling rig demand: 77 units were active in the region at the start of August 2017, accounting for 24% of global demand. Of these 77 active jack-up drilling rigs, 39 were in South East Asia. Although few significant offshore projects have been sanctioned in South East Asia in the first seven months of 2017, there is some positive sentiment regarding proposed shallow water exploration campaigns off Myanmar. On the other hand, a lack of shore infrastructure and an uncertain legal landscape may inhibit rapid E&P growth in what is a fairly new frontier for the offshore sector. Meanwhile, the reactivation of the Rotan Floating Liquefied Natural Gas project could generate demand for deeper water units, as could some potential development projects in the South China Sea and offshore Vietnam over the next decade.



Source: Clarkson Research, August 2017

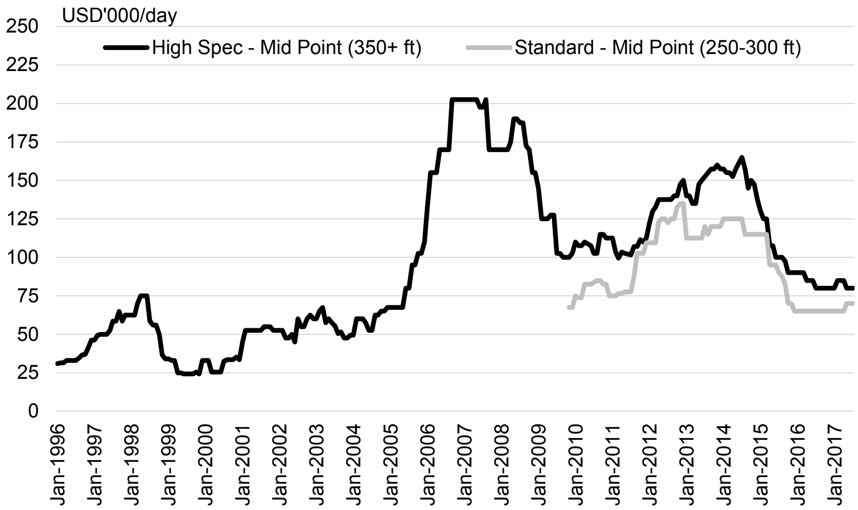
Note(1): Demand is defined as those rigs which are actively drilling or otherwise on contract. Utilisation is defined as total demand divided by the active fleet supply (which excludes cold stacked rigs). Information on the status of some rigs are based on estimates or subjective judgments.

Note (2): The information contained in the above graph is drawn from the Clarksons Research database and other sources. Clarksons Research has advised that (i) some information in Clarksons Research's database is derived from estimates or subjective judgments, (ii) the information in the databases of other shipping and offshore data collection agencies may differ from the information in Clarksons Research's database, and (iii) while Clarksons Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

Jack-up Drilling Rig Dayrates

Despite some improvements in demand globally, 2017 has continued to see depressed day rates in the jack-up drilling rig market. With demand still at historically low levels and many stacked units in the fleet, there has been relatively little upward pressure on day rates in the first seven months of 2017. However, after years of continuous decline, rates do appear to have stabilised, albeit at bottom of the market levels around operational expenditure. Day rates are highly differentiated by region and sector. Rate assessments for standard specification jack-up drilling rigs in South East Asia were assessed in a range between USD50,000-80,000/day from the end of 2015 to April 2017, from which point, the range was assessed as USD50,000-90,000/day.

Jack-Up Drilling Rig Dayrates: South East Asia



Source: Clarkson Research, August 2017

Note (1): Jack-up drilling rig dayrates are basis Clarksons Platou broker assessments. Assessments are collected monthly and are based on standard "modern" unit types for a one year period. They reflect either the latest relevant rate assessment or are estimates concluded in the absence of any fixtures. The dayrates in the above graph are mid points of a quoted range.
Note (2): The information contained in the above graph is drawn from the Clarksons Research database and other sources. Clarksons Research has advised that (i) some information in Clarksons Research's database is derived from estimates or subjective judgments, (ii) the information in the databases of other shipping and offshore data collection agencies may differ from the information in Clarksons Research's database, and (iii) while Clarksons Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

Summary & Outlook

The jack-up drilling rig market remains in its most severe multi-year downturn since the mid-1980s. However, declines have now levelled off and demand has picked up marginally in the first seven months of 2017. Although there has been little corresponding upward movement on dayrates in this period, the general uptick in market liquidity represents progress on the situation in 2016 and may support the view that the jack-up drilling rig market has begun to enter the next stage of the cycle, even if market fundamentals remain mixed, timing is uncertain and there are a wide range of risks. Potential areas for improved jack-up drilling rig demand in the future are evident, although additional developments will be against the general background of offshore E&P and oil price development. Moreover, concerns remain that if operators cannot manage the supply side issues carefully, any improvements may prove limited, whilst there is also a risk that newbuilding deliveries may increase and exacerbate the sector's oversupply issue.

The statistical and graphical information contained in this section is drawn from the Clarkson Research Services Limited ("**Clarksons Research**") database and other sources. Clarksons Research has advised that (i) some information in Clarksons Research's database is derived from estimates or subjective judgments, (ii) the information in the databases of other shipping and offshore data collection agencies may differ from the information in Clarksons Research's database, and (iii) while Clarksons Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures.

(*Source: The Global Mobile Offshore Drilling Rig Industry, Clarksons Research)*

5.3 Prospects of the UMW-OG Group

With the potential recovery in the O&G industry as mentioned above, the Drilling Services segment's asset utilisation is expected to improve in the second half of 2017.At present, all seven (7) of the Company's jack-up drilling rigs are being utilised pursuant to the award of contracts from Petronas Carigali Sdn Bhd and Repsol Oil & Gas Malaysia Limited. These contracts, together with other existing contracts, are expected to result in a significant increase in utilisation rate from the prior year's average of 21% utilisation rate. However, in view of the slow potential industry recovery and a significant number of idling jack-up rigs globally, charter day rates still remain subdued.

Moving forward, the Company is in various stages of tendering exercises for 21 potential new jobs, with a combined estimated value of RM3.03 billion, for its jack-up drilling rigs in Malaysia and overseas. Of the total potential jobs, 8 are for overseas contracts, while 13 are in Malaysia. This is in line with UMW-OG's strategy to progressively return to the Company's previous markets in Southeast Asia, including, Vietnam, Indonesia and the Philippines while continuing to defend and strengthen its established market position in Malaysia.

The Oilfield Services segment is also expected to recover, albeit at a much slower rate, in line with the sub-sector recovery. This is due to the various cost reduction measures taken by oil companies to use their existing stocks and reduce repair activities. However, this is not expected to impact the revenue and profit of the UMW-OG Group significantly due to the relatively low contribution of this segment.

Premised on the above and amid the current difficult economic conditions and low charter rate environment, the Board expects the future prospects of the UMW-OG Group to remain challenging.

As at 31 December 2016, the total borrowings of the UMW-OG Group including the Shareholder Loan stood at approximately RM4.08 billion, representing a gearing ratio of 1.81 times, of which approximately RM1.50 billion are short-term debts due for repayment within one (1) year and approximately RM2.58 billion are long-term debts due for repayment after more than one (1) year. However, as at 30 June 2017, the total borrowings of the UMW-OG Group inclusive of the Shareholder Loan stood at approximately RM3.84 billion, representing a gearing ratio of 1.90 times, of which approximately RM1.48 billion are short-term debts due for repayment within one (1) year, and approximately RM2.36 billion are long-term debts due for repayment after more than one (1) year.

In view of the foregoing, the Board is undertaking the Corporate Exercises, the Company's first equity fund-raising exercise, to reduce the Company's reliance on debt financing and to raise proceeds for its working capital requirements. The Intended Gross Proceeds from the recapitalisation exercise is expected to strengthen the Company's capital base, improving the proforma NA from RM2.26 billion as at 31 December 2016 to RM4.06 billion post completion of the Corporate Exercises (or RM4.66 billion assuming full exercise of the Warrants) and improve the Company's gearing ratio from 1.81 times as at 31 December 2016 to 0.64 times after the completion of the Corporate Exercises (or 0.56 times assuming full exercise of the Warrants). The part repayment of bank borrowings of RM1.50 billion will result in a reduction in finance costs which will contribute positively to the earnings of the UMW-OG Group. The working capital requirements relate to daily operational needs which are necessary for the drilling rigs to operate and for maintenance of the rigs. Routine and scheduled repair and maintenance are necessary to maintain the operating efficiency and reliability, minimising unscheduled downtime, and resulting in higher efficiency. A larger capital base and strengthened financial position will place the Group on a stronger financial footing to cope with the expected future challenges.

The Corporate Exercises also represent an opportunity for the Entitled Shareholders to further increase their equity participation in UMW-OG via the subscription of the Rights Shares at a discount to the TERP without diluting their respective percentage of shareholdings in UMW-OG provided that such Entitled Shareholders fully subscribe their respective entitlements for the Rights Shares.

Assuming the earnings of the UMW-OG Group remain unchanged, upon completion of the Rights Issue With Warrants, the EPS of the UMW-OG Group will be proportionately diluted as a result of the increase in the weighted average number of UMW-OG Shares in issue and will be further diluted as a result of the increase in the number of UMW-OG Shares arising from the exercise of the Warrants during the tenure of the Warrants and/or the conversion of the RCPS-i during the tenure of the RCPS-i.

As illustrated in Section 6.2 of this Abridged Prospectus, the proceeds raised from the Rights Issue With Warrants and Subscription will have a positive impact on the total borrowings (inclusive of the Shareholder Loan) of the Group which will see a reduction from RM4.08 billion as at 31 December 2016 to RM2.59 billion and while the Rights Issue With Warrants and Subscription will result in an increase in shareholders' equity from RM2.26 billion as at 31 December 2016 to RM4.06 billion on proforma basis (or RM4.66 billion assuming full exercise of the Warrants). Further, assuming cash currently pledged as security for the Group's borrowings are utilised to repay the Shareholder Loan upon its release, the total borrowings of the UMW-OG Group will reduce further from RM2.59 billion to RM2.28 billion with the Group's gearing expected to improve from 1.81 times as at 31 December 2016 to 0.56 times (or 0.49 times assuming full exercise of the Warrants). In other words, the Corporate Exercises are expected to raise adequate equity financing to improve the financial position of the UMW-OG Group.

6. EFFECTS OF THE CORPORATE EXERCISES

The Exemption and Amendment will not have any effect on the share capital, NA per UMW-OG Share, gearing and EPS of the UMW-OG Group.

The effects of the Rights Issue With Warrants and Subscription on the share capital, NA per UMW-OG Share, gearing and EPS of the UMW-OG Group have been shown based on Scenario I and Scenario II save for the exercise of the Warrants, which has not been illustrated in view of the Exercise Price being higher than the last transacted market price of the UMW-OG Shares as at the LPD. Scenario I and Scenario II are as follows:

Scenario I : Assuming all the Entitled Shareholders subscribe in full their respective entitlements under the Rights Issue With Warrants

Scenario II : Assuming none of the Entitled Shareholders subscribes for their respective entitlements under the Rights Issue With Warrants other than PNB such that the Collective Shareholding after the Rights Issue With Warrants will be 65%, and the remaining amount of proceeds to enable the Intended Gross Proceeds to be raised will be via the PNB Subscription

6.1 Share capital

The proforma effects of the Rights Issue With Warrants and the Subscription on the issued share capital of UMW-OG are as follows:

Scenario I

	No. of UMW-OG Shares (‘000)	**Amount (RM‘000)**
As at the LPD	2,162,000	(1) 2,453,819
To be issued pursuant to the Rights Issue With Warrants	6,053,600	(2) 1,634,472
Defray estimated expenses relating to the Corporate Exercises	-	(6,100)
Enlarged issued share capital (4)	**8,215,600**	**4,082,191**

[The rest of this page is intentionally left blank]

Scenario II

	No. of UMW-OG Shares ('000)	Amount (RM'000)	No. of RCPS-i ('000)	Amount (RM'000)
As at the LPD	2,162,000	(1) 2,453,819	-	-
To be issued pursuant to the Rights Issue With Warrants	1,206,060	(2) 325,636	-	-
Defray estimated expenses relating to the Corporate Exercises	-	(6,100)	-	-
To be issued pursuant to the Subscription	-	-	4,847,540	(3) 1,308,836
	3,368,060	**2,773,355**	**4,847,540**	**1,308,836**
To be issued assuming full conversion of the RCPS-i	4,847,540	1,308,836	(4,847,540)	(1,308,836)
Enlarged issued share capital (4)	**8,215,600**	**4,082,191**	**-**	**-**

Notes:

(1) *Pursuant to the commencement of the Act, all amounts standing to the credit of the Company's share premium account has become part of the Company's share capital.*

(2) *After allocation of the proceeds from the Rights Issue With Warrants between the share capital account and the warrants reserve account on a pro-rata basis, based on the relative fair value of the Rights Shares of RM0.27 per Rights Share and the relative fair value of the Warrants of RM0.12.*

(3) *After allocation of the proceeds from the Subscription between the RCPS-i account and the warrants reserve account on a pro-rata basis, based on the relative fair value of the RCPS-i of RM0.27 per RCPS-i and the relative fair value of the Warrants of RM0.12.*

(4) *For illustrative purposes, the full exercise of the Warrants will increase the total number of UMW-OG Shares to approximately 9,729 million shares and share capital to approximately RM4,861.6 million.*

6.2 NA per UMW-OG Share and gearing

Based on the latest audited consolidated statements of the financial position of UMW-OG as at 31 December 2016 and on the assumptions as set out in Appendix III of this Abridged Prospectus that the Corporate Exercises had been effected on that date, the proforma effects of the Rights Issue With Warrants and the Subscription on the NA per UMW-OG Share and gearing of the UMW-OG Group are as follows:

Scenario I

		Proforma I
	Audited as at 31 December 2016	**After the Rights Issue With Warrants**
	(RM'000)	**(RM'000)**
Share capital	1,081,000	(1) (2) (3) (13) 4,082,191
Share premium	1,372,819	(1) -
Warrants reserve	-	(3) (13) 181,608
Other reserves	837,298	837,298
Accumulated losses	(1,033,129)	(9) (1,040,579)
Shareholders' equity / NA	**2,257,988**	(13) **4,060,518**
No. of UMW-OG Shares in issue ('000)	2,162,000	8,215,600
NA per UMW-OG Share (7) (RM)	1.04	0.49
Total borrowings	(8) 4,080,518	(9) (14) 2, 587,968
Gearing (times) (6)	(8) 1.81	(14) 0.64

[The rest of this page is intentionally left blank]

Scenario II

	Audited as at 31 December 2016	Proforma I After the Rights Issue With Warrants	Proforma II After Proforma I and the Subscription	Proforma III After Proforma II and assuming full conversion of RCPS-i
	(RM'000)	**(RM'000)**	**(RM'000)**	**(RM'000)**
Share capital	1,081,000	(1) (2) (3) 2,773,355	2, 773,355	(5) (13) 4,082,191
Share premium	1,372,819	(1) -	-	-
RCPS-i	-	-	(4) 1,308,836	(5) -
Warrants reserve	-	(3) 36,182	(4) 181,608	(13) 181,608
Other reserves	837,298	837,298	837,298	837,298
Accumulated losses	(1,033,129)	(10) (1,040,579)	(1,040,579)	(1,040,579)
Shareholders' equity / NA	**2,257,988**	**2,606,256**	**4,060,518**	(13) **4,060,518**
No. of UMW-OG Shares in issue ('000)	2,162,000	3,368,060	3,368,060	(13) 8,215,600
NA per UMW-OG Share (7) (RM)	1.04	0.77	1.21	(13) 0.49
Total borrowings	(8) 4,080,518	(10) 3,732,250	(11) (12) 2,587,968	(13) (14) 2,587,968
Gearing (times) (6)	(8) 1.81	1.43	(12) 0.64	(13) (14) 0.64

Notes:

(1) *Pursuant to the commencement of the Act, all amounts standing to the credit of the Company's share premium account has become part of the Company's share capital.*

(2) *After recognition of the expenses relating to the Corporate Exercises of approximately RM6.1 million.*

(3) *After allocation of the proceeds from the Rights Issue With Warrants between the share capital account and the warrants reserve account on a pro-rata basis, based on the relative fair value of the Rights Shares of RM0.27 per Rights Share and the relative fair value of the Warrants of RM0.12 per Warrant.*

(4) *After allocation of the proceeds from the Subscription of 4,847,539,594 RCPS-i together with 1,211,884,898 Warrants between the RCPS-i account and the warrants reserve account on a pro-rata basis, based on the relative fair value of the RCPS-i of RM0.27 per RCPS-i and the relative fair value of the Warrants of RM0.12 per Warrant.*

(5) *After full conversion of 4,847,539,594 RCPS-i into UMW-OG Shares.*

(6) *Computed based on total borrowings divided by shareholders' equity/NA.*

(7) *Computed based on shareholders' equity/NA divided by number of UMW-OG Shares in issue.*

(8) *Being the total borrowings and gearing (times) of the Group inclusive of the Shareholder Loan of approximately RM308.0 million.*

(9) *After the proposed repayment of RM1.5 billion, resulting in the accelerated amortisation of transaction costs of approximately RM7.5 million to the accumulated losses of the Group.*

(10) *After the proposed repayment of RM355.7 million raised from the Rights Issue With Warrants (net of defrayed expenses of approximately RM6.1 million) under Scenario II, out of the total of RM1.5 billion to be repaid, resulting in the accelerated amortisation of transaction costs of approximately RM7.5 million to the accumulated losses of the Group.*

(11) *After the proposed repayment of RM1,144.3 million raised from the Subscription under Scenario II, out of the total of RM1.5 billion to be repaid.*

(12) *It is the intention of the Board to use the released cash currently pledged towards the bank borrowings of the UMW-OG Group to further pare down the debts of the UMW-OG Group, which may include the Shareholder Loan. For illustrative purposes, upon repayment of the Shareholder Loan, total borrowings will reduce to approximately RM2,280.0 million and gearing ratio to approximately 0.56 times.*

(13) *For illustrative purposes, the full exercise of the Warrants will increase share capital to approximately RM4,861.6 million, reduce the warrants reserves to nil, increase shareholders' equity to approximately RM4,658.3 million, increase the total number of UMW-OG Shares issued to approximately 9,729 million shares, reduce NA per UMW-OG Share to approximately RM0.48 per UMW-OG Share and reduce gearing ratio to approximately 0.56 times.*

(14) *For illustrative purposes, assuming UMW-OG has repaid the Shareholder Loan such that total borrowings has been reduced to approximately RM2,280.0 million, the full exercise of the Warrants will reduce gearing ratio to approximately 0.49 times.*

6.3 Earnings and EPS

The Rights Issue With Warrants and the Subscription, if implemented are expected to have a material effect on the EPS of the UMW-OG Group for the FYE 31 December 2017 with the increase in the weighted average number of UMW-OG Shares in issue.

Assuming that the earnings of the UMW-OG Group remain unchanged, upon completion of the Rights Issue With Warrants, the EPS of the UMW-OG Group will be proportionately diluted as a result of the increase in the weighted average number of UMW-OG Shares in issue and will be further diluted as a result of the increase in the number of UMW-OG Shares arising from the exercise of the Warrants during the tenure of the Warrants and/or the conversion of the RCPS-i during the tenure of the RCPS-i.

Assuming the issuance of the Rights Shares and full conversion of the RCPS-i occurred at the beginning of the FYE 31 December 2016, basic loss per share would dilute from approximately RM54.46 per share to approximately RM13.67 per share after the Rights Issue With Warrants and assuming full conversion of the RCPS-i, if applicable (but excluding the exercise of the Warrants), and after taking into consideration the reduction in interest expenses arising from the repayment of bank borrowings pursuant to the Corporate Exercises of approximately RM54.0 million per annum, based on an assumed interest rate of approximately 3.6% per annum, being the weighted-average interest rate of the total bank borrowings of the UMW-OG Group for the first half of 2017.

Going forward, the Rights Issue With Warrants and the Subscription, if implemented are expected to contribute positively to the earnings of the Group as the proceeds raised will be utilised towards reducing the indebtedness of the Group and consequently reducing the Group's finance costs.

7. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

7.1 Working capital

The Board is of the opinion that after taking into consideration the proceeds from the Rights Issue With Warrants and the Subscription (if required), banking facilities available to the Group and the cash flow generated from operations, the Group will have sufficient working capital available for a period of 12 months from the date of this Abridged Prospectus.

7.2 Borrowings

As at 30 June 2017, the total borrowings of the Group, all of which are interest-bearing, are as follows:

	USD million	RM million
Short-term borrowings		
Short-term revolving credit in USD	285	1,224
Long-term loans payable within 12 months	56	241
Short-term revolving credit in RM	-	10
Long-term borrowings		
Term loan in USD	484	2,077
Term loan in RM	-	-
Less : unamortised transaction costs	-	(16)
Total borrowings (1)	**825**	**3,536**

Note:

(1) The above total borrowings exclude the Shareholder Loan.

There has been no default on payments of either interest and/or principal sums on any of the above borrowings throughout the FYE 31 December 2016, and the subsequent financial period up to the LPD.

7.3 Contingent liabilities

The Board confirms that as at the LPD, there are no contingent liabilities which, upon becoming enforceable, may have a material impact on the net profits and/or NA of the Group.

7.4 Material commitments

Save as disclosed below, as at the LPD, the Board confirms that there are no material commitments incurred or known to be incurred by the Group which may have a material impact on the profits and/or NA of the Group:

	RM'000
Approved and contracted for:	
Land and buildings	25
Equipment, plant and machinery	16,951
Others	62
Approved but not contracted for:	
Land and buildings	4,497
Equipment, plant and machinery	14,845
Others	6,076
Total	42,456

8. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE, WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE, ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

8.1 General

The Provisional Rights Shares With Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Shares With Warrants will be by book entries through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. As an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s), if applicable, are required to have valid and subsisting CDS Accounts when making applications to subscribe for the Rights Shares with Warrants.

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares With Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue With Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares With Warrants into your CDS Account and the RSF to enable you to subscribe for such Rights Shares with Warrants provisionally allotted to you, as well as to apply for the Excess Rights Shares if you choose to do so.

8.2 Procedures for acceptance and payment

ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS MUST BE MADE IN ACCORDANCE WITH THE RSF ENCLOSED WITH THIS ABRIDGED PROSPECTUS AND MUST BE COMPLETED IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. ACCEPTANCES AND/OR PAYMENTS WHICH DO NOT CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN OR WHICH ARE ILLEGIBLE MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

THE SHARE REGISTRAR WILL NOT CONTACT YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE, FOR ACCEPTANCES WHICH DO NOT STRICTLY CONFORM TO THE TERMS AND CONDITIONS OF THIS ABRIDGED PROSPECTUS OR THE RSF OR THE NOTES AND INSTRUCTIONS CONTAINED THEREIN, OR WHICH ARE ILLEGIBLE.

If you wish to accept the Provisional Rights Shares With Warrants, either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided therein, and despatch by **ORDINARY POST**, **COURIER** or **DELIVERED BY HAND** (at your own risk) each completed RSF together with the relevant payment using the envelope provided to the Share Registrar at the following address and arrived **by the Closing Date**:

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Tel. no.: 03 – 2084 9000
Fax no.: 03 – 2094 9940

One (1) RSF can only be used for acceptance of Provisional Rights Shares With Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of Provisional Rights Shares With Warrants allotted into separate CDS Accounts. The Rights Shares accepted by you in accordance with the notes and instructions contained in the RSF will be credited into the respective CDS Accounts where the Provisional Rights Shares With Warrants are standing to the credit, in accordance with the procedures as set out in the RSF.

Successful applicants to the Rights Shares will be given the Warrants on the basis of one (1) Warrant for every four (4) Rights Shares successfully subscribed for. The minimum number of securities that can be accepted is one (1) Rights Share. The Warrants will be issued in the proportion of (1) Warrant for every four (4) Rights Shares. However, you should take note that a trading board lot will comprise of 100 Rights Shares. Fractions of a Rights Share and/or Warrant arising from the Rights Issue With Warrants will be dealt with as the Board may at its absolute discretion deem fit and expedient in the best interest of the Company.

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by the Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

Each completed RSF must be accompanied by remittance in RM for the **FULL** and **EXACT** amount payable for the Provisional Rights Shares With Warrants accepted in the form of Banker's Draft/Cashier's Order/Money Order or Postal Order drawn on a bank or post office in Malaysia, crossed "**A/C PAYEE ONLY**" to "**UMW-OG RIGHTS ACCOUNT**" and endorsed on the reverse side with the name, address, contact number and CDS Account number of the applicant in block letters to be received by the Share Registrar together with the RSF **by the Closing Date**.

The payment must be made for the **FULL** and **EXACT** amount payable for the Provisional Rights Shares With Warrants accepted. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques, cash or any other modes of payment not prescribed herein are not acceptable. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

If you lose, misplace or for any other reasons require another copy of this Abridged Prospectus and/or the RSF, you may obtain additional copies from the Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY THE COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE PROVISIONAL RIGHTS SHARES WITH WARRANTS. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND FORWARDED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH THE SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. THE BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST WITHIN 14 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK.

ALL RIGHTS SHARES AND WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES AND WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S), IF APPLICABLE. NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

8.3 Procedures for sale/transfer of Provisional Rights Shares With Warrants

As the Provisional Rights Shares With Warrants are prescribed securities, should you wish to sell/transfer all or part of your entitlements to the Provisional Rights Shares With Warrants to 1 or more persons, you may do so through your stockbroker for the period up to the last date and time for the sale/transfer of the Provisional Rights Shares With Warrants (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Rights Shares With Warrants standing to the credit of your CDS Account. You may sell such entitlement on Bursa Securities for the period up to the last date and time for the sale of the Provisional Rights Shares With Warrants (in accordance with the Rules of Bursa Depository) or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the transfer of the Provisional Rights Shares With Warrants (in accordance with the Rules of Bursa Depository).

YOU ARE ADVISED TO READ AND ADHERE STRICTLY TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING/TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS SHARES WITH WARRANTS, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT, INCLUDING THE RSF, TO ANY STOCKBROKER. HOWEVER, YOU ARE ADVISED TO ENSURE THAT THERE ARE SUFFICIENT NUMBER OF PROVISIONAL RIGHTS SHARES WITH WARRANTS STANDING TO THE CREDIT OF YOUR CDS ACCOUNT BEFORE SELLING/TRANSFERRING.

If you have sold or transferred only part of your Provisional Rights Shares With Warrants, you may still accept the balance of your Provisional Rights Shares With Warrants by completing Parts I(A) and II of the RSF and forwarding the RSF together with the appropriate remittance in RM for the **FULL** and **EXACT** amount payable for the balance of the Provisional Rights Shares With Warrants accepted to the Share Registrar in accordance with the instructions in Section 8.2 of this Abridged Prospectus.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES SO LODGED WITH THE SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

8.4 Procedures for application for Excess Rights Shares

If you are an Entitled Shareholder, you and/or your renouncee(s) and/or transferee(s), if applicable, may apply for the Excess Rights Shares in addition to your Provisional Rights Shares With Warrants. If you wish to do so, please complete Part I(B) (in addition to Parts I(A) and II) of the RSF and forward it (together with a **separate remittance** in RM for the **FULL** and **EXACT** amount payable in respect of the Excess Rights Shares applied for) using the envelope provided. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST**, **COURIER** or **DELIVERED BY HAND** (at your own risk) to the Share Registrar at the address set out in Section 8.2 above, so as to arrive **by the Closing Date.**

Payment for the Excess Rights Shares applied for should be made in the same manner described in Section 8.2 above, except that the Banker's Draft, Cashier's Order, Money Order or Postal Order drawn on a bank or post office in Malaysia should be made payable to "**UMW-OG EXCESS ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address, contact number and CDS Account number of the applicant in block letters to be received by the Share Registrar together with the RSF **by the Closing Date**.

The payment must be made for the **FULL** and **EXACT** amount payable for the Excess Rights Shares applied for. Any excess or insufficient payment may be rejected at the absolute discretion of the Board. Cheques, cash or any other modes of payment not prescribed herein are not acceptable. Details of the remittances must be filled in the appropriate boxes provided in the RSF.

It is the intention of the Board to allot the Excess Rights Shares, if any, in a fair and equitable manner in the following order of priority:

(i) firstly, to minimise the incidence of odd lots to the Non-Interested Entitled Shareholders who have applied for Excess Rights Shares;

(ii) secondly, to the Non-Interested Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts on the Entitlement Date;

(iii) thirdly, to the Non-Interested Entitled Shareholders who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of Excess Rights Shares applied for;

(iv) fourthly, to the renouncee(s) and/or transferee(s) of the Entitled Shareholders, if any, who have applied for the Excess Rights Shares on a pro-rata basis and in board lots, calculated based on the quantum of Excess Rights Shares applied for;

(v) following such allocation to the Non-Interested Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if any, the Excess Rights Shares will be allocated to all the remaining Entitled Shareholders, their renouncee(s) or transferee(s) other than PNB, if any, on a pro-rata basis and in board lots, calculated based on their respective shareholdings as per their CDS Accounts on the Entitlement Date;

(vi) PNB will be allocated the balance number of undersubscribed Excess Rights Shares (subject always to the Collective Shareholding Threshold) after the allocation of the Excess Rights Shares to all the other Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if any, based on their respective applications.

Accordingly, Warrants will be allocated in the proportion of (1) Warrant for every four (4) Rights Shares allocated.

In the event of any balance Excess Rights Shares after steps (i), (ii), (iii) and (iv) are completed, steps (ii), (iii) and (iv) shall be repeated to allocate such balance until all the Non-Interested Entitled Shareholders and/or their renouncee(s) and/or transferee(s) have received the Excess Rights Shares applied by them or such balance is exhausted. In the event of any balance Excess Rights Shares after the completion and repetition of steps (ii), (iii), and (iv), the Board shall proceed to allocate such balance based on steps (v) and (vi).

Nevertheless, the Board reserves the right to allot any Excess Rights Shares applied for in such manner as the Board deems fit and expedient, and in the best interest of the Company, subject always to such allocation being made on a fair and equitable basis and that the intention of the Board as set out in items (i) to (iv) above are achieved. The Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Shares, in full or in part, without assigning any reason thereof.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF FOR THE EXCESS APPLICATION OR APPLICATION MONIES WILL BE MADE BY THE COMPANY OR THE SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND FORWARDED TO YOU BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY THE SHARE REGISTRAR. THE BOARD RESERVES THE RIGHT AT ITS ABSOLUTE DISCRETION NOT TO ACCEPT OR TO ACCEPT IN PART ONLY ANY APPLICATION WITHOUT PROVIDING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR LATE APPLICATIONS OR PARTIALLY SUCCESSFUL EXCESS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES, AS THE CASE MAY BE, WILL BE REFUNDED WITHOUT INTEREST WITHIN 14 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS AS SHOWN IN THE RECORD OF DEPOSITORS OF THE COMPANY AT YOUR OWN RISK.

8.5 Procedures to be followed by renouncee(s) and/or transferee(s)

The procedures applicable to renouncee(s) and/or transferee(s) for the acceptance of and payment for or selling/transferring of the Provisional Rights Shares With Warrants and the application and payment for the Excess Rights Shares are the same as those which are applicable to the Entitled Shareholders as described in Sections 8.2, 8.3 and 8.4 of this Abridged Prospectus. Please refer to the relevant sections for the procedures to be followed.

You may obtain additional copies of this Abridged Prospectus and/or the RSF from the Share Registrar or Bursa Securities' website at www.bursamalaysia.com.

8.6 Form of issuance

Bursa Securities has already prescribed the shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Bursa Securities has also approved the admission and listing of and quotation for the Warrants on the Main Market of Bursa Securities. Accordingly, the Rights Shares and Warrants are prescribed securities and as such, the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the said securities.

You must have a valid and subsisting CDS Account in order to subscribe for the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificate shall be issued to you under the Rights Issue With Warrants. Instead, the Rights Shares and Warrants will be credited directly into your CDS Accounts.

Any person who intends to subscribe for the Rights Shares with Warrants as a renouncee and/or transferee by purchasing the Provisional Rights Shares With Warrants from an Entitled Shareholder will have his Rights Shares and Warrants credited directly as prescribed securities into his CDS Account.

The Excess Rights Shares with Warrants, if allotted to the successful applicant who applies for Excess Rights Shares with Warrants, will be credited directly as prescribed securities into his CDS Account.

If you have multiple CDS Accounts into which the Provisional Rights Shares With Warrants have been credited, you cannot use a single RSF to apply for all these Provisional Rights Shares With Warrants. Separate RSFs must be used if you have more than ONE 1 CDS Account having been credited with the Provisional Rights Shares With Warrants. If successful, the Rights Shares with Warrants that you applied for will be credited into the respective CDS Accounts into which the Provisional Rights Shares With Warrants have been credited.

8.7 Procedures for acceptance and application by the Foreign Addressed Shareholders and Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, who are subject to the laws of foreign countries or jurisdictions

The Documents have not been, and will not be made to comply with the laws of any country or jurisdictions other than Malaysia, and have not been, and will not be, lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any country or jurisdictions other than Malaysia. The Rights Issue With Warrants will not be offered for purchase or subscription in any country or jurisdiction other than Malaysia.

The Documents are not intended to be, and will not be issued, circulated or distributed and the Rights Issue With Warrants will not be made or offered or deemed to be made or offered in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue With Warrants to which this Abridged Prospectus relates is only available to the Entitled Shareholders receiving the Documents within Malaysia.

Accordingly, the Documents will only be sent to Entitled Shareholders who have a registered address or an address for service in Malaysia as registered in the Company's Record of Depositors as at the Entitlement Date. The Documents have not been and will not be sent to the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable. However, the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, may collect the Documents from the Share Registrar, in which event the Share Registrar shall be entitled to request such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents.

The Company will not make or be bound to make any enquiry as to whether you have a registered address or address for service in Malaysia other than as stated in the Record of Depositors of the Company on the Entitlement Date or other than as stated in the RSF, and will not accept or be deemed to accept any liability whether or not an enquiry or investigation is made in connection therewith.

Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, may accept or renounce, as the case may be, all or any part of their entitlements and exercise any other rights in respect of the Rights Issue With Warrants only to the extent that it would be lawful to do so.

To the extent the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, accept their Provisional Rights Shares With Warrants and/or apply for the Excess Rights Shares, the acceptance of the terms thereof will be deemed to be in compliance with the Rights Issue With Warrants and not in breach of the laws of any countries or jurisdictions. To the extent the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, accept their Provisional Rights Shares With Warrants and/or apply for the Excess Rights Shares, the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, will be deemed to have accepted the Rights Issue With Warrants in Malaysia and be subject to the laws of Malaysia with respect thereto.

The Principal Adviser, the Share Registrar, the Company and the Directors and officers of the Company (collectively, the "**Parties**") would not, in connection with the Rights Issue With Warrants, be in breach of the laws of any country or jurisdiction to which the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are or may be subject to. All Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, shall be solely responsible to seek advice from their legal and/or professional advisers as to the laws of the countries or jurisdictions to which they are or might be subject to. The Parties shall not accept any responsibility or liability whatsoever in the event any acceptance or renunciation made by any Foreign Addressed Shareholder and/or his renouncee(s) and/or transferee(s), if applicable, is or shall become illegal, unenforceable, voidable or void in any such country or jurisdiction. Such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, or person acting for the account or benefit of any such person will also have no claims whatsoever against the Parties in respect of their entitlements or to any proceeds thereof.

The Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such foreign country or jurisdiction and the Parties shall be entitled to be fully indemnified and held harmless by such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, for any issue, transfer or any other taxes or duties as such person may be required to pay. They will have no claims whatsoever against the Parties in respect of their rights and entitlements under the Rights Issue With Warrants. Such Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, should consult their professional advisers as to whether they require any governmental, exchange control or other consents/approvals or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue With Warrants.

The Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, in accepting any Provisional Rights Shares With Warrants by signing any of the forms accompanying this Abridged Prospectus, or subscribing or acquiring the Rights Shares With Warrants, will be deemed to have represented, warranted, acknowledged and agreed in favour of (and which representations, warranties, acknowledgements and agreements will be relied upon by) the Parties as follows:

(i) the Parties would not, by acting on the acceptance or renunciation in connection with the Rights Issue With Warrants, be in breach of the laws of any countries or jurisdictions to which the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are or may be subject to;

(ii) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have complied with the laws to which the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are or may be subject to in connection with the acceptance or renunciation;

(iii) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are not nominees or agents of a person in respect of whom the Parties would, by acting on the acceptance or renunciation, be in breach of the laws of any countries or jurisdictions to which that person is or may be subject to;

(iv) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, are aware that their Provisional Rights Shares With Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have obtained a copy of this Abridged Prospectus and understands the contents of this Abridged Prospectus, and had relied on their own evaluation to assess the merits and risks of subscribing for or purchasing the Rights Shares With Warrants; and

(vi) that the Foreign Addressed Shareholders and/or their renouncee(s) and/or transferee(s), if applicable, have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares With Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares With Warrants.

Persons receiving the Documents (including without limitation custodians, nominees and trustees) must not, in connection with the Rights Issue With Warrants, distribute or send it into any country or jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations.

No person in any territory outside of Malaysia receiving this Abridged Prospectus and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for or acquire any Rights Shares With Warrants unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

The Company reserves the right to treat any acceptances and/or applications as invalid, if the Company believes or has reason to believe that such acceptances and/or applications may violate any applicable legal or regulatory requirements in any countries or jurisdictions outside Malaysia. The Provisional Rights Shares With Warrants relating to any acceptance which is treated as invalid will be included in the pool of the Excess Rights Shares available for excess application by other Entitled Shareholders and/or their renouncee(s) and/or transferee(s), if applicable.

9. TERMS AND CONDITIONS

The issuance of the Rights Shares and Warrants pursuant to the Rights Issue With Warrants is governed by the terms and conditions as set out in the Documents.

10. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of
UMW OIL & GAS CORPORATION BERHAD

ROHAIZAD BIN DARUS
President,
Non-Independent Executive Director

APPENDIX I

CERTIFIED TRUE COPY OF THE EXTRACT OF THE RESOLUTION RELATING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 25 AUGUST 2017

UMW OIL & GAS CORPORATION BERHAD

CERTIFIED EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, 25 AUGUST 2017 AT DEWAN TUN ABDUL RAZAK, MENARA KEMBAR BANK RAKYAT, NO. 33, JALAN RAKYAT, 50470 KUALA LUMPUR, MALAYSIA

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 6,053,600,000 NEW ORDINARY SHARES IN UMW-OG ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.30 PER RIGHTS SHARE ON THE BASIS OF FOURTEEN (14) RIGHTS SHARES FOR EVERY FIVE (5) ORDINARY SHARES IN UMW-OG ("UMW-OG SHARES") HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER TOGETHER WITH UP TO 1,513,400,000 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

On the proposal by Tuan Syed Rozhan Syed Hassan, a shareholder and duly seconded by, Datuk Syed Hisham bin Syed Wazir, a shareholder, the following resolution was put for a vote:

"**THAT** subject to the passing of the Ordinary Resolution 3 and the relevant approvals being obtained from the relevant authorities and/or parties (where applicable), approval be and is hereby given to the Board of Directors of the Company ("**Board**") for the following:

(a) allot (provisionally or otherwise) and issue by way of a renounceable rights issue of up to 6,053,600,000 Rights Shares on the basis of fourteen (14) Rights Shares for every five (5) UMW-OG Shares held by the shareholders of the Company whose name appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board ("**Entitled Shareholders**") at an issue price of RM0.30 per Rights Share, together with up to 1,513,400,000 Warrants on the basis of one (1) Warrant for every four (4) Rights Shares subscribed;

(b) enter into and execute the deed poll to govern the Warrants in relation to the Proposed Rights issue With Warrants ("**Deed Poll**") and to do all acts, deeds and things as it may deem fit and expedient in order to implement, finalise and give effect to the Deed Poll; and

(c) use the proceeds to be derived from the Proposed Rights Issue with Warrants in the manner set out in Section 6 of Part A of the Circular to the shareholders of the Company dated 3 August 2017 and vary the manner and/or purpose of use of such proceeds as it may deem fit and in the best interests of the Company.

THAT the shareholders' fractional entitlements, if any, shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interests of the Company;

THAT the Rights Shares which are not taken up or validly taken up shall be made available for excess application by the Entitled Shareholders and/or their renouncee(s) (if applicable) and such excess Rights Shares shall be allocated by the Board in a fair and equitable manner on a basis to be determined by the Board and announced later by the Company;

THAT the Rights Shares shall, upon allotment and issue, rank equally in all respects with the existing UMW-OG Shares, save and except that the Rights Shares so allotted and issued will not be entitled to any dividends, rights, allotments and other distributions that may be declared, made or paid, the entitlement date of which is prior the date of allotment of the Rights Shares;

THAT the new UMW-OG Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the existing UMW-OG Shares, save and except that the new UMW-OG Shares so allotted and issued will not be entitled to any dividends, rights, allotments and other distributions that may be declared, made or paid, the entitlement date of which is prior the date of allotment of the new UMW-OG Shares to be issued arising from the exercise of the Warrants;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds, and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement, to give full effect to and to complete the Proposed Rights Issue With Warrants, with full powers to assent and/or accept to any conditions, modifications, variations, arrangements and/or amendments as the Board in their absolute discretion may deem fit and/or may be imposed by any relevant authorities and/or parties in connection with the Proposed Rights Issue With Warrants."

Dato' Chairman informed that the resolution was put to the Meeting for voting by e-polling, which would be conducted upon conclusion of the tabling of all resolutions.

ORDINARY RESOLUTION 2

PROPOSED ISSUANCE OF UP TO 4,847,539,594 NEW ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN UMW-OG ("RCPS-i") TO BE SUBCRIBED AT A SUBSCRIPTION PRICE OF RM0.30 PER RCPS-i BY PERMODALAN NASIONAL BERHAD ("PNB"), AND IF APPLICABLE, AMANAH SAHAM BUMIPUTERA ("ASB") AND/OR OTHER FUNDS UNDER PNB'S MANAGEMENT TOGETHER WITH UP TO 1,211,884,898 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) RCPS-i SUBSCRIBED ("PROPOSED SUBSCRIPTION")

On the proposal by Tuan Syed Rozhan Syed Hassan, a shareholder and duly seconded by, Datuk Syed Hisham bin Syed Wazir, a shareholder, the following resolution was put for a vote:

"**THAT** subject to the passing of Ordinary Resolution 1, Special Resolution and the relevant approvals being obtained from the relevant authorities and/or parties, approval be and is hereby given to the Board for the following:

(a) allot and issue up to 4,847,539,594 new RCPS-i based on the terms and conditions of the RCPS-i at a subscription price of RM0.30 per RCPS-i, together with up to 1,211,884,898 Warrants to PNB, ASB and/or other funds under PNB's management to be satisfied in cash;
(b) allot and issue such number of new UMW-OG Shares credited as fully paid-up pursuant to any conversion of the RCPS-i and that such approval remain in full

force and effect as long as any RCPS-i remain convertible in accordance with its term of issue; and

(c) use the proceeds to be derived from the Proposed Subscription in the manner set out in Section 6 of Part A of the Circular to the shareholders of the Company dated 3 August 2017 and vary the manner and/or purpose of use of such proceeds as it may deem fit and in the best interests of the Company.

THAT the new UMW-OG Shares to be issued arising from the conversion of the RCPS-i shall, upon allotment and issue, rank equally in all respects with the existing UMW-OG Shares, save and except that the new UMW-OG Shares so allotted and issued will not be entitled to any dividends, rights, allotments and other distributions that may be declared, made or paid, the entitlement date of which is prior the date of allotment of the new UMW-OG Shares to be issued arising from the conversion of the RCPS-i;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds, and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents as they may deemed necessary, expedient and/or appropriate to implement, to give full effect to and to complete the Proposed Subscription, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Board in their absolute discretion may deem fit and/or as maybe imposed by any relevant authorities and/or parties in connection with the Proposed Subscription."

ORDINARY RESOLUTION 3

PROPOSED EXEMPTION FOR PNB, ASB AND PERSONS ACTING IN CONCERT WITH THEM FROM THE OBLIGATION TO UNDERTAKE A MANDATORY TAKE-OVER OFFER FOR ALL THE REMAINING UMW-OG SHARES AND WARRANTS NOT ALREADY OWNED BY THEM PURSUANT TO PARAGRAPHS 4.08(1)(B) AND 4.08(1)(C) OF RULE 4, PART B OF THE RULES ON TAKE-OVERS, MERGERS AND COMPULSORY ACQUISITIONS ("RULES")("PROPOSED EXEMPTION")

On the proposal by Tuan Syed Rozhan Syed Hassan, a shareholder and duly seconded by, Datuk Syed Hisham bin Syed Wazir, a shareholder, the following resolution was put for a vote:

"**THAT** subject to the passing of Ordinary Resolution 1 and the relevant approvals being obtained from the Securities Commission Malaysia ("**SC**") and/or any other relevant authorities and/or parties including such conditions as may be imposed by the SC, approval be and is hereby given for PNB, ASB and the persons acting in concert with them under the Rules to be exempted from the obligation to undertake a mandatory take-over offer to acquire all the remaining UMW-OG Shares and Warrants not already owned by them which would arise pursuant to the completion of the Proposed Rights Issue With Warrants, the exercise of the Warrants during the tenure of the Warrants and/or the conversion of the RCPS-i during the tenure of the RCPS-i pursuant to Paragraphs 4.08(1)(b) and 4.08(1)(c) of Rule 4, Part B of the Rules;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement, to give full effect to and to complete the Proposed Exemption, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments as the Board in their absolute discretion may deem fit and/or as may be imposed by any relevant authorities and/or parties in connection with the Proposed Exemption."

SPECIAL RESOLUTION

PROPOSED AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY'S CONSTITUTION ("CONSTITUTION") ("PROPOSED AMENDMENT")

On the proposal by Tuan Syed Rozhan Syed Hassan, a shareholder and duly seconded by, Datuk Syed Hisham bin Syed Wazir, a shareholder, the following resolution,was put for a vote:

"**THAT** subject to the passing of the Ordinary Resolution 2 and the relevant approvals being obtained from the relevant authorities/parties, the proposed amendments to the Constitution as set out in Appendix III of the Circular to the shareholders of the Company dated 3 August 2017 be and is hereby approved and adopted;

AND THAT the Board and the Secretary of the Company be and are hereby empowered and authorised to do all acts, deeds, and such things and to execute, enter into, sign and deliver on behalf of the Company, all such documents and steps as they may deem necessary, expedient and/or appropriate to implement, to give full effect to the Proposed Amendment, with full powers to assent and/or accept any conditions, modifications, variations, arrangements and/or amendments in any manner as may be in the interests of the Company and/or as may be imposed by any relevant authorities in connection with the Proposed Amendment."

DECLARATION OF RESULTS

Dato' Chairman informed the Meeting that he has received the results of the electronic polling from the Poll Administrator and the results had been verified and validated by Commercial Quest Sdn Bhd, the Independent Scrutineers appointed by the Company. The Independent Scrutineer then read out the following results:-

	FOR		AGAINST	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Ordinary Resolution 1	1,527,630,492	99.45	8,377,950	0.55
Ordinary Resolution 2	466,398,730	84.38	86,312,269	15.62
Ordinary Resolution 3	544,687,206	98.55	8,023,793	1.45
Special Resolution	1,448,821,299	94.33	87,031,565	5.67

CERTIFIED TRUE COPY OF THE EXTRACT OF THE RESOLUTION RELATING TO THE CORPORATE EXERCISES PASSED AT THE EGM HELD ON 25 AUGUST 2017 *(Cont'd)*

UMW OIL & GAS CORPORATION BERHAD
-CERTIFIED EXTRACT OF MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON FRIDAY, 25 AUGUST 2017 AT DEWAN TUN ABDUL RAZAK, MENARA KEMBAR BANK RAKYAT, NO. 33, JALAN RAKYAT, 50470 KUALA LUMPUR, MALAYSIA

Dato' Chairman thanked the Independent Scrutineers and declared that all Ordinary Resolutions 1 to 3 and Special Resolution were carried and duly passed.

CERTIFIED TRUE EXTRACT

....
LEE MI RYOUNG
Secretary (MAICSA 7058423)

Dated : 28 August 2017

INFORMATION ON UMW-OG

1. HISTORY OF THE BUSINESS AND PRINCIPAL ACTIVITIES

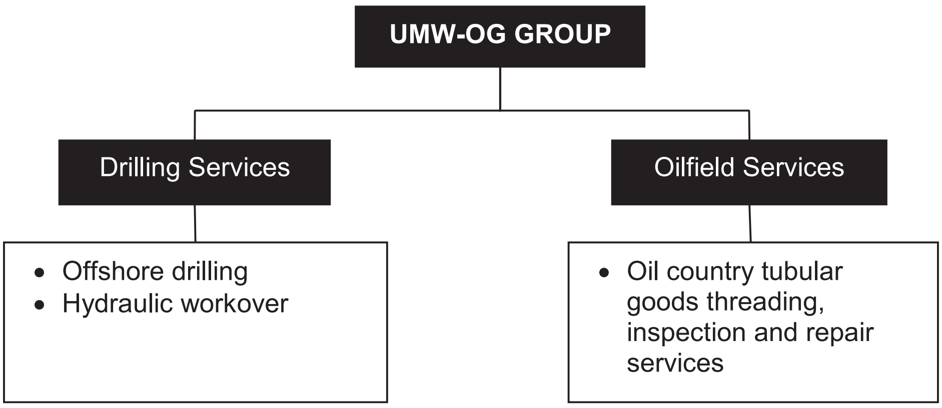
UMW-OG was incorporated in Malaysia under the Companies Act 1965 on 12 November 2009 as a private limited company under the name of UMW Oil & Gas Corporation Sdn. Bhd. It was converted into a public company under its present name on 14 May 2013 and was listed on the Main Market of Bursa Securities on 1 November 2013.

UMW-OG is principally involved in investment holding whilst its subsidiaries are principally engaged in the following:

(i) provision of drilling services for exploration, development and production wells, and workover services to the upstream sector of the O&G industry; and

(ii) provision of threading, inspection and repair services for oil country tubular goods in Malaysia and overseas, with a focus on premium connections used in high-end and complex wells.

The following diagram provides an overview of the UMW-OG Group's main businesses:



As at the LPD, the UMW-OG Group has a fleet of seven (7) offshore drilling rigs all premium jack-up rigs, five (5) HWUs and six (6) oilfield plants in four (4) countries, namely in Malaysia, Thailand, China and Turkmenistan.

2. SHARE CAPITAL

As at the LPD, the issued share capital of UMW-OG is as follows:

	No. of shares	Amount RM
UMW-OG Shares	2,162,000,000	(1) 2,453,818,724

Note:

(1) *Pursuant to the commencement of the Act, all amounts standing to the credit of the Company's share premium account has become part of the Company's share capital.*

Save for the above, there have been no changes in the issued share capital of UMW-OG for the past three (3) years up to the LPD.

3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue With Warrants and the Subscription on the shareholdings of the substantial shareholders of the Company based on the Register of Substantial Shareholders of the Company as at the LPD are as follows:

Scenario I

	As at the LPD				Proforma I After Rights Issue With Warrants			
	Direct		Indirect		Direct		Indirect	
Name	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**
ART-ASB [2]	688, 951, 624	31.87	-	-	2,618,016,160	31.87	-	-
EPF	204,856,852	9.48	-	-	778,456,032	9.48	-	-
KWAP	144,807,324	6.70	8,522,075	[1] 0.39	550,267,820	6.70	32,383,885	[1] 0.39

[The rest of this page is intentionally left blank]

INFORMATION ON UMW-OG (*Cont'd*)

Scenario II

	As at the LPD				Proforma I After the Rights Issue With Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%
ART-ASB [2]	688,951,624	31.87	-	-	688,951,624	20.46	-	-
EPF	204,856,852	9.48	-	-	204,856,852	6.08	-	-
KWAP	144,807,324	6.70	8,522,075	[1] 0.39	144,807,324	4.30	8,522,075	[1] 0.25
PNB	81, 782, 220	3.78	-	-	1,287,842,626	38.24	-	-
YPB	-	-	81, 782, 220	3.78	-	-	1,287,842,626	[3] 38.24

	Proforma II After Proforma I and the Subscription				Proforma III After Proforma II and assuming full conversion of the RCPS-i			
	Direct		Indirect		Direct		Indirect	
Name	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%
ART-ASB [2]	688,951,624	20.46	-	-	688,951,624	8.39	-	-
EPF	204,856,852	6.08	-	-	204,856,852	2.49	-	-
KWAP	144,807,324	4.30	8,522,075	[1] 0.25	144,807,324	1.76	8,522,075	[1] 0.10
PNB	1,287,842,626	38.24	-	-	6,135,382,220	[4] 74.68	-	-
YPB	-	-	1,287,842,626	[3] 38.24	-	-	6,135,382,220	[3][4] 74.68

INFORMATION ON UMW-OG (*Cont'd*)

Notes:

(1) *Deemed to have indirect interest by virtue of UMW-OG Shares held by its fund managers.*

(2) *Shares of ASB held through AmanahRaya Trustees Berhad, the trustee of ASB.*

(3) *Deemed to have indirect interest by virtue of its interest in PNB pursuant to Section 8 of the Act.*

(4) *PNB has undertaken to ensure that any increase to the Collective Shareholding will be subject to UMW-OG complying with the public shareholding spread requirement.*

[The rest of this page is intentionally left blank]

4. DIRECTORS

4.1 Particulars of Directors

The details of the members of the Board as at the LPD are as follows:

Name/Designation	Address	Age	Nationality	Occupation/ Profession
Dato' Abdul Rahman bin Ahmad *(Chairman, Non-Independent, Non-Executive Director)*	No. 1A, Lorong 14/47B 46100 Petaling Jaya Selangor Darul Ehsan	48	Malaysian	Company Director / Chief Executive Officer (PNB)
Rohaizad bin Darus *(President, Non-Independent Executive Director)*	No. 8, Jalan Cempaka 8 Taman Cempaka 68000 Ampang Selangor Darul Ehsan	52	Malaysian	Company Director / Chief Executive Officer (UMW-OG)
Razalee bin Amin *(Independent Non-Executive Director)*	No. 7, SS 19/3A 47500 Subang Jaya Selangor Darul Ehsan	64	Malaysian	Company Director / Accountant
Dato' Afifuddin bin Abdul Kadir *(Senior Independent Non-Executive Director)*	No.1, Jalan 3/2F Seksyen 3 43650 Bandar Baru Bangi Selangor Darul Ehsan	64	Malaysian	Company Director
Cheah Tek Kuang *(Independent Non-Executive Director)*	No 1, Jalan Setiabakti 10 Bukit Damansara 50490 Kuala Lumpur	70	Malaysian	Company Director
Dato' Ibrahim bin Marsidi *(Independent Non-Executive Director)*	18. Jalan Suasana 5/3A Bandar Tun Hussein Onn 43200 Cheras Selangor Darul Ehsan	65	Malaysian	Company Director
Mohd Rashid bin Mohd Yusof (*Independent Non-Executive Director)*	No. 13, Jalan Memanah 13/55A Laman Seri, Seksyen 13 40100 Shah Alam Selangor Darul Ehsan	61	Malaysian	Company Director
Rowina Ghazali Seth (*Independent Non-Executive Director)*	B-3A-01, Tiffani Kiara Changkat Duta Kiara Mont Kiara 50480 Kuala Lumpur	55	Malaysian	Company Director
Haida Shenny binti Hazri (*Non-Independent Non-Executive Director)*	4463, Lorong Lee Hin Neo 3 Ukay Heights 68000 Ampang Selangor Darul Ehsan	43	Malaysian	Company Director / Project Director

INFORMATION ON UMW-OG (*Cont'd*)

4.2 Directors' Shareholdings

The proforma effects of the Rights Issue With Warrants and the Subscription on the shareholdings of the Directors of the Company as at the LPD are as follows:

Scenario I

	As at the LPD				Proforma I After the Rights Issue With Warrants			
	Direct		Indirect		Direct		Indirect	
Name	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%	No. of UMW-OG Shares	%
Dato' Abdul Rahman bin Ahmad	-	-	-	-	-	-	-	-
Rohaizad bin Darus	1,000,000	0.05			3,800,000	0.03		
Razalee bin Amin	203,000	0.01	-	-	771,400	0.01	-	-
Dato' Afifuddin bin Abdul Kadir	275,000	0.01	-	-	1,045,000	0.01	-	-
Cheah Tek Kuang	-	-	(2) 36,311	(1) -	-	-	(2) 137,979	(1) -
Dato' Ibrahim bin Marsidi	30,000	(1) -	-	-	114,000	(1) -	-	-
Mohd Rashid bin Mohd Yusof	-	-	-	-	-	-	-	-
Rowina Ghazali Seth	-	-	-	-	-	-	-	-
Haida Shenny binti Hazri	-	-	-	-	-	-	-	-

[The rest of this page is intentionally left blank]

INFORMATION ON UMW-OG (*Cont'd*)

Scenario II

	As at the LPD				Proforma I After the Rights Issue With Warrants			
	Direct		Indirect		Direct		Indirect	
Name	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**
Dato' Abdul Rahman bin Ahmad	-	-	-	-	-	-	-	-
Rohaizad bin Darus	1,000,000	0.05			1,000,000	0.03		
Razalee bin Amin	203,000	0.01	-	-	203,000	0.01	-	-
Dato' Afifuddin bin Abdul Kadir	275,000	0.01	-	-	275,000	0.01	-	-
Cheah Tek Kuang	-	-	(2) 36,311	(1) -	-	-	(2) 36,311	(1) -
Dato' Ibrahim bin Marsidi	30,000	(1) -	-	-	30,000	(1) -	-	-
Mohd Rashid bin Mohd Yusof	-	-	-	-	-	-	-	-
Rowina Ghazali Seth	-	-	-	-	-	-	-	-
Haida Shenny binti Hazri	-	-	-	-	-	-	-	-

[The rest of this page is intentionally left blank]

INFORMATION ON UMW-OG (*Cont'd*)

Notes:

	Proforma II				Proforma III			
	After Proforma I and the Subscription				After Proforma II and full Conversion of the RCPS-i			
	Direct		Indirect		Direct		Indirect	
Name	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**	**No. of UMW-OG Shares**	**%**
Dato' Abdul Rahman bin Ahmad	-	-	-	-	-	-	-	-
Rohaizad bin Darus	1,000,000	0.03			1,000,000	0.01		
Razalee bin Amin	203,000	0.01	-	-	203,000	(1) -	-	-
Dato' Afifuddin bin Abdul Kadir	275,000	0.01	-	-	275,000	(1) -	-	-
Cheah Tek Kuang	-	-	(2) 36,311	(1) -	-	-	(2) 36,311	(1) -
Dato' Ibrahim bin Marsidi	30,000	(1) -	-	-	30,000	(1) -	-	-
Mohd Rashid bin Mohd Yusof	-	-	-	-	-	-	-	-
Rowina Ghazali Seth	-	-	-	-	-	-	-	-

(1) *Immaterial.*

(2) *Deemed interest by virtue of shares held through his spouse and daughter.*

[The rest of this page is intentionally left blank]

5. SUBSIDIARIES AND ASSOCIATED COMPANY

The subsidiaries and associated company of UMW-OG as at the LPD are as follows:

Name	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest	Principal activities
		[(1)] RM *(unless otherwise stated)*	%	
UMW JDC Drilling Sdn Bhd	12 June 1987/ Malaysia	350,000	85	Provision of drilling operations for the O&G industry
UMW Malaysian Ventures Sdn Bhd	26 September 2008/ Malaysia	240,965,000	100	Investment holding
UMW Singapore Ventures Pte Ltd	25 March 2009/ Singapore	SGD9,500,000	100	Investment holding
UMW Rig Asset (L) Ltd	5 April 2013/ Labuan, Malaysia	USD596,412,024	100	Investment holding
Sumber Ribu Sdn Bhd	31 July 2017/ Malaysia	10,000	100	Involved principally in raising capital and investment for the UMW-OG Group
Sumber Wang (L) Ltd	31 July 2017/ Labuan, Malaysia	USD10,000	100	Involved principally in raising capital and investment for the UMW-OG Group
Subsidiaries of UMW Malaysian Ventures Sdn Bhd				
UMW Offshore Drilling Sdn Bhd	29 July 2003/ Malaysia	234,725,000	100	Contract offshore drilling business and operations and other engineering services for O&G exploration, development and production in Malaysia and overseas
UMW Oilpipe Services Sdn Bhd	14 August 1984/ Malaysia	4,250,000	100	Provision of threading, inspection, repair and maintenance services for oil country tubular goods
UMW Workover Sdn Bhd	29 December 1983/ Malaysia	57,174,300	100	Provision of workover operations for the O&G industry
UMW Oilpipe Services (Turkmenistan) Ltd	4 August 2006/ Labuan, Malaysia	USD625,000	51	Provision of threading, inspection, repair and maintenance services for oil country tubular goods

INFORMATION ON UMW-OG (*Cont'd*)

Name	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest	Principal activities
		(1) RM *(unless otherwise stated)*	%	
Subsidiaries of UMW Rig Asset (L) Ltd				
UMW Drilling Co Ltd	7 March 2005/ Labuan, Malaysia	USD6,000,000	100	Ownership and leasing of rig
UMW Drilling 2 (L) Ltd	8 January 2007/ Labuan, Malaysia	USD118,700,000	100	Ownership and leasing of rig
UMW Drilling 3 (L) Ltd	8 January 2007/ Labuan, Malaysia	USD20,500,001	100	Ownership and leasing of rig
UMW Drilling 4 (L) Ltd	7 June 2012/ Labuan, Malaysia	USD213,000,001	100	Ownership and leasing of rig
UMW Drilling 5 (L) Ltd	12 June 2013/ Labuan, Malaysia	USD70,000,000	100	Ownership and leasing of rig
UMW Drilling 6 (L) Ltd	12 June 2013/ Labuan, Malaysia	USD67,000,000	100	Ownership and leasing of rig
UMW Drilling 7 (L) Ltd	5 February 2014/ Labuan, Malaysia	USD70,000,000	100	Ownership and leasing of rig
UMW Drilling 8 (L) Ltd	5 February 2014/ Labuan, Malaysia	USD100,000	100	Ownership and leasing of rig
Offshore Driller 4 Ltd	8 April 2011/ Cayman Islands	USD38,502	100	Dormant
Subsidiary of UMW Singapore Ventures Pte Ltd				
UMW Oilfield Services (Tianjin) Co., Limited	1 November 2002/ People's Republic of China	USD2,800,000	100	Provision of threading, inspection, repair and maintenance services for oil country tubular goods
Subsidiary of UMW Drilling 2 (L) Ltd				
UMW Standard 1 Pte Ltd	29 November 2006/ Singapore	USD76,500,000	100	Ownership and leasing of rig
Subsidiary of UMW Drilling 3 (L) Ltd				
UMW Standard 3 Pte Ltd	29 November 2006/ Singapore	USD74,000,000	100	Dormant
Subsidiary of UMW Drilling 4 (L) Ltd				
Offshore Driller B324 Ltd	15 December 2010/ Cayman Islands	USD42,000	100	Dormant

INFORMATION ON UMW-OG (*Cont'd*)

Name	Date/Place of incorporation	Issued and paid-up share capital	Effective equity interest	Principal activities
		[(1)] **RM** ***(unless otherwise stated)***	**%**	
Subsidiaries of UMW Offshore Drilling Sdn Bhd				
UMW Drilling Academy Sdn Bhd	11 April 2013/ Malaysia	20,000,000	100	Provision of training and courses in relation to O&G drilling activities
UMW Offshore Drilling Ltd	16 September 2015/ Cayman Islands	USD100,000	100	Contract drilling operations and other engineering services for O&G exploration, development and production
Subsidiary of UMW Oilpipe Services Sdn Bhd				
UOT (Thailand) Limited	9 January 1997/ Thailand	THB25,000,000	58.8	Provision of threading, inspection, repair and maintenance services for oil country tubular goods
Associated company of UMW-OG				
Oil-Tex (Thailand) Company Limited	1 July 1983/ Thailand	THB7,000,000	20	Provision of logistic services for the O&G industry

Note:

[(1)] *Excludes share premium.*

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of the UMW-OG Group based on the audited consolidated financial statements of UMW-OG for the past three (3) FYEs 31 December 2014 to 2016 and unaudited consolidated financial statements of UMW-OG for the 6-month FPE 30 June 2017 are as follows:

	Audited			Unaudited	
	FYE 31 December			6-month FPE 30 June 2017	6-month FPE 30 June 2016
	2014	2015	2016		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,014,903	839,877	321,053	214,186	217,689
Other operating income	11,209	35,994	27,650	1,175	33,434
Changes in inventories	(280)	33	152	39	(99)
Finished goods purchased	(1,216)	(1,956)	(70)	(91)	(42)
Raw materials and consumables used	(77,252)	(77,670)	(54,425)	(44,713)	(40,814)
Employee benefits	(183,273)	(188,561)	(123,352)	(62,863)	(74,624)
Depreciation and amortisation	(133,106)	(246,119)	(291,191)	(129,344)	(133,473)
Impairment provisions	-	(347,722)	(781,200)	-	-
Other operating expenses	(353,335)	(324,230)	(178,966)	(68,656)	(91,241)
Profit/(Loss) from operations	277,650	(310,354)	(1,080,349)	(90,267)	(89,170)
Finance costs	(26,092)	(64,059)	(118,233)	(74,003)	(51,225)
Investment income	32,048	25,466	16,899	7,783	7,803
Share of results of associate	550	521	419	197	173
Profit/(Loss) before tax	284,156	(348,426)	(1,181,264)	(156,290)	(132,419)
Income tax expense	(30,398)	(20,005)	(2,183)	(168)	(1,181)
Profit/(Loss) for the year	253,758	(368,431)	(1,183,447)	(156,458)	(133,600)
Other comprehensive income:					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):					
Foreign currency translation	136,580	501,174	98,520	(82,769)	(199,265)
Cash flow hedge	-	2,868	2,691	(1,175)	(15,721)
Total comprehensive income/(loss) for the year	390,338	135,611	(1,082,236)	(240,402)	(348,586)

INFORMATION ON UMW-OG (*Cont'd*)

	Audited			Unaudited	
	FYE 31 December			6-month FPE 30 June 2017	6-month FPE 30 June 2016
	2014	2015	2016		
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to:					
Equity holders of the Company	251,996	(369,277)	(1,177,379)	(155,103)	(132,323)
Non-controlling interests	1,762	846	(6,068)	(1,355)	(1,277)
	253,758	(368,431)	(1,183,447)	(156,458)	(133,600)
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company	388,311	133,174	(1,075,012)	(238,938)	(346,422)
Non-controlling interests	2,027	2,437	(7,224)	(1,464)	(2,164)
	390,338	135,611	(1,082,236)	(240,402)	(346,586)
Earnings before interest, taxation, depreciation and amortisation (RM'000)	443,354	309,474	9,360	47,057	52,279
Issued and paid-up share capital (RM'000)	1,081,000	1,081,000	1,081,000	(3) 2,453,819	1,081,000
Shareholders' funds/NA attributable to owners of UMW-OG (RM'000)	3,199,826	3,333,000	2,257,988	2,019,050	2,986,578
Basic/Diluted (loss)/earnings per share (sen) (1)	11.66	(17.08)	(54.46)	(7.17)	(6.12)
Dividends paid (RM'000)	21,620	-	-	-	-
Current ratio (times)	1.12	0.61	0.53	0.46	0.88
Total borrowings (RM'000)	2,254,849	4,004,295	(4) 4,080,518	(4) 3,844,381	(4) 3,736,180
Gearing ratio (times) (2)	0.70	1.20	1.81	1.90	1.25

Notes:

(1) *Basic/diluted (loss)/earnings per share is calculated by dividing net (loss)/profit attributable to equity holders of the Company by the weighted average number of UMW-OG Shares during the year.*

(2) *Gearing ratio is calculated as total borrowings divided by shareholders' funds/NA attributable to owners of UMW-OG.*

(3) *Pursuant to the commencement of the Act, all amounts standing to the credit of the Company's share premium account has become part of the Company's share capital.*

(4) *Being the total borrowings of the Group inclusive of the Shareholder Loan of RM308.0 million.*

Commentaries on financial performance

FYE 31 December 2014

Revenue of UMW-OG in FYE 31 December 2014 was RM1,014.9 million. The following factors contributed to the revenue in 2014:

(i) additional revenue contributions from the new premium offshore jack-up rigs, UMW NAGA 5 and UMW NAGA 6 from May 2014 and October 2014, respectively;

(ii) full year revenue contribution in FYE 31 December 2014 by UMW NAGA 4, a new premium offshore jack-up rig which commenced operation in April 2013;

(iii) higher rig utilisation and favourable time charter rates recorded by both offshore jack-up rigs, UMW NAGA 2 and UMW NAGA 3, in FYE 31 December 2014 after moving to Vietnam; and

(iv) improved revenue contributions from the HWU, UMW GAIT 3, in FYE 31 December 2014 from higher utilisation rate as well as barge and equipment rental.

Profit before tax ("**PBT**") in FYE 31 December 2014 was RM284.2 million. The PBT was mainly attributable to the above factors as a result of asset expansion and optimal utilisation of the Group's assets, increased geographical coverage and increased in the number of new clients.

FYE 31 December 2015

Revenue of UMW-OG decreased by 17.2% or RM175.0 million to RM839.9 million (FYE 31 December 2014: RM1,014.9 million). The decrease in revenue was mainly due to:

(i) lower time charter rates due to discounts given to some of the existing customers and new contracts secured at lower rates as a result of the significant reduction in global crude oil prices; and

(ii) lower utilisation rates achieved by some of the assets in the UMW-OG Group due to five-yearly special periodical survey or idling in between contracts.

PBT of UMW-OG decreased by 222.6% or RM632.6 million to a loss before tax ("**LBT**") of RM348.4 million (FYE 31 December 2014: PBT of RM284.2 million). The decrease in PBT was mainly due to:

(i) decrease in revenue as highlighted above;

(ii) increase in depreciation and amortisation expenses by RM113.0 million to RM246.1 million;

(iii) increase in finance costs by RM38.0 million to RM64.1 million; and

(iv) impairment losses amounting to RM347.7 million in relation to rigs, HWUs, drilling equipment and goodwill of the Group.

FYE 31 December 2016

Revenue of UMW-OG decreased by 61.8% or RM518.8 million to RM321.1 million (FYE 31 December 2015: RM839.9 million). The decrease in revenue was mainly due to:

(i) lower asset utilisation coupled with reduced charter rates; and

(ii) demands for oil pipes threading, inspection and repair services remaining low.

LBT of UMW-OG increased by 239.1% or RM832.9 million to a LBT of RM1,181.3 million (FYE 31 December 2015: LBT of RM348.4 million). The increase in LBT was mainly due to:

(i) decrease in revenue as highlighted above;

(ii) increase in depreciation and amortisation expenses by RM45.1 million to RM291.2 million;

(iii) increase in finance costs by RM54.1 million to RM118.2 million; and

(iv) increase in impairment losses in relation to buildings, rigs, HWUs, drilling equipment, plant and machinery of the Group by RM443.9 million to RM780.3 million.

However, the higher loss due to the above was mitigated by a reduction in the other operating expenses of the Company by RM145.2 million to RM179.0 million, which was in line with the decrease in revenue recorded by the Company during the same period.

Unaudited 6-month FPE 30 June 2017

For the six-month FPE 30 June 2017, UMW-OG achieved revenue of RM214.2 million, a decrease of RM3.5 million or 1.6%, compared to the RM217.7 million achieved for the six-month FPE 30 June 2016. The decrease in revenue was mainly due to:

(i) lower time charter rates from new drilling contracts secured despite the higher asset utilisation achieved; and

(ii) continued soft demand for oil pipes threading, inspection and repair services.

For the six-month FPE 30 June 2017, UMW-OG recorded a LBT of RM156.3 million, an increase of RM23.9 million or 18.1%, compared to RM132.4 million recorded in the six-month FPE 30 June 2016. The increase in LBT was mainly due to:

(i) decrease in revenue as highlighted above; and

(ii) reduction in foreign exchange gain on translation to RM2.8 million for the six-month FPE 30 June 2017, a decrease of RM24.0 million compared to RM26.8 million for the six-month FPE 30 June 2016.

7. HISTORICAL SHARE PRICES

The monthly high and low market prices of UMW-OG Shares as traded on Bursa Securities for the past twelve (12) months from September 2016 up to August 2017 are as follows:

	High	Low
	RM	
2016		
September	0.935	0.870
October	0.900	0.820
November	0.865	0.720
December	0.880	0.730
2017		
January	0.945	0.675
February	0.720	0.605
March	0.670	0.610
April	0.695	0.615
May	0.695	0.515
June	0.535	0.435
July	0.450	0.285
August	0.350	0.280

Last transacted market price of the UMW-OG Shares on 3 May 2017, being the last trading day immediately before the announcement of the Corporate Exercises on 4 May 2017	RM0.690
Last transacted market price of the UMW-OG Shares as at the LPD	RM0.300
Last transacted market price of the UMW-OG Shares on 19 September 2017, being the last trading day prior to the ex-date for the Rights Issue With Warrants on 20 September 2017	RM0.310

(Source: Bloomberg)

EY
Building a better working world

Ernst & Young AF: 0039
GST Reg No: 001556430848
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Prepared for inclusion in the Abridged Prospectus of UMW Oil & Gas Corporation Berhad ("UMW-OG" or the "Company") to be dated 25 September 2017 ("Abridged Prospectus"))

11 September 2017

The Board of Directors
UMW Oil & Gas Corporation Berhad
Level 18, Block 3A,
Plaza Sentral,
Jalan Stesen Sentral 5,
50470 Kuala Lumpur
Malaysia

Dear Sirs

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 IN CONNECTION WITH THE RENOUNCEABLE RIGHTS ISSUE OF UP TO 6,053,600,000 NEW ORDINARY SHARES IN UMW OIL & GAS CORPORATION BERHAD ("UMW-OG") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.30 PER RIGHTS SHARE ON THE BASIS OF FOURTEEN (14) RIGHTS SHARES FOR EVERY FIVE (5) ORDINARY SHARES IN UMW-OG ("UMW-OG SHARES") HELD AS AT 5.00 P.M. ON 25 SEPTEMBER 2017, TOGETHER WITH UP TO 1,513,400,000 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED ("RIGHTS ISSUE WITH WARRANTS")

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position as at 31 December 2016 of UMW-OG and its subsidiaries (collectively referred to as the "Group") and the related notes as set out in Appendix III of the Abridged Prospectus to shareholders of UMW-OG to be dated 25 September 2017 in connection with the Rights Issue With Warrants.

The pro forma consolidated statements of financial position is compiled by the Directors of UMW-OG based on the applicable criteria as specified in the Prospectus Guidelines issued by the Securities Commission Malaysia ("SC") and the notes to the pro forma consolidated statements of financial position in Attachment A.

The pro forma consolidated statements of financial position have been compiled by the Directors of UMW-OG to illustrate the impact of the Rights Issue With Warrants on the Group's financial position as at 31 December 2016. As part of this process, information about the financial position has been extracted by the Directors of UMW-OG from the consolidated statements of financial position of UMW-OG Group, on which audit report has been published.

EY
Building a better working world

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors of UMW-OG are responsible for compiling the pro forma consolidated statements of financial position on the basis of the applicable criteria.

Our responsibilities

Our responsibility is to express an opinion as required by the SC, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors of the Company on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position included in the Abridged Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial position of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

EY
Building a better working world

Our responsibilities (cont'd)

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors of UMW-OG in the compilation of pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted statement of financial position.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria as set out in the notes to the pro forma consolidated statements of financial position in Attachment A.

EY
Building a better working world

Other matters

This letter is issued for the sole purpose of complying with the Prospectus Guidelines issued by the SC in connection with the Rights Issue With Warrants. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Rights Issue With Warrants described above. We accept no duty or responsibility to and deny any liability to any other party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Rights Issue With Warrants.

Yours faithfully

Ernst & Young	Ahmad Zahirudin Bin Abdul Rahim
AF: 0039	No. 02607/12/2018 J
Chartered Accountants	Chartered Accountant

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016
Scenario I

The pro forma consolidated statements of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statements of financial position of UMW-OG as at 31 December 2016 had the Rights Issue With Warrants been effected on that date:

	Audited At 31 December 2016 RM '000	Rights Issue With Warrants RM '000	Pro forma I RM '000
ASSETS			
Non-current assets			
Property, plant and equipment	5,298,125	-	5,298,125
Land use rights	2,514	-	2,514
Investment in associate	2,571	-	2,571
Deferred tax assets	112	-	112
Derivative assets	5,071	-	5,071
Deposit at bank	336,450	-	336,450
	5,644,843	-	5,644,843
Current assets			
Inventories	211,916	-	211,916
Receivables	132,276	-	132,276
Tax recoverable	2,948	-	2,948
Derivative assets	489	-	489
Due from related companies	2,547	-	2,547
Deposits, cash and bank balances	555,021	309,980	865,001
	905,197	309,980	1,215,177
TOTAL ASSETS	6,550,040	309,980	6,860,020
EQUITY AND LIABILITIES			
Non-current liabilities			
Due to holding company	308,000	-	308,000
Long term borrowings	2,272,773	(996,544)	1,276,229
	2,580,773	(996,544)	1,584,229
Current liabilities			
Taxation	634	-	634
Short term borrowings	1,499,745	(496,006)	1,003,739
Payables	205,397	-	205,397
Due to related companies	2,290	-	2,290
	1,708,066	(496,006)	1,212,060
TOTAL LIABILITIES	4,288,839	(1,492,550)	2,796,289

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (CONT'D.)
Scenario I (Cont'd.)

	Audited At 31 December 2016 RM '000	Rights Issue With Warrants RM '000	Pro forma I RM '000
Equity			
Equity attributable to equity holders of the Company			
Share capital	1,081,000	3,001,191	4,082,191
Share premium	1,372,819	(1,372,819)	-
Warrants reserve	-	181,608	181,608
Other reserves	837,298	-	837,298
Accumulated losses	(1,033,129)	(7,450)	(1,040,579)
	2,257,988	1,802,530	4,060,518
Non-controlling interests	3,213	-	3,213
Total equity	2,261,201	1,802,530	4,063,731
TOTAL EQUITY AND LIABILITIES	6,550,040	309,980	6,860,020
Number of ordinary shares in issue ('000)	2,162,000		8,215,600
Net assets per UMW-OG ordinary share attributable to equity holders of the Company (RM)	1.04		0.49
Total borrowings including Shareholder Loan* (RM'000)	4,080,518		2,587,968
Gearing (Total borrowings including Shareholder Loan over equity attributable to equity holders of the Company) (times)	1.81		0.64

* - Shareholder Loan refers to the inter company loan provided by UMW Holdings Berhad to UMW-OG amounting to RM308 million.

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UMW-OG AS AT 31 DECEMBER 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(Cont'd)*

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016
Scenario II

The pro forma consolidated statements of financial position set out below are provided for illustrative purposes only to show the effects on the consolidated statements of financial position of UMW-OG as at 31 December 2016 had the Rights Issue With Warrants been effected on that date:

	Audited At 31 December 2016 RM '000	Rights Issue With Warrants RM '000	Pro forma I RM '000	Issuance of RCPS-i RM '000	Pro forma II RM '000	Conversion of RCPS-i RM '000	Pro forma III RM '000
ASSETS							
Non-current assets							
Property, plant and equipment	5,298,125	-	5,298,125	-	5,298,125	-	5,298,125
Land use rights	2,514	-	2,514	-	2,514	-	2,514
Investment in associate	2,571	-	2,571	-	2,571	-	2,571
Deferred tax assets	112	-	112	-	112	-	112
Derivative assets	5,071	-	5,071	-	5,071	-	5,071
Deposit at bank	336,450	-	336,450	-	336,450	-	336,450
	5,644,843	-	5,644,843	-	5,644,843	-	5,644,843
Current assets							
Inventories	211,916	-	211,916	-	211,916	-	211,916
Receivables	132,276	-	132,276	-	132,276	-	132,276
Tax recoverable	2,948	-	2,948	-	2,948	-	2,948
Derivative assets	489	-	489	-	489	-	489
Due from related companies	2,547	-	2,547	-	2,547	-	2,547
Deposits, cash and bank balances	555,021	-	555,021	309,980	865,001	-	865,001
	905,197	-	905,197	309,980	1,215,177	-	1,215,177
TOTAL ASSETS	6,550,040	-	6,550,040	309,980	6,860,020	-	6,860,020
EQUITY AND LIABILITIES							
Non-current liabilities							
Due to holding company	308,000	-	308,000	-	308,000	-	308,000
Long term borrowings	2,272,773	(348,268)	1,924,505	(648,276)	1,276,229	-	1,276,229
	2,580,773	(348,268)	2,232,505	(648,276)	1,584,229	-	1,584,229

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UMW-OG AS AT 31 DECEMBER 2016 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON *(Cont'd)*

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (CONT'D.)
Scenario II (Cont'd.)

	Audited At 31 December 2016 RM '000	Rights Issue With Warrants RM '000	Pro forma I RM '000	Issuance of RCPS-i RM '000	Pro forma II RM '000	Conversion of RCPS-i RM '000	Pro forma III RM '000
Current liabilities							
Taxation	634	-	634	-	634	-	634
Short term borrowings	1,499,745	-	1.499,745	(496,006)	1,003,739	-	1,003,739
Payables	205,397	-	205,397	-	205,397	-	205,397
Due to related companies	2,290	-	2,290	-	2,290	-	2.290
	1,708.066	-	1,708,066	(496.006)	1.212,060	-	1,212,060
TOTAL LIABILITIES	4,288,839	(348,268)	3,940,571	(1.144,282)	2.796,289.	-	2,796.289
Equity							
Equity attributable to equity holders of the Company							
Share capital	1,081,000	1,692.355	2,773,355	-	2,773,355	1,308,836	4,082.191
Share premium	1,372,819	(1,372,819)	-	-	-	-	-
RCPS-i	-	-	-	1,308.836	1,308,836	(1.308,836)	-
Warrants reserve	-	36,182	36,182	145,426	181.608	-	181,608
Other reserves	837,298	-	837,298	-	837,298	-	837,298
Accumulated losses	(1,033.129)	(7.450)	(1,040.579)	-	(1,040,579)	-	(1,040,579)
	2,257,988	348,268	2,606,256	1,454,262	4,060,518	-	4,060,518
Non-controlling interests	3,213	-	3,213	-	3,213	-	3,213
Total equity	2,261,201	348,268	2,609,469	1,454,262	4,063,731	-	4,063,731
TOTAL EQUITY AND LIABILITIES	6,550,040	-	6,550,040	309,980	6,860,020	-	6,860.020
Number of ordinary shares in issue ('000)	2,162,000		3,368,060		3,368,060		8,215,600
Net assets per UMW-OG ordinary share attributable to equity holders of the Company (RM)	1.04		0.77		1.21		0.49
Total borrowings including Shareholder Loan* (RM'000)	4,080,518		3,732,250		2,587,968		2,587,968
Gearing (Total borrowings including Shareholder Loan over equity attributable to equity holders of the Company) (times)	1.81		1.43		0.64		0.64

* - Shareholder Loan refers to the inter company loan provided by UMW Holdings Berhad to UMW-OG amounting to RM308 million.

Ernst & Young (AF: 0039)
Chartered Accountants. Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position as at 31 December 2016

1.0 Basis of preparation

The pro forma consolidated statements of financial position as at 31 December 2016 of UMW-OG have been prepared by the Directors of UMW-OG, for illustrative purposes, in connection with the renounceable rights issue of up to 6,053,600,000 new ordinary shares in UMW Oil & Gas Corporation Berhad ("UMW-OG") ("Rights Shares") at an issue price of RM0.30 per Rights Share on the basis of fourteen (14) Rights Shares for every five (5) ordinary shares in UMW-OG ("UMW-OG Shares") held as at 5.00 p.m. on 25 September 2017, together with up to 1,513,400,000 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every four (4) Rights Shares subscribed ("Rights Issue With Warrants").

On 26 January 2017, the Companies Commission of Malaysia announced that the Companies Act, 2016 ("Act") will come into effect on 31 January 2017, save for the provisions relating to registration of company secretaries and corporate rescue mechanisms.

Upon the commencement of the Act, any amount standing to the credit of a company's share premium account and capital redemption reserve shall become part of the company's share capital ("Commencement of the Act").

The pro forma consolidated statements of financial position as at 31 December 2016 of UMW-OG and its subsidiaries ("UMW-OG Group") have been prepared based on the audited consolidated statements of financial position of UMW-OG Group as at 31 December 2016 to show the effects had the transactions been completed on that date. The pro forma consolidated statements of financial position as at 31 December 2016 of UMW-OG Group have been prepared on a basis consistent with both the format of the audited financial statements and the accounting policies adopted by UMW-OG Group in the preparation of the audited consolidated financial statements of UMW-OG Group for the financial year ended 31 December 2016, which is in accordance with Malaysian Financial Reporting Standards ("MFRS"). In addition, UMW-OG Group has adopted the following accounting policy, which is in accordance to MFRS and in relation to the Rights Issue With Warrants:

<u>Warrants reserve</u>

Warrants reserve arising from the issuance of free warrants together with the rights issue, is determined based on the allocation of the proceeds from the rights issue using the fair value of the warrants and the ordinary shares on a pro-rata basis, based on their relative fair values. Proceeds from warrants which are issued at a value, are credited to a warrants reserve. Warrants reserve is non-distributable, and is transferred to the share capital account upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to accumulated losses/retained profits.

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

1.0 Basis of preparation (Cont'd.)

The Directors of UMW-OG are responsible for the preparation of the pro forma consolidated statements of financial position of UMW-OG Group as at 31 December 2016 for inclusion in the Abridged Prospectus of UMW-OG Group. The pro forma consolidated statements of financial position do not purport to predict the future financial position of UMW-OG Group.

For illustrative purposes, the effects of the Rights Issue With Warrants shall be based on the following two scenarios:

Scenario I:

Scenario I assumes all the entitled shareholders subscribe in full their respective entitlements under the Rights Issue With Warrants.

Scenario II:

Scenario II assumes none of the entitled shareholders subscribe for their respective entitlements under the Rights Issue With Warrants other than Permodalan Nasional Berhad ("PNB") such that the collective shareholding of PNB, Amanah Saham Bumiputera and the funds under PNB management in UMW-OG ("Collective Shareholding") after the Rights Issue With Warrants will be 65%, and the remaining amount of proceeds to enable the intended gross proceeds of RM1,816,080,000 to be raised will be via the issuance of up to 4,847,539,594 new Islamic redeemable convertible preference shares in UMW-OG ("RCPS-i") to be subscribed by PNB at the subscription price of RM0.30 per RCPS-i together with up to 1,211,884,898 Warrants on the basis of one (1) Warrant for every four (4) RCPS-i subscribed ("PNB Subscription").

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position as at 31 December 2016 (Cont'd.)

2.0 Pro forma adjustments - Scenario I

2.1 Pro forma I

Pro forma I illustrates the effects of the Rights Issue With Warrants, assuming all the entitled shareholders subscribe in full their respective entitlements under the Rights Issue With Warrants. The Rights Issue With Warrants would entail the following:

(a) The proceeds from the Rights Issue With Warrants is allocated between the Rights Shares and Warrants, on a pro-rata basis, based on their relative fair values. The relative fair values and indicative fair values of the Rights Share and Warrant assumed for the purposes of the pro forma consolidated statements of financial position are summarised below:

	Rights Share RM	Warrant RM
Indicative fair value	0.30	0.14
Relative fair value	0.27	0.12

The indicative fair value assumed for the Rights Share is based on the closing price per UMW-OG ordinary shares on 5 September 2017, being the Latest Practicable Date prior to the date of the Abridged Prospectus ("LPD").

As at LPD, the indicative fair value assumed for the Warrants is estimated using the trinomial option pricing model based on the following assumptions:

Time to maturity:	7 years
Underlying share price:	RM0.30
Exercise price:	RM0.395
Risk free rate:	3.86%
Dividend yield:	0%
Volatility:	45.84%

Volatility is determined for the period commencing from the date of listing of UMW-OG on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") up to and including the LPD.

(b) The Rights Issue With Warrants would increase UMW-OG's issued and paid-up ordinary shares by 6,053,600,000 UMW-OG Shares to 8,215,600,000 UMW-OG Shares, raising total proceeds of RM1,816.1 million.

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position as at 31 December 2016 (Cont'd.)

2.0 Pro forma adjustments - Scenario I (Cont'd.)

2.1 Pro forma I (Cont'd.)

The Rights Issue With Warrants would entail the following: (Cont'd.)

(c) Of the total proceeds arising from the Rights Issue With Warrants of RM1,816.1 million:

(i) RM1,500.0 million would be used to repay outstanding borrowings. Consequently, short term borrowings would reduce by RM496.0 million and long term borrowings would reduce by RM1,004.0 million. As at 31 December 2016, unamortised transaction costs included within long term borrowings is RM18.8 million, of which RM7.5 million would be recognised to accumulated losses of UMW-OG Group upon early settlement of the related borrowings.

As at LPD, UMW-OG has not finalised the exact amounts to be allocated to the individual lenders of the UMW-OG Group for the repayment of UMW-OG Group's bank borrowings of RM1,500.0 million. Consequently, the long term borrowings, short term borrowings and the recognition of amortisation of transaction costs (to accumulated losses of UMW-OG Group) may differ from that presented in the pro forma consolidated statement of financial position.

(ii) RM6.1 million would be utilised to defray estimated expenses relating to the Rights Issue With Warrants. The expenses would be written off against share capital. Pursuant to section 618(3)(b)(ii) of the Act, a company may, within twenty-four months upon the commencement of section 74 of the Act, use the amount standing to the credit of its share premium account to, amongst others, write off the expenses incurred before or upon the commencement of section 74 of the Act, in connection with any issue of shares of the company.

(iii) The remaining, RM310.0 million would have the effect of increasing deposits, cash and bank balances (current) of UMW-OG Group from RM555.0 million to RM865.0 million.

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

2.0 Pro forma adjustments - Scenario I (Cont'd.)

2.1 Pro forma I (Cont'd.)

The effects of the Rights Issue With Warrants are summarised below:

(i) **Share capital - issued and paid up**

	Number of shares '000	Amount RM '000
Audited as at 31 December 2016	2,162,000	1,081,000
Commencement of the Act	-	1,372,819
Issuance of Rights Shares	6,053,600	1,634,472
Estimated expenses written off against share capital	-	(6,100)
As per Pro forma I	8,215,600	4,082,191

Pro forma I also reflects the transfer of UMW-OG's share premium account to become part of the Company's share capital upon the Commencement of the Act.

(ii) **Warrants reserve**

	RM '000
Audited as at 31 December 2016	-
Creation of warrants reserve arising from the Rights Issue With Warrants	181,608
As per Pro forma I	181,608

(iii) **Accumulated losses**

	RM '000
Audited as at 31 December 2016	(1,033,129)
Amortisation of transaction costs	(7,450)
As per Pro forma I	(1,040,579)

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

2.0 Pro forma adjustments - Scenario I (Cont'd.)

2.1 Pro forma I (Cont'd.)

The effects of the Rights Issue With Warrants are summarised below: (Cont'd.)

(iv) **Deposits, cash and bank balances**

	RM '000
Audited as at 31 December 2016	555,021
Proceeds arising from Rights Issue With Warrants	1,816,080
Utilisation of proceeds arising from Rights Issue With Warrants:	
- for repayment of borrowings	(1,500,000)
- for payment of estimated expenses	(6,100)
As per Pro forma I	865,001

(v) **Borrowings**

	Short term RM '000	Long term RM '000	Total RM '000
Audited as at 31 December 2016	1,499,745	2,272,773	3,772,518
Utilisation of proceeds arising from Rights Issue with Warrants for repayment of borrowings	(496,006)	(1,003,994)	(1,500,000)
Amortisation of transaction costs	-	7,450	7,450
As per Pro forma I	1,003,739	1,276,229	2,279,968

As at LPD, the exercise price of the Warrants of RM0.395 ("Exercise Price") is higher than the fair value of the underlying UMW-OG Share of RM0.30 (i.e. the Warrants are out-of-the money). For illustrative purposes only, should the fair value of the underlying UMW-OG Share be higher than the Exercise Price and assuming the full exercise of the 1,513,400,000 Warrants at the Exercise Price ("Full Exercise of Warrants"), this would result in total proceeds of RM597.8 million.

Subject to the provisions of the deed poll, each Warrant shall entitle the registered holder to subscribe for one (1) new UMW-OG Share which would increase UMW-OG's issued and paid up shares by 1,513,400,000.

Ernst & Young (AF:0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position as at 31 December 2016 (Cont'd.)

2.0 Pro forma adjustments - Scenario I (Cont'd.)

The effects of the Full Exercise of Warrants are summarised as below:

(i) Share capital - issued and paid up

	Number of shares '000	Amount RM '000
As per Pro forma I	8,215,600	4,082,191
Arising from Full Exercise of Warrants	1,513,400	597,793
Transfer of warrants reserve to share capital upon Full Exercise of Warrants	-	181,608
Upon Full Exercise of Warrants	9,729,000	4,861,592

(ii) Warrants reserve

	RM '000
As per Pro forma I	181,608
Transfer of warrants reserve to share capital upon Full Exercise of Warrants	(181,608)
Upon Full Exercise of Warrants	-

(iii) Deposits, cash and bank balances (Current)

	RM '000
As per Pro forma I	865,001
Proceeds arising from Full Exercise Of Warrants	597,793
Upon Full Exercise of Warrants	1,462,794

For illustrative purposes only, upon the Full Exercise of Warrants:

- the net assets per UMW-OG ordinary share attributable to equity holders of the Company would decrease from RM0.49 in Pro forma I to RM0.48.

- The gearing of UMW-OG Group (total borrowings including Shareholder Loan over equity attributable to equity holders of the Company) would reduce from 0.64 times in Pro forma I to 0.56 times.

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

3.0 Pro forma adjustments - Scenario II

3.1 Pro forma I

Pro forma I illustrates the effects of the Rights Issue With Warrants, assuming none of the entitled shareholders subscribe for their respective entitlements under the Rights Issue With Warrants other than PNB. The Rights Issue With Warrants would entail the following:

(a) The proceeds from the Rights Issue With Warrants is allocated between the Rights Share and the Warrant, on a pro-rata basis, based on their relative fair values. The relative fair values and indicative fair values of the Rights Share and Warrant and the related assumptions used for the purposes of the pro forma consolidated statements of financial position are as disclosed in Note 2.1 (a).

(b) The Rights Issue With Warrants would increase UMW-OG's issued and paid-up ordinary shares by 1,206,060,406 UMW-OG Shares to 3,368,060,406 UMW-OG Shares, raising total proceeds of RM361.8 million.

(c) Of the total proceeds arising from the Rights Issue With Warrants of RM361.8 million:

(i) RM355.7 million would be used to repay outstanding long term borrowings. As at 31 December 2016, the unamortised transaction costs included within long term borrowings is RM18.8 million, of which RM7.5 million would be recognised to accumulated losses of UMW-OG Group upon early settlement of the related borrowings.

As at LPD, UMW-OG has not finalised the exact amounts to be allocated to the individual lenders of the UMW-OG Group for the repayment of the UMW-OG Group's bank borrowings of RM1,500.0 million. Consequently, the long term borrowings, short term borrowings and the recognition of amortisation of transaction costs (to accumulated losses of UMW-OG Group) may differ from that presented in the pro forma consolidated statement of financial position.

(ii) RM6.1 million would be utilised to defray estimated expenses relating to the Rights Issue With Warrants. The expenses would be written off against share capital. Pursuant to section 618(3)(b)(ii) of the Act, a company may, within twenty-four months upon the commencement of section 74 of the Act, use the amount standing to the credit of its share premium account to, amongst others, write off the expenses incurred before or upon the commencement of section 74 of the Act, in connection with any issue of shares of the company.

Ernst & Young (AF:0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

3.1 Pro forma I (Cont'd.)

The effects of the Rights Issue With Warrants are summarised below:

(i) **Share capital - issued and paid up**

	Number of shares '000	Amount RM '000
Audited as at 31 December 2016	2,162,000	1,081,000
Commencement of the Act	-	1,372,819
Issuance of Rights Shares	1,206,060	325,636
Estimated expenses written off against share capital	-	(6,100)
As per Pro forma I	3,368,060	2,773,355

Pro forma I also reflects the transfer of UMW-OG's share premium account to become part of the Company's share capital upon the Commencement of the Act.

(ii) **Warrants reserve**

	RM '000
Audited as at 31 December 2016	-
Creation of warrants reserve arising from the Rights Issue With Warrants	36,182
As per Pro forma I	36,182

(iii) **Accumulated losses**

	RM '000
Audited as at 31 December 2016	(1,033,129)
Amortisation of transaction costs	(7,450)
As per Pro forma I	(1,040,579)

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

3.1 Pro forma I (Cont'd.)

The effects of the Rights Issue With Warrants are summarised below: (Cont'd.)

(iv) **Deposits, cash and bank balances**

	RM '000
Audited as at 31 December 2016	555,021
Proceeds arising from Rights Issue With Warrants	361,818
Utilisation of proceeds arising from Rights Issue With Warrants:	
- for repayment of borrowings	(355,718)
- for payment of estimated expenses	(6,100)
As per Pro forma I	555,021

(v) **Borrowings**

	Long-term RM '000
Audited as at 31 December 2016	2,272,773
Utilisation of proceeds arising from Rights Issue with Warrants for repayment of borrowings	(355,718)
Amortisation of transaction costs	7,450
As per Pro forma I	1,924,505

3.2 Pro forma II

Pro forma II illustrates the effects of Pro forma I and the PNB Subscription. The PNB Subscription would entail the following:

(a) The proceeds from the PNB Subscription is allocated between the RCPS-i and Warrants, on a pro-rata basis, based on their relative fair values. The relative fair values and indicative fair values of the RCPS-i and Warrant assumed for the purposes of the pro forma consolidated statements of financial position are summarised below:

	RCPS-i RM	Warrant RM
Indicative fair value	0.30	0.14
Relative fair value	0.27	0.12

Ernst & Young (AF:0039) Chartered Accountants, Kuala Lumpur For identification purposes only

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

3.2 Pro forma II (Cont'd.)

The PNB Subscription would entail the following: (Cont'd.)

(a) (Cont'd.)

The indicative fair value assumed for the RCPS-i is estimated using the trinomial option pricing model based on the following assumptions:

Time to maturity:	5 years
Underlying share price:	RM0.30
Risk free rate:	3.77%
Dividend yield:	0%
Volatility:	45.84%

Volatility is determined for the period commencing from the date of listing of UMW-OG on the Main Market of Bursa Securities up to and including the LPD.

(b) The indicative fair value assumed for the Warrant is as disclosed in Note 2.1(a).

(c) The PNB Subscription would result in the issuance of up to 4,847,539,594 new RCPS-i to be subscribed by PNB at the subscription price of RM0.30 per RCPS-i together with up to 1,211,884,898 Warrants on the basis of one (1) Warrant for every four (4) RCPS-i subscribed. The RCPS-i is determined to be an equity instrument and is classified within equity.

(d) Of the total proceeds arising from the PNB Subscription of RM1,454.3 million:

(i) RM1,144.3 million would be used to repay outstanding borrowings. Consequently, short term borrowings would reduce by RM496.0 million and long term borrowings would reduce by RM648.3 million.

As at LPD, UMW-OG has not finalised the exact amounts to be allocated to the individual lenders of the UMW-OG Group for the repayment of the UMW-OG Group's bank borrowings of RM1,500.0 million. Consequently, the long term borrowings, short term borrowings and the recognition of amortisation of transaction costs (to accumulated losses of UMW-OG Group) may differ from that presented in the pro forma consolidated statement of financial position.

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

3.2 Pro forma II (Cont'd.)

The PNB Subscription would entail the following: (Cont'd.)

(d) Of the total proceeds arising from the PNB Subscription of RM1,454.3 million: (Cont'd.)

(ii) The remaining, RM310.0 million would have the effect of increasing deposits, cash and bank balances (current) of UMW-OG Group from RM555.0 million to RM865.0 million.

The effects of the PNB Subscription are summarised below:

(i) RCPS-i

	Number of RCPS-i '000	Amount RM '000
As per Pro forma I	-	-
PNB Subscription	4,847,540	1,308,836
As per Pro forma II	4,847,540	1,308,836

(ii) Warrants reserve

	RM '000
As per Pro forma I	36,182
Creation of warrants reserve arising from PNB Subscription	145,426
As per Pro forma II	181,608

(iii) Borrowings

	Short term RM '000	Long term RM '000	Total RM '000
As per Pro forma I	1,499,745	1,924,505	3,424,250
Utilisation of proceeds arising from PNB Subscription for repayment of borrowings	(496,006)	(648,276)	(1,144,282)
As per Pro forma II	1,003,739	1,276,229	2,279,968

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

3.2 Pro forma II (Cont'd.)

The effects of the PN8 Subscription are summarised below: (Cont'd.)

(iv) Deposits, cash and bank balances (Current)

	RM '000
As per Pro forma I	555,021
Proceeds arising from the PNB Subscription	1,454,262
Utilisation of proceeds arising from PN8 Subscription for repayment of borrowings	(1,144,282)
As per Pro forma II	865,001

3.3 Pro forma III

Pro forma III illustrates the effects of the Pro forma II and assuming the conversion of the RCPS-i into issued and paid up share capital of UMW-OG. The RCPS-i can be converted into one (1) new UMW-OG Share for one (1) RCPS-i held ("Conversion Ratio") any time from the issue date and up to the day immediately preceding the fifth (5th) anniversary from the issue date ("Maturity Date"). Any remaining RCPS-i that are not converted by the Maturity Date shall be automatically converted into new UMW-OG Shares at the Conversion Ratio.

The effects of the conversion of RCPS-i are summarised as below:

(i) Share capital

	Number of shares '000	Amount RM '000
As per Pro forma II	3,368,060	2,773,355
Conversion of RCPS-i into share capital	4,847,540	1,308,836
As per Pro forma III	8,215,600	4,082,191

(ii) RCPS-i

	RM '000
As per Pro forma II	1,308,836
Conversion of RCPS-i into share capital	(1,308,836)
As per Pro forma III	-

Ernst & Young (AF: 0039)
Chartered Accountants, Kuala Lumpur
For identification purposes only

Attachment A

UMW OIL & GAS CORPORATION BERHAO ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

As at LPD, the Exercise Price is higher than the fair value of the underlying UMW-OG Share of RM0.30 (i.e. the Warrants are out-of-the money). For illustrative purposes only, should the fair value of the underlying UMW-OG Share be higher than the Exercise Price and assuming the Full Exercise of Warrants, this would result in total proceeds of RM597.8 million.

Subject to the provisions of the deed poll, each Warrant shall entitle the registered holder to subscribe for one (1) new UMW-OG Share which would increase UMW-OG's issued and paid up shares by 1,513,400,000.

The effects of the Full Exercise of Warrants are summarised as below:

(i) Share capital

	Number of shares '000	Amount RM '000
As per Pro forma III	8,215,600	4,082,191
Arising from Full Exercise of Warrants	1,513,400	597,793
Transfer of warrants reserve to share capital upon Full Exercise of Warrants	-	181,608
Upon Full Exercise of Warrants	9,729,000	4,861,592

(ii) Warrants reserve

	RM '000
As per Pro forma III	181,608
Transfer of warrants reserve to share capital upon Full Exercise of Warrants	(181,608)
Upon Full Exercise of Warrants	-

(iii) Oeposits, cash and bank balances (Current)

	RM '000
As per Pro forma III	865,001
Arising from Full Exercise of Warrants	597,793
Upon Full Exercise of Warrants	1,462,794

Attachment A

UMW OIL & GAS CORPORATION BERHAD ("UMW-OG" OR THE "COMPANY")
Notes to the Pro Forma Consolidated Statements of Financial Position
as at 31 December 2016 (Cont'd.)

3.0 Pro forma adjustments - Scenario II (Cont'd.)

For illustrative purposes only, upon the Full Exercise of Warrants:

- the net assets per UMW-OG ordinary share attributable to equity holders of the Company would decrease from RM0.49 in Pro forma III to RM0.48.

- The gearing of UMW-OG Group (total borrowings, including Shareholder Loan over equity attributable to equity holders of the Company) would reduce from 0.64 times in Pro forma III to 0.56 times.