4. INFORMATION ON OUR GROUP *(Cont'd)*

Structural, stratigraphic and lithographical models provide a detailed description of the geological complexity of a reservoir. However, these models do not capture **reservoir heterogeneity**, which are geological features that have a significant impact on fluid flow.

Examples of **reservoir heterogeneity** include fracturing, fault sealing, lamination, cross-bedding, and microscopic heterogeneity. Raw data gathered from sources such as seismic data, fluid sampling, well testing and production data is used to determine reservoir heterogeneity. Powerful computer software and hardware is used to evaluate the impact of reservoir heterogeneity, and assess the degree of internal reservoir compartmentalisation.

Structural, stratigraphic and lithological models are used to determine hydrocarbons in place. The reservoir description, in terms of internal and external architecture and rock property characterisation, is quantified in number.

Techniques to estimate hydrocarbons in place can be determined deterministically and probabilistically.

Our Group is involved in interpretation of data used in building the model, defining the model and finally estimating the hydrocarbons in place. This information is then used by our Group to make recommendations to our clients, which allow them to determine the viability of each project before making investment decisions.

Reservoir Simulation

Reservoir simulation has been practised since 1960's as a way to estimate the future production form of a hydrocarbon field. Currently, the application of reservoir simulation varies from forecasting production under different exploration scenarios to more specialised tasks such as enhance oil recovery.

While there are many reasons to perform simulation studies, perhaps the most important is from commercial perspective. Reservoir simulation is used to generate production profiles and hence cash flow prediction.

The information used to run simulation includes the upscaled geological model and production data. A reservoir simulation model is built on reservoir models that include the petrophysical characteristics required to understand the behaviour of the fluids over time. Usually, the model is history matched using historic pressure and production data. Once the model is historically matched, it is used to predict future reservoir performance under a series of potential scenarios.

Reservoir simulation has evolved to become a reservoir management tool for all stages of the life of a reservoir. It is used by our Group to plan field development, design measurement campaigns, forecasting production under different Enhanced Oil Recovery scenarios, and guide investment decision-making.

Maximum Efficient Rate of Production

The maximum efficient rate of production for a particular reservoir is defined as the rate of production that, if exceeded, would lead to avoidable underground waste through loss of ultimate oil recovery.

In practice, our Group uses this concept to control the overall rate of production of oil, water and gas from a client's wells so as to maximise overall lifetime hydrocarbon recovery.

Enhanced Oil Recovery

Enhanced Oil Recovery Reservoir Engineering was developed with the intention of improving the rate and / or ultimate efficiency of hydrocarbon recovery from reserves.

Some of the Enhanced Oil Recovery methods currently in use include: -

(i) Water injection;
(ii) Gas injection;
(iii) Water-Alternating-Gas (WAG) injection;
(iv) Chemical injection; and
(v) Thermal recovery.

Water Injection and Gas Injection use materials native to the reservoir to either replace or augment natural drive forces to improve production. These methods do not alter any of the fundamental factors that act to retain hydrocarbons within the reservoir.

Chemical Injection and Thermal Recovery, on the other hand, use other means to overcome forces, such as surface tension and viscosity that inhibit the flow of hydrocarbons from the reservoir.

Thermal Recovery methods work by introducing heat into the reservoir to lower the viscosity of trapped hydrocarbons, thereby allowing them to more easily flow to production wells. The two main Thermal Recovery methods are Steam Flooding and In-site Combustion.

Enhanced Oil Recovery methods are useful in the following respects: -

(i) Increasing the rate of production and / or increasing the amount of hydrocarbons that can be recovered from a reserve to the point where production from that reserve becomes commercially viable;
(ii) Restoring the rate of production in a producing field; and
(iii) Extending the lifespan of a producing field.

4.2.4.2 Oil and Gas Drilling Services

Exploration and appraisal drilling is primarily carried out to gather digital data and physical samples that can be analysed to provide data on the presence or otherwise of hydrocarbons in a particular area of interest, as is described in Section 4.2.4.1 of this Prospectus. This is achieved by: -

(i) Bringing up physical samples of the underlying subsurface for analysis, usually in the form of rock cuttings and core samples;
(ii) By wireline logging and / or FEWD;
(iii) By production testing the well by flowing the reservoir to the surface, and shutting the well in at predetermined intervals.

Development drilling is carried out to create a physical connection between the surface and an identified subsurface hydrocarbon reservoir for the purpose of production or injection.

Our Group uses a variety of technologies during well design and the supervision of drilling operations. The main technologies relevant to the services provided by our Group are described below.

Well Design and Engineering

Well design and engineering comprises the set of activities related to designing a well that is most appropriate for exploration of or production from a reservoir.

In designing and engineering most wells, a drilling engineer and other engineers utilise subsurface data such as formation pressure, mechanical strength, and composition to identify strategic depths at which casing will have to be installed, the density and other properties of drilling fluid and drilling techniques to be used.

Casing comprises a metal tube (typically seamless stainless steel pipe of certain specification) in combination with cement to provide additional mechanical strength and stabilisation through recently drilled wells.

Drilling engineers, together with production technologists and completions engineers design "completions" for production and injection wells. A completion comprises of tubing and downhole components which are run inside the production casing. A wellhead is then installed to control flow.

Our Group is involved in well design and engineering and the supervision of drilling operations as a core part of our Drilling Project Management Services.

Directional Drilling

Directional enables the drilling of wells with significant deviation from the vertical. Wells are drilled to a location not directly below the drilling unit to optimise reservoir drainage or avoid surface obstructions.

The developments of a number of complementary technologies have increased the practicability and usefulness of directional drilling. Some of the important complementary technologies are: -

(i) Development of Bottom Hole Assembly ("**BHA**") designs and configurations, and specialised drillbit designs;
(ii) Instruments to measure the path of the well through three-dimensional space;
(iii) Data links to communicate measurements taken downhole to the surface; and
(iv) Downhole drilling motors (also known as 'mud motors'), which are driven by the hydraulic power of drilling mud circulated down the drill string. This allowed the drillbit to be rotated while most of the drill pipe was held stationary, allowing the drillbit to drill in the direction that it points.

A recent major advance in directional drilling technology has been the development of Rotary Steerable tools, which allow 3-dimensional control of the drillbit without having to stop drill string rotation.

Although directional drilling is usually more costly compared to vertical drilling, the technology has several advantages: -

(i) Able to increase the area of contact between the wellbore and the reservoir by drilling through the reservoir horizontally or at an angle;
(ii) Enables drilling into a reservoir where vertical access is difficult or impossible. For example, directional drilling can be used to access a reservoir located under man-made structures such as a town, under natural surface features such as lakes, or under a difficult to drill formation;
(iii) Allows more wellheads to be grouped together at one surface location, thereby reducing investment in facilities and impact to the environment. This applies to both offshore and onshore production facilities;
(iv) Enables operators to drill "relief wells" to relieve the pressure on a well that is producing without restraint (i.e. a "blowout").

4. INFORMATION ON OUR GROUP *(Cont'd)*

In designing and engineering a directional drilling program, drilling engineers and other petroleum engineers and scientists utilise information from 2-dimensional and 3-dimensional models to create a well plan that maps out the expected path that the well will take.

With proper reservoir application, a horizontal well can yield higher production rates and ultimate recovery compared to a conventional vertical well.

Underbalanced Drilling

Within the context of drilling, under- and over-balance refers to the pressure balance relative to bottomhole circulating pressure during drilling. Drilling can vary from: -

(i) Controlled overbalance, whereby the hydrostatic pressure of the drilling fluid column is controlled such that it is greater than the formation pressure;
(ii) Balanced, whereby the hydrostatic pressure of the drilling fluid column is controlled such that it is equal to the formation pressure;
(iii) Controlled underbalance, whereby the hydrostatic pressure of the drilling fluid column is controlled such that it is less than the formation pressure.

In conventional drilling practice, the hydrostatic pressure of the drilling fluid column is maintained above formation pressure (overbalanced drilling). This is the conventional method of drilling a well. One drawback is that drilling fluids frequently invade the formation, leading to permanent formation damage caused by physical blockage by the invading fluids and / or solids.

In underbalanced drilling, the hydrostatic pressure of the drilling fluid column is maintained lower than the natural formation pressure, thereby allowing the well to flow as drilling progresses. In this way, formation damage through fluid invasion of the formation is minimised.

Other advantages of underbalanced drilling include: -

(i) Increased penetration rate;
(ii) Reduction in drilling time; and
(iii) Early detection and dynamic testing of productive intervals while drilling.

By minimising formation invasion issues, underbalanced drilling technology is a valuable tool in enabling the production of hydrocarbons from existing fields with depleting pressures, or in complex and low quality reservoirs.

Drilling with Casing

Drilling with casing is a drilling technique in which casing is used in place of conventional drill pipe during drilling operations. The casing used during drilling is then left in place to case the well after drilling operations are completed.

As a result, drilling with casing eliminates several steps in the conventional well drilling process, including the installation of casing as a separate operation. This generally reduces cost and reduces total drilling time.

Some other advantages of the drilling with casing over conventional drilling include: -

(i) Reduced probability of unexpected events during drilling operations;
(ii) Improved operational efficiency;
(iii) Improved safety; and
(iv) Reduced environmental impact.

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.5 Approvals, Major Licences and Permits Obtained

Details of the approvals obtained by us for the Listing from the SC together with the conditions imposed by these authorities and status of compliance are set out in Section 6.1 of this Prospectus. Other approvals, major licences and permits obtained by our Group for the operation of business are as follows: -

Company	Date of Issuance / Expiry	Authority	Description	Status of Compliance	Major conditions Imposed
Uzma Malaysia	31.10.07 / 30.10.09	PETRONAS	Licence to supply equipment / provide services to companies involved in the exploration, exploitation, winning or obtaining of petroleum and gas in Malaysia (Licence No.: L-514669-P) (Serial No.: L032515)	N / A	Nil
Uzma Malaysia	27.12.07 / 26.12.10	Lembaga Pembangunan Industri Pembinaan (CIDB) Malaysia	Certificate of registration (Registration No.: 0120071227-WP116352)	N / A	Nil
Uzma Malaysia	25.04.07 / 24.04.10	Ministry of Finance	Registration as a Supplier and Services Contractor (Registration No.: 357-02024987) (Serial No.: 240022)	Complied	**Conditions for Approval of Registration of Contractors** The company must ensure that the scope of the licence registered in this certificate does not overlap with the scope of the licence duly approved to any company with the same proprietor or Board of Directors and under the same management.
Uzma Malaysia	27.04.07 / 24.04.10	Ministry of Finance	Registration as a Bumiputera Contractor (Registration No.: 357-02024987) (Serial No.: 136447)	Complied	**Conditions for Certification of Bumiputera Contractor Registration** **1. The Company should at all times strive to improve the standing of the company so that: -** 1.1. The Bumiputera majority standing should always be more than 51% in terms of ownership equity, members of the Board of Directors and staff of the company at the management level and employees. 1.2. In terms of majority, Bumiputeras are required to play an important role in company transactions, control of company, company financial management, making important decisions and representing the company at meetings and other official transactions.

4.2.6 Brand Names, Patents, Trade Marks, Licences, Technical Assistance Agreements, Franchises and Other Intellectual Property Rights

Save as disclosed below and Section 4.2.5 of this Prospectus, as at LPD, our Group does not have any brand names, patents, trade marks, licences, technical assistance agreements, franchises or intellectual property rights: -

(i) Technical & Commercial Agreement dated 23 July 2007 between Enres International ("**Enres**") and Uzma Malaysia for the provision by Enres of training and technical support to Uzma Malaysia's geoscientists;

(ii) Letter dated 4 September 2006 from Corex (UK) Ltd ("**Corex**") to Uzma Malaysia for the provision by Corex of technical assistance in order for Uzma Malaysia to promote, sell and execute the project related to Corex's products and services;

(iii) Technical Services Agreement dated 1 January 2006 between Uzma Engineering Qatar LLC ("**UEQ**") and Uzma Malaysia for the provision by Uzma Malaysia to UEQ of technical assistance and business development services; and

(vi) Cooperation Agreement dated 1 January 2007 between Roxar Sdn Bhd ("**Roxar**") and Uzma Malaysia for the provision by Uzma Malaysia to Roxar of promotional assistance and local representation in relation to certain services.

4.2.7 Dependency on Patents, Licences, Industrial, Commercial or Financial Contracts

(a) Dependency on Patents and Intellectual Property Rights

Our Group is not dependent on any patents and intellectual property rights for our business operations.

(b) Dependency on Major Licenses

Save as disclosed in Section 4.2.5 and Section 4.2.6 of this Prospectus, our Group is not dependent on any other major licences.

(c) Dependency on Industrial, Commercial and Financial Contracts

Our Group is not dependent on any industrial, commercial and financial contracts for our business operations.

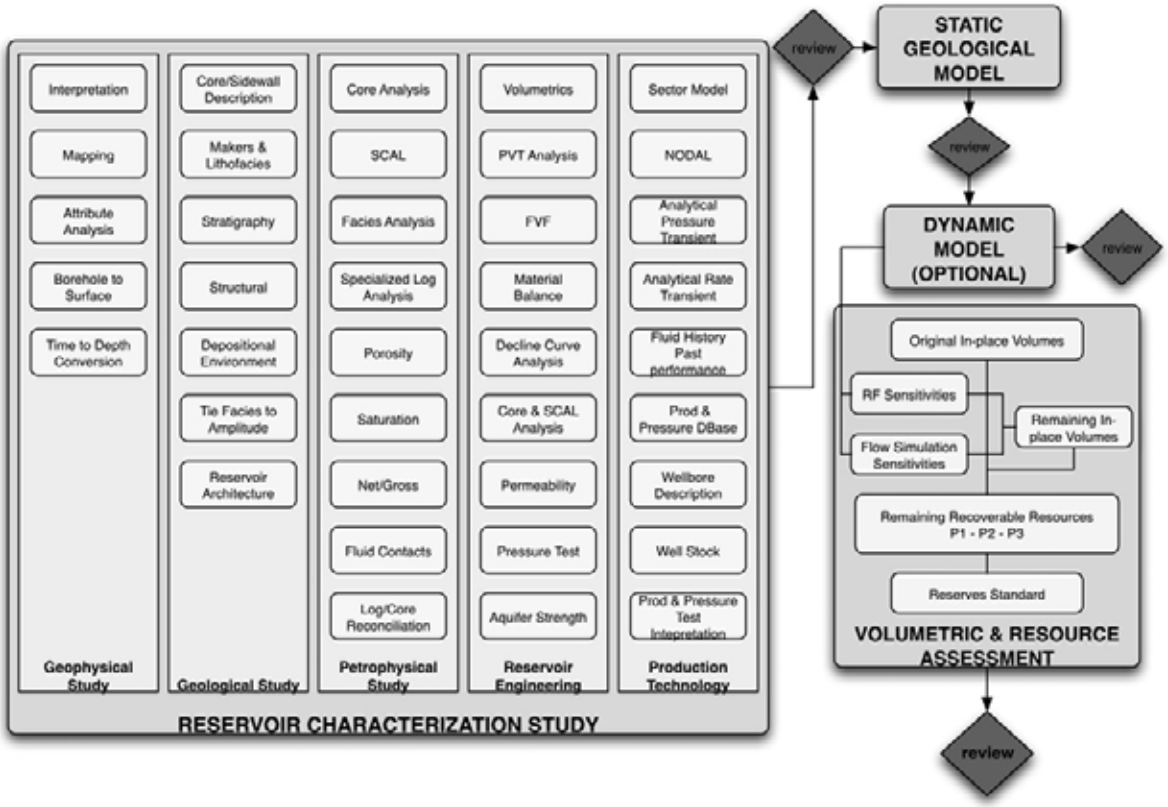
[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.8 Process Flow

4.2.8.1 Process Flow for Geoscience and Reservoir Engineering Services – Full Field Review Study

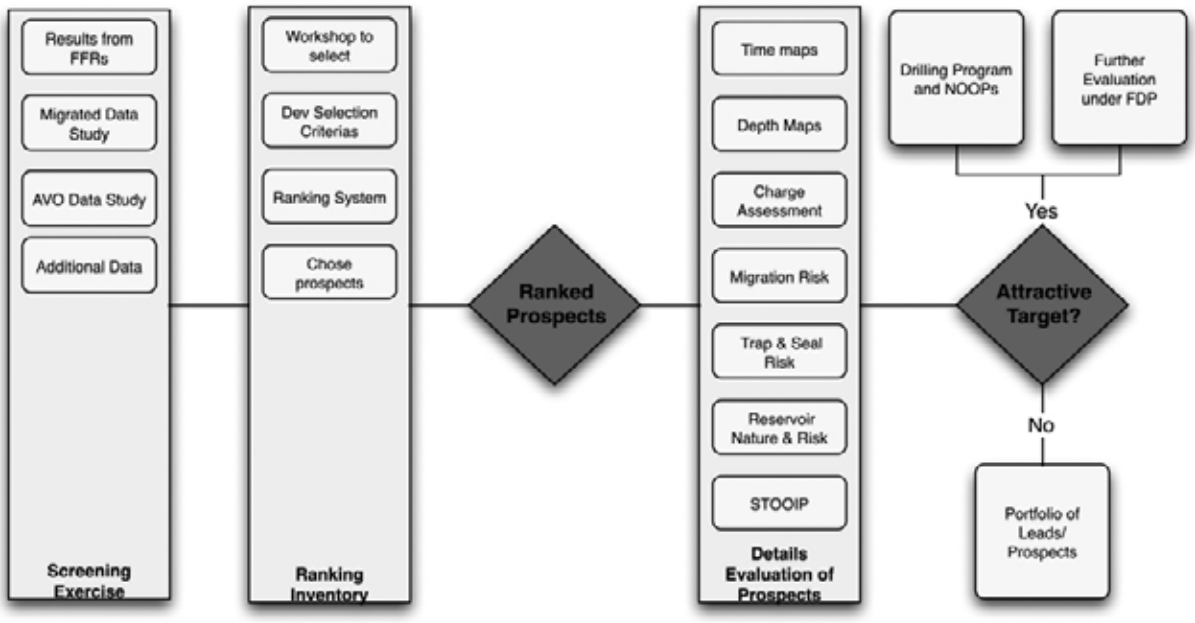
A Full Field Review Study is a type of Geoscience and Reservoir Engineering Service currently provided by our Group. The process flow for a Full Field Review Study is depicted in the following flowchart: -



[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4.2.8.2 Process Flow for Geoscience and Reservoir Engineering Services – Appraisal Study

An Appraisal Study is a type of Geoscience and Reservoir Engineering Service currently provided by our Group. The process flow for a Appraisal Study is depicted in the flowchart below: -

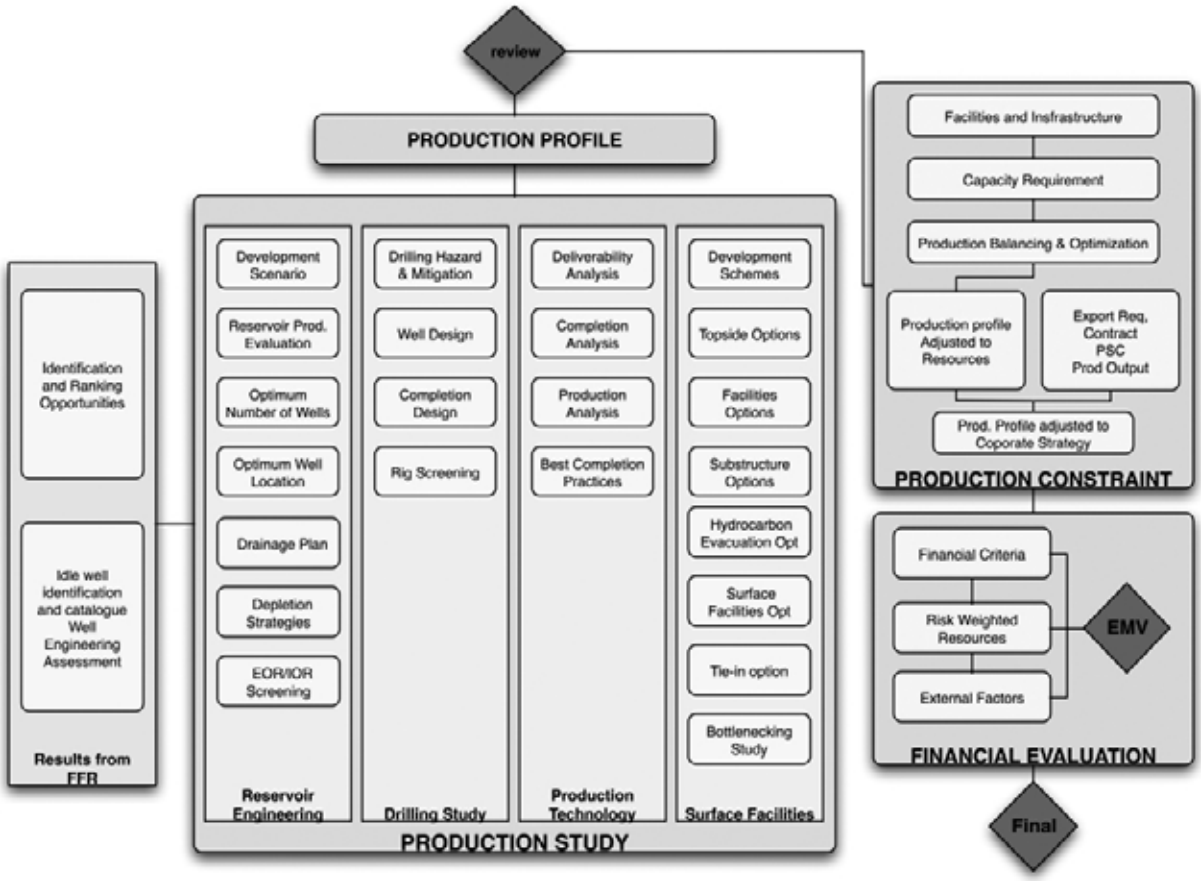


[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.8.3 Process Flow for Geoscience and Reservoir Engineering Services – Field Development Plan Study

A Field Development Plan Study is a type of Geoscience and Reservoir Engineering Service currently provided by our Group. The process flow for a Field Development Plan Study is depicted in the flowchart below: -

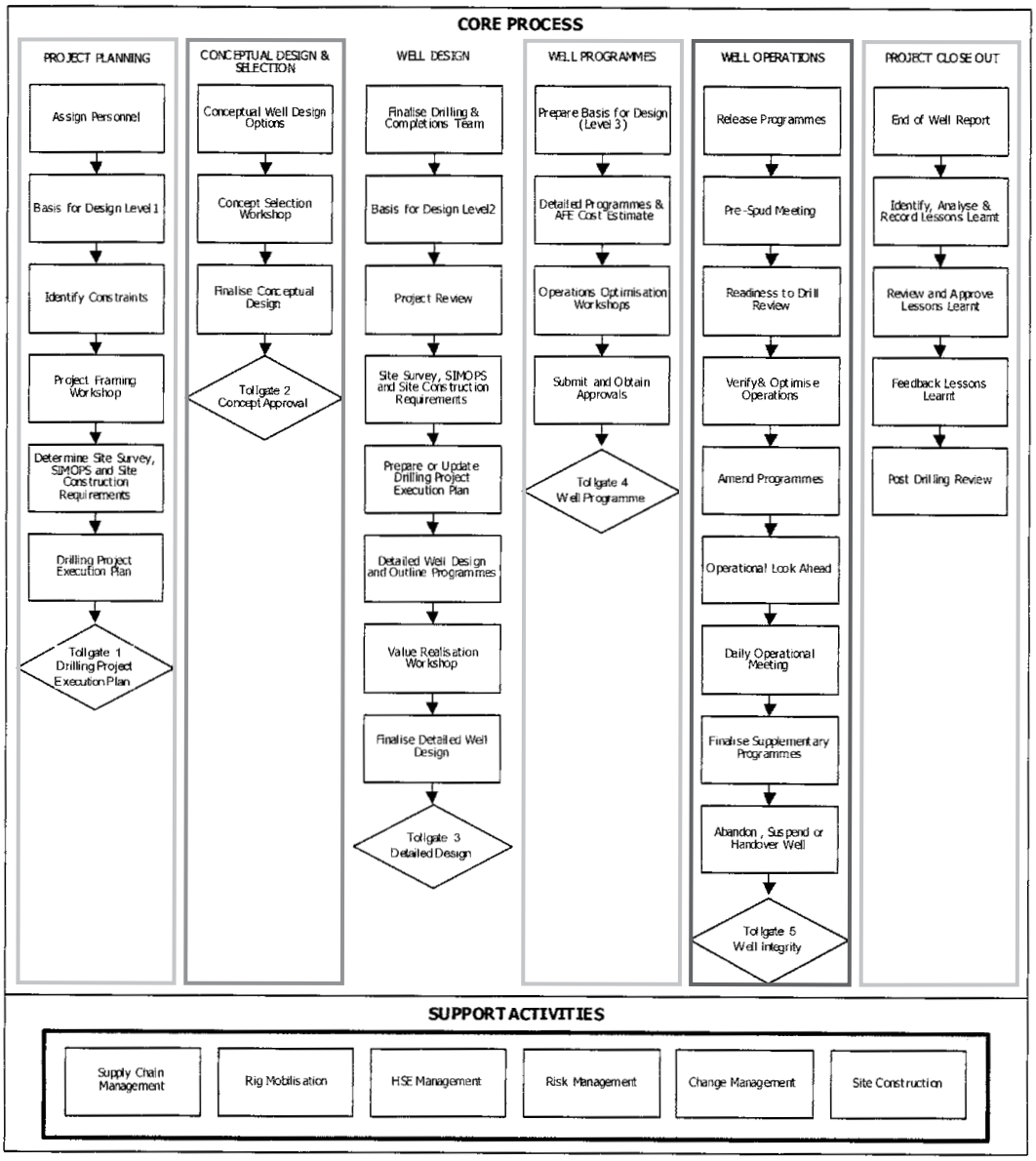


[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.8.4 Process Flow for Drilling Project Management

The process flow for Drilling Project Management provided by our Group is depicted in the flowchart below: -



[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.9 Estimated Market Coverage, Position and Market Share

Market Size

In 2006, the market size of the Development and Production segments of the Oil and Gas Industry in Malaysia based on Investment made by PETRONAS and PSC Operators / Contractors was estimated at **RM10.3 billion**.

In 2006, the market size of the Exploration segment of the Oil and Gas Industry in Malaysia based on Investment made by PETRONAS and PSC Operators / Contractors was estimated at **RM1.9 billion**.

Market Share

Market Share of the Exploration Segment of the Oil and Gas Industry Based on Investment by PETRONAS and PSC Contractors / Operators

In 2006, our Group's market share of the Exploration segment of the Oil and Gas Industry in Malaysia based on Investment by PETRONAS and PSC Contractors / Operators is estimated at **5%**.

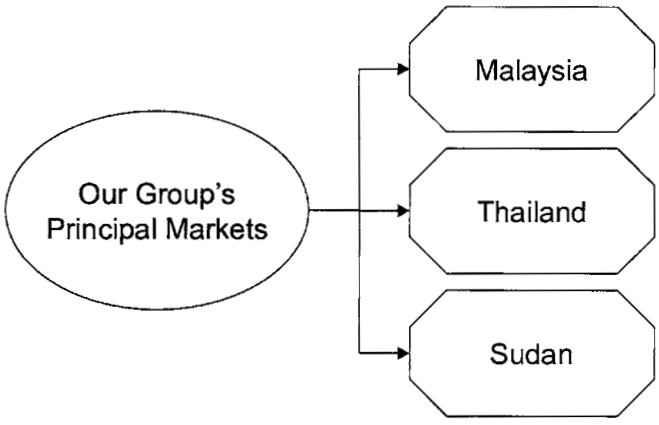
Market Share of the Development and Production Segments of the Oil and Gas Industry Based on Investment by PETRONAS and PSC Contractors / Operators

In 2006, Uzma Group's market share of the Development and Production segments of the Oil and Gas Industry in Malaysia based on Investment by PETRONAS and PSC Contractors / Operators is estimated at **1%**.

(Source: Independent Assessment of the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.2.10 Principal Markets

For the FYE 31 December 2007, our Group's principal market is as follows: -



Our Group's principal markets for the FYE 31 December 2007 were Malaysia, Thailand and Sudan, accounting for 78.5%, 10.1%, and 3.6% respectively of total Group revenue.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

Our Group's revenue contribution by markets can be segmented as follows: -

	Revenue for the FYE 31 December 2007	
	(RM'000)	(%)
Local Market	**101,583**	**78.5**
Overseas Markets	**27,568**	**21.5**
Thailand	12,955	10.1
Sudan	4,616	3.6
Qatar	4,200	3.3
Pakistan	1,263	1.0
Others #	4,535	3.5
Total Group Revenue	**128,151**	**100.0**

Note: -

\# *Other countries are Vietnam, Turkmenistan, Uzbekistan, Indonesia, Australia, Japan and Equatorial Guinea.*

For the FYE 31 December 2007, total proforma consolidated revenue of Uzma Group was RM128.2 million, excluding inter-company transactions.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4.2.11 Types, Sources and Availability of Raw Materials / Inputs

Our Group's purchases of raw materials during the course of our Group's normal business activities are minor, as our Group is primarily engaged in the provision of services.

The major externally-sourced inputs purchased by our Group for our business operations during the FYE 31 December 2007 are as follows: -

	Value of Purchases (RM'000)	Proportion of Total Group Purchases (%)	Sources of Supply		
			Local (%)	Overseas (%)	Total (%)
Inputs					
Technical Services	13,537	75.9	31.6	68.4	100.0
Geoscience and Reservoir Engineering Software	3,865	21.7	6.7	93.3	100.0
Equipment	367	2.1	100.0	-	100.0
Chemicals	58	0.3	100.0	-	100.0
Total	**17,827**	**100.0**			

Note: -

For the FYE 31 December 2007, our Group's purchases of raw materials and services amounted to RM17.827 million, excluding fuel oil and electricity

For the FYE 31 December 2007, local sources accounted for 27.8% of total purchases of raw materials and services of our Group. The remaining 72.2% of purchases were sourced from overseas sources.

Our Group's largest purchase comprised Technical Services, which were valued at RM13.5 million and represented 75.9% of total Group purchases. 31.6% of the Technical Services were sourced locally, while 68.4% were from overseas sources.

Our Group's second largest purchase comprised Geoscience and Reservoir Engineering Software, which was valued at RM3.9 million and represented 21.7% of total Group purchases. 6.7% of Geoscience and Reservoir Engineering Software was purchased locally, and the remaining 93.3% was sourced from overseas sources.

During the FYE 31 December 2007, purchases of Equipment and Chemicals accounted for 2.1% and 0.3% of total Group purchases, respectively. All Equipment and Chemicals were sourced locally.

A discussion on the impact of fluctuations in foreign exchange rates on the prices of our systems, equipments or chemicals used to facilitate our services and the resulting impact on our operations have been set out in Section 3.2(xii) of this Prospectus.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4.2.12 Quality Control / Management Procedures / Programmes

Our Group places significant emphasis on the quality of the services delivered by our Group. Our Group's reputation and track record are dependent on the continuing delivery of quality services to our Group's customers in the Oil and Gas Industry.

While our Group values and encourages innovative thinking and problem solving in approaching engineering challenges faced by our Group, all projects are implemented based on documented internal workflows and checklists.

Our Group also relies on in-house reviews to ensure that customers receive high-quality service. On-going engineering projects are also placed under peer review, while various in-house discipline experts are available to provide feedback and advice.

In addition, our Group currently implements an efficient and streamlined internal documented Management System. Our Group developed this proprietary Management System internally.

Key documents such as our Group's core values, policies, processes, standards and procedures are formally documented and available on-line through a secure network.

Commonly used work files such as standards, templates and outputs are also available to all staff to maximise efficiency and to ensure that services delivered to customers are presented in a consistent format.

Our Group's ability to generate and retain knowledge is also enhanced as documents, results and output are produced in a consistent format, allowing easier future reference and comparison.

The Management System is built on a checklist format and is designed to be simple to use, maintain and improve. This increases its usefulness and durability, as employees are encouraged to use the system, while building in a mechanism for its continued improvement and adaptation.

Our Group has successfully commercialised the internally developed Management System by providing customised versions to clients. To date, our Group has provided Management Systems to customers in the Oil and Gas Industry in Malaysia and overseas.

Our Group's success in commercialising our internal Management System is a strong indication of the effectiveness of our processes.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4.2.13 R&D

(i) Policy on R&D

R&D plays a key role for our Group in developing and adapting technology to create and commercialise new services and products to meet existing and new customer requirements.

Our Group does not currently operate in-house R&D facilities. Our Group plans to establish new laboratory facilities as part of our future plans, and these facilities can be used to carry out some R&D activities.

Our Group collaborates with external parties to collaboratively carry out R&D activities: -

(i) Our Group recently collaborated with a Malaysian research company to carry out R&D to develop a Chemical Injection Enhanced Oil Recovery method;

(ii) Our Group commenced collaboration with ENRES International to expand our Advanced Sequence Stratigraphy services in 2007. As a result, our Group recently introduced uzmADSTRAT, a packaged service that combines two available well correlation and strategrafic analysis systems, to provide more accurate, faster and more consistent results.

(ii) Facilities and Personnel

As mentioned above, our Group does not operate any dedicated in-house R&D facilities.

As part of our Group's future plans, our Group plans to establish a new laboratory facility, which will also be used to carry out some of our Group's R&D activities.

(iii) Achievements in R&D

Chemical Enhanced Oil Recovery ("CEOR")

Our Group has collaborated with a Malaysian research company to develop a CEOR method.

In CEOR, specially formulated chemicals are added to water to improve its ability to displace hydrocarbons from rock pores by increasing its miscibility with the hydrocarbon.

Based on the results of these R&D activities and other engineering and design work, our Group and the Malaysian research company have designed a pilot CEOR project consisting of the necessary chemical injection skids, chemical formulation, as well as injection tubing location and design for a pilot project involving 2 wells located at a producing oilfield offshore the East Coast of Peninsular Malaysia. The pilot project has been completed successfully. Our group was subsequently awarded a follow up contract to the pilot project. The contract was for provision of simulation and a field development study to implement the CEOR field-wide for a field in Malaysia.

The successful implementation of the pilot project is likely to result in the creation of significant business opportunities for our Group with the implementation of the CEOR method at other oil fields.

(iv) On-going and Future R&D

Our Group intends to develop the capability to provide the following new services: -

Advanced Sequence Stratigraphy

As part of our Group's future plans, our Group intends to develop the capability to provide Advanced Sequence Stratigraphy services.

Our Group currently possesses the in-house capability to provide Advanced Sequence Stratigraphic services. Our Group plans to further develop this capability.

Some of the means of providing Advanced Sequence Stratigraphy services planned by our Group include the integration of new concepts in stratigraphy and sedimentary with existing methods, as well as the application of more powerful analytical software.

The capability to carry out Advanced Sequence Stratigraphy will enable our Group to gain a competitive advantage for our Geoscience and Reservoir Engineering Services.

Our Group plans to further develop the capability to carry out Advanced Sequence Stratigraphy in 2008.

Low Pressure Production Enhancement System

Our Group intends to carry out R&D into Low Pressure Production Enhancement System (LPS).

In general, the LPS planned by our Group is a short time cycle solution aimed at enhancing production from an existing field that is experiencing declining production. This is achieved by lowering the surface pressure and reinjecting the additional production into existing production system.

This system has the potential to enable PSC Operators / Contractors to increase production from a field with declining reservoir pressure.

(v) R&D Expenditure

Our Group did not recognise any expenditure that is specific to R&D activities during the FYEs 31 December 2005 to 31 December 2007, although our Group was actively engaged in activities that resulted in improvement and expansion of our Group's in-house capabilities during this period.

4.2.14 Interruptions in Business for the Past Twelve (12) Months

There has never been any interruption in the form of trade disputes or major operational breakdown occurring within and outside our Group that may significantly impair our Group's business performance during the past twelve (12) months.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.15 Key Achievements / Milestones / Awards

Our Group's key milestones include: -

Year	Key Milestones
2000	Incorporation of Uzma Malaysia. The initial business activities of Uzma Malaysia were in the provision of Drilling Project Management and technology partnering, and the provision of Geoscience and Reservoir Engineering Software Services.
2002	Took over Geoscience and Reservoir Engineering, Drilling Project Management and Oil and Gas Engineer and Personnel Placement Services businesses in Malaysia from Roxar AS (formerly known as Smedvig Technologies (Holding) AS).
2003	Design and commissioning of our Group's proprietary interactive database of geoscientists, engineers and technicians.
2003	Our Group's first overseas office opened in Bangkok, Thailand. The office is operated by our subsidiary, Uzma Thailand.
2004	Awarded first major Geoscience and Reservoir Engineering Services contract, the Full Field Review of the Termana Field for PETRONAS Carigali Sdn Bhd. This is the first such contract awarded to an indigenous Malaysian company.
2004	Awarded a Drilling Project Management contract by Amerada Hess in Thailand.
2004	Awarded Umbrella Contract for Engineering and Operations Services in Malaysia by Sarawak Shell Berhad.
2004	Opened a representative office in Doha, Qatar.
2005	Won Oil and Gas Engineer and Personnel Placement contract from Qatar Liquefied Gas Co. Ltd and Dolphin Energy Limited, both in Qatar.
2005	Awarded a contract for Geoscience and Reservoir Engineering Services by PTTEP.
2005 and 2006	Awarded various long-term umbrella contracts by PETRONAS and PETRONAS Carigali Sdn Bhd for the provision of Geoscience and Reservoir Engineering, and Drilling Services, further strengthening our Group as one of the leading Geoscience and Reservoir Engineering, and Drilling Services consulting companies in Malaysia. The contracts include Drilling Project Management, Wellbore Stability, Subsurface Studies for Development and Production, Geological Studies and Exploration Services, Production Enhancement Consultancy Services, Production Chemistry Services, Production Stimulation Study Consultancy Services, and Artificial Lift and Optimisation Study Services.
2006	Uzma Australia incorporated in Australia. Our Group opened an office in Perth, Australia.
2006	Awarded Resource Management contract by a PSC Operator / Contractor in Malaysia to manage all engineering personnel in their Project Engineering Department.
2006	Awarded Drilling Project Management contract by Greater Nile Petroleum Operation Co., Ltd, Sudan. Our first inroad to Sudan.
2006	Contracted to provide Drilling Project Management services and Geoscience and Reservoir Engineering Services to Chevron Offshore (Thailand) Limited, Thailand.
2006	Our Group collaborated with a Malaysian research company to develop a Chemical Injection Enhanced Oil Recovery method. This pilot project was aimed at enhancing oil recovery.
2007	Awarded the Geological and PVT laboratory services contract by PETRONAS, our Group's first laboratory services contract. Our Group was subsequently awarded contracts for the provision of similar services by Newfield Peninsular Malaysia Inc. and PETRONAS Carigali Sdn Bhd.
2007	Secured our first contracts for fields in India. The contracts were for the provision of Management System services and Geoscience and Reservoir Engineering Services.
2007	Awarded Geoscience and Reservoir Engineering Services and Management Systems contracts in Australia. One of the contracts is our Group's first contract for the provision of Advanced Sequence Stratigraphy services in Australia.
2007	Opened a representative office in Jakarta, Indonesia.
2008	Awarded a follow up contract on enhanced oil recovery (EOR). The contract requires Uzma to study the implementation of field-wide Chemical EOR in Malaysia by running a simulation study and propose a field development plan for the project.

Year	Key Milestones
2008	Awarded Angsi CEOR Phase III.
2008	Awarded contracts on cores and cuttings laboratory analysis for fields in Mozambique, Myanmar and the Philippines.
2008	Awarded a contract by a client in Malaysia to increase production of depleting reservoir by deploying Uzma's low-pressure production enhancement system.
2008	Nippon Oil Exploration Limited awarded Layang Project Management contract. This will expand our group participation on Project and Operation type of contract.

4.2.16 Modes of Marketing / Distributions / Sales

Marketing Strategy

Our Group utilises the following marketing strategies to sustain and expand our business: -

(i) Position our Group as an integrated provider of Oil and Gas Reservoir Engineering and Drilling Services, with the capability to provide complex and sophisticated solutions;

(ii) Highlight our Group's success in realising significant value from new and existing Oil and Gas fields by successfully completing complex projects;

(iii) Highlight the deep expertise and technical ability of our Group's employees and raise our Group's profile by encouraging staff to continue to publish technical papers in technical and industry publications, and present papers at international conferences and other events;

(iv) Highlight the Group's access to a deep pool of skilled and experienced geoscientists, engineers and technicians, some of whom are recognised experts in their field of specialisation;

(v) Highlight our Group's access to advanced Oil and Gas Industry technology through in-house resources and strategic relationships with technology partners;

(vi) Highlight our Group's status as an independent service provider with the freedom to use fit-for-purpose technology or approach to complete individual projects

(vii) Emphasise our Group's focus of quality service delivery through the use of internally documented workflows and checklists;

(viii) Continually provide excellent customer service with the aim of developing a long-term business relationship;

(ix) Maintain physical presence in targeted overseas markets through the establishment of overseas offices;

(x) Continue to promote and market our Group's capabilities and services through participation in local and overseas conferences and exhibitions;

(xi) Hold technical demonstrations at local and overseas conferences and exhibitions to highlight our Group's technical capabilities;

(xii) Fostering business relationship with existing and potential customers.

To implement our marketing strategy, our Group's Directors and other senior management are actively engaged in Group marketing and business development.

4. INFORMATION ON OUR GROUP *(Cont'd)*

Our Group's Directors and other senior management are supported by our Group's geoscientists, engineers and technical personnel. Our Group's Directors and other senior management are responsible for engaging "front-end sales", while the geoscientists, engineers and technical personnel are responsible for providing more detailed and in-depth technical input, including assisting the client in defining the scope of work and description of a project.

Our Group's employees are also involved in publishing technical papers in Oil and Gas Industry technical and trade publications, and presenting technical papers at international exhibitions and conferences.

Publishing and presenting technical papers will help raise our Group's profile, showcasing our Group's technical ability and enhancing our reputation as a provider of complex and challenging Oil and Gas Drilling Services and Reservoir Engineering Services.

As part of our strategy to promote our products and services to potential customers locally and overseas, our Group also actively participates in exhibitions and conventions. Some of these include the following: -

Name of Exhibition	Venue	Nature of Participation	Year
International Petroleum Technology Conference (IPTC) Kuala Lumpur Convention Centre*	Kuala Lumpur, Malaysia	Exhibitor	2008
Technology of Oil and Gas Exhibition (TOG 2008) Tripoli International Fair*	Tripoli, Libya	Exhibitor	2008
European Association of Geoscientist & Engineer (EAGE)*	Rome, Italy	Poster Presentation	2008
32nd Annual IPA Convention and Exhibition, Jakarta Convention Center*	Jakarta, Indonesia	Exhibitor	2008
APPEA 2008 Perth Convention Center	Perth, Australia	Exhibitor	2008
GEO 2008 Bahrain International Exhibition Center	Kingdom of Bahrain	Participant	2008
Petroleum Geological Conference Exhibition (PGCE) 2008	Kuala Lumpur, Malaysia	Exhibitor and Participant	2008
Offshore Europe Oil and Gas Conference & Exhibition	Aberdeen, United Kingdom	Poster Presentation	2007
European Association of Geologists	London, United Kingdom	Participant	2007
IPA Indonesia	Indonesia	Participant	2007
Asia Oil and Gas	Kuala Lumpur, Malaysia	Participant	2007
Southeast Asia Petroleum Exploration Society (SEAPEX) Exploration Conference	Singapore	Participant	2007
2007 Australian Petroleum Production & Exploration Association (APPEA) Conference and Exhibition	Adelaide, Australia	Exhibitor and Participant	2007
Petroleum Geological Conference Exhibition (PGCE) 2006	Kuala Lumpur, Malaysia	Exhibitor and Participant	2006
2006 American Association of Petroleum Geologists (AAPG) International Conference and Exhibition	Perth, Australia	Poster Presentation, Exhibitor and Participant	2006
Petroleum Geological Conference Exhibition (PGCE) 2005	Kuala Lumpur, Malaysia	Exhibitor and Participant	2005

4. INFORMATION ON OUR GROUP *(Cont'd)*

Name of Exhibition	Venue	Nature of Participation	Year
Petroleum Geological Conference Exhibition (PGCE) 2004	Kuala Lumpur, Malaysia	Participant	2004
Petroleum Geological Conference Exhibition (PGCE) 2003	Kuala Lumpur, Malaysia	Participant	2003

Note: -

* *Future*

Our Group also holds technical demonstrations to showcase our current capabilities, qualified personnel and past successes at these exhibitions. Our Group also works together with our technology partners to demonstrate their technology and services.

In addition, our Group regularly organises open and free technical workshops in a range of specialised Geoscience and Reservoir Engineering field such as cyclologging, laboratory analysis, and formation damage evaluation. These technical workshops are a valuable marketing tool as they serve to educate participants as to the value that can be created by the use of these services, and also highlight the technical capabilities of our Group and our employees.

Distribution Channel Strategy

Our Group's distribution channel strategy is primarily based on direct distribution, using our in-house sales and marketing resources to market our services. Our Group has also entered into a co-operative marketing agreement with one of our Group's Technology partners.

The direct distribution channel approach is executed by our Group's sales and marketing resources, which serves on both local and overseas markets in general.

Our Group's marketing efforts overseas are supported by our Group's overseas subsidiaries, Uzma Thailand in Bangkok, Thailand and Uzma Australia in Perth, Australia, and our Group's overseas representative offices located in Doha, Qatar and Jakarta, Indonesia.

In addition to the above, our Group has an agreement with ENRES International to market our Group's products and services in Europe.

4.2.17 Production / Operating Capacities and Output

It is not practical to estimate output, capacity and utilisation rates for our Group as our Group is primarily engaged in providing services that are predominantly dependent on skilled personnel.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.2.18 Location of Business

(a) Operational Facilities and Principal Assets

Name	Facilities	Approximate Built-up Area (square feet)	Location of Operational Facility
Uzma Berhad	Group Head Office	8,034 (No 68) 8,034 (No 70)	No 68 & 70, Fraser Business Park, Jalan Metro Pudu 2, Off Jalan Yew, 55200 Kuala Lumpur
Uzma Malaysia	Provision of Geoscience and Reservoir Engineering, Drilling, Project and Operations, and Other Services		
Uzma Thailand	Provision of Geoscience and Reservoir Engineering, Drilling, Project and Operations, and Oil and Gas Engineer and Personnel Placement Services	1,500	29 Vanissa Building, 6th Floor Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330, Thailand
Uzma Australia	Provision of Geoscience and Reservoir Engineering Services, and Management Systems	700	Suite 4, Level 3, 1111 Hay Street, West Perth 6005, Australia
Uzma Malaysia	Overseas Representative Office	1,500	No 52, Al Aziziya Star Business Complex, Al Aziziya Street, PO Box 12121, Doha, Qatar.
Uzma Malaysia	Overseas Representative Office	800	Rukan Grand Panglima Polim Kav. 1 lantai 2, J1, Panglima Polim Raya No 1, Jakarta Selatan 12160, Indonesia

(b) Corporate Office

No 68 & 70, Fraser Business Park
Jalan Metro Pudu 2
Off Jalan Yew
55200 Kuala Lumpur

4.3 SUBSIDIARIES

4.3.1 Uzma Malaysia

(a) Background and History

Uzma Malaysia was incorporated in Malaysia as a private limited company under the Companies Act, 1965 on 19 May 2000. Uzma Malaysia commenced its business in May 2000.

Uzma Malaysia was founded by Dato' Kamarul, Datin Rozita and Peter Angus Knowles. They bring with them extensive working experience in the Oil and Gas Industry, with between 11 and 25 years of experience each.

The initial business activities of Uzma Malaysia were in the provision of Drilling Project Management and Geoscience and Reservoir Engineering Software Services. As part of Uzma Malaysia's strategy to expand its portfolio of Oil and Gas services, Roxar AS *(formerly known as Smedvig Technologies (Holding) AS)* transferred its Geoscience and Reservoir Engineering, Drilling Project Management and Oil and Gas Engineer and Personnel Placement businesses to Uzma Malaysia in 2002.

In 2003, as part of our Uzma Malaysia's intention to strengthen the Oil and Gas Engineer and Personnel Placement business and to build the Project and Operations Service, Uzma Malaysia commissioned the design of a proprietary interactive database for personnel and independent consultants to register online. The new interactive database provided Uzma Malaysia with a competitive edge in enhancing its ability to identify specialised and skilled engineers and personnel within the Oil and Gas Industry to supplement its in-house skills and resource base, as well as for placement to its clients.

In 2004, Uzma Malaysia was awarded its first major reservoir engineering services contract by PETRONAS Carigali Sdn Bhd to undertake a full field review of the mature Temana Oil and Gas field. Uzma Malaysia was the first indigenous Malaysian company to be awarded such a contract.

In 2006, Uzma Group collaborated with a Malaysian research company to develop a Chemical Enhanced Oil Recovery method. This pilot project was aimed at enhancing oil recovery.

In the same year (2006), Uzma Malaysia was awarded a Resource Management contract by a PSC Operator / Contractor in Malaysia. This is a three-year contract to provide Resource Management Services to manage the entire professional manpower of the Project Engineering Department of that PSC Operator / Contractor.

In 2007, Yemen LNG also awarded Uzma Malaysia a contract to provide Engineering and Operations Services for a Liquefied Natural Gas Plant in Yemen in 2007.

In 2008, a client awarded Uzma Malaysia two contracts on core and cutting analysis for fields in Mozambique and the Philippines. In the same year, Nippon Oil Exploration Limited awarded Uzma Malaysia two contracts for Layang Project Management and Helang Phase II – Field Development. Uzma Malaysia was recently awarded a contract to implement a production optimization contract by a client in Malaysia by implementing a low-pressure production enhancement system.

(b) Principal Activities and Products / Services

Uzma Malaysia is principally involved in the provision of Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services, Project and Operations, and Other Services.

(c) Substantial Shareholders

Substantial shareholders of Uzma Malaysia upon the Listing will be as follows: -

Substantial shareholders	Shareholdings			
	Direct		Indirect	
	No. of ordinary shares of RM1.00 each	%	No. of ordinary shares of RM1.00 each	%
Uzma	1,300,000	100.00	-	-
Dato' Kamarul	-	-	(1) 1,300,000	100.00
Datin Rozita	-	-	(1) 1,300,000	100.00

Note: -

(1) Deemed interested by virtue of his / her shareholding in us pursuant to Section 6A of the Act.

(d) Share Capital

The authorised share capital of Uzma Malaysia is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each. Its issued and fully paid-up share capital as at LPD is RM1,300,000 comprising 1,300,000 ordinary shares of RM1.00 each.

The changes in the issued and fully paid-up share capital of Uzma Malaysia since its incorporation are as follows: -

Date of allotment	No. of ordinary shares allotted	Par value (RM)	Consideration	Accumulated total issued and paid-up share capital (RM)
19.05.00	2	1.00	Subscriber shares	2
01.03.01	99,998	1.00	Cash	100,000
14.12.01	900,000	1.00	Cash	1,000,000
01.11.04	300,000	1.00	Cash	1,300,000

(e) Subsidiary and Associated Company

Uzma Malaysia does not have any subsidiary or associated companies.

4.3.2 Uzma Australia

(a) Background and History

Uzma Australia was incorporated in Australia as a proprietary company limited by shares under the Corporations Act 2001 on 3 March 2006 to further expand our Group's overseas operations. Uzma Australia commenced business in December 2006.

In 2007, Uzma Australia was awarded contracts to provide Geoscience and Reservoir Engineering Services and Management Systems for a number of Oil and Gas companies in Australia including the Australian operations of oil majors, Shell and Conoco Phillips and Australian companies Coogee Resources Pty Ltd and BHP Billiton Petroleum Pty. Ltd. Uzma Australia has also supplied software to the Western Australian Department of Industry and Resources.

In 2008, Uzma Australia has been awarded a Geoscience and Reservoir Engineering Services contract by Chevron and independent oil companies Nido and Vermilion.

(b) Principal Activities and Products / Services

Uzma Australia is principally involved in the provision of Geoscience and Reservoir Engineering Services, and Management Systems.

4. INFORMATION ON OUR GROUP *(Cont'd)*

(c) Substantial Shareholders

Substantial shareholders of Uzma Australia upon the Listing will be as follows: -

Substantial shareholders	Shareholdings			
	Direct		Indirect	
	No. of ordinary shares of AUD100 each	%	No. of ordinary shares of AUD100 each	%
Uzma	1,000	100.00	-	-
Dato' Kamarul	-	-	(1) 1,000	100.00
Datin Rozita	-	-	(1) 1,000	100.00

Note: -

(1) Deemed interested by virtue of his / her shareholding in Uzma.

(d) Share Capital

There is no requirement under the Corporations Act 2001 for an authorised capital. In accordance with Article 76 of the Constitution of Uzma Australia, the Directors may issue shares at any time within the constraints of the Constitution and the law.

The issued and paid-up share capital is as follows: -

As at the date of this Prospectus	No. of ordinary shares	Par value (AUD)	Amount (AUD)
Issued and paid-up	1,000	100	100,000

(e) Subsidiary and Associated Company

Uzma Australia does not have any subsidiary or associated companies.

4.3.3 Uzma Thailand

(a) Background and History

Uzma Thailand was incorporated in Thailand as a private limited company under the Civil and Commercial Code of Thailand on 26 September 2003. Uzma Thailand commenced business quarter one of year 2004.

In 2004, Uzma Thailand was awarded a Drilling Project Management contract by Amerada Hess in Thailand and a contract for Project and Operations Services from Chevron Offshore (Thailand Limited).

In 2005, PTTEP, the Thai equivalent of PETRONAS Carigali Sdn Bhd, awarded a contract to Uzma Thailand to carry out Geoscience and Reservoir Engineering Services. Uzma Thailand now provides the full range of our Group's main services to PTTEP and has been awarded additional contracts by Chevron Offshore (Thailand Limited) and Amerada Hess.

In 2008, Uzma Thailand was awarded a contract to provide Geoscience and Reservoir Engineering Services to Saim Moeco Ltd, in which Mitsui of Japan is a partner. PTTEP also awarded a contract for geological laboratory services to support their drilling campaign in Myanmar.

(b) Principal Activities and Products / Services

Uzma Thailand is principally involved in the provision of Geoscience and Reservoir Engineering, Drilling, Project and Operations, and Oil and Gas Engineer and Personnel Placement Services.

(c) Substantial Shareholders

Substantial shareholders of Uzma Thailand upon the Proposed Listing will be as follows: -

Substantial shareholders	Shareholdings			
	Direct		Indirect	
	No. of ordinary shares of THB 100 each	%	No. of ordinary shares of THB 100 each	%
Uzma	9,796	48.98	-	-
Samrat Knowles	10,198	50.99	(1) 1	*neg*
Dato' Kamarul	1	*neg*	(2) 9,797	48.98
Datin Rozita	1	*neg*	(3) 9,797	48.98
Peter Angus Knowles	1	*neg*	(1) 10,198	50.99

Notes: -

(1) Deemed interest by virtue of his / her spouse's shareholding in Uzma Thailand.
(2) Deemed interest by virtue of his shareholding in Uzma, as well as his spouse's shareholding in Uzma Thailand.
(3) Deemed interest by virtue of her shareholding in Uzma, as well as her spouse's shareholding in Uzma Thailand.
neg Negigible

(d) Share Capital

The authorised share capital of Uzma Thailand is THB2,000,000 comprising 20,000 ordinary shares of THB100 each. Its issued and fully paid-up share capital as at LPD is THB2,000,000 comprising 20,000 ordinary shares of THB100 each.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

The changes in the issued and fully paid-up share capital of Uzma Thailand since its incorporation are as follows: -

Date of allotment	No. of ordinary shares allotted	Par value (THB)	Consideration	Accumulated total issued and paid-up share capital (THB)
26.09.03	20,000	100	Subscriber shares	2,000,000

(e) Subsidiary and Associated Company

Uzma Thailand does not have any subsidiary or associated companies.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.4 INDUSTRY OVERVIEW

Unless otherwise stated, the following sections are extracted from the latest available government publications.

4.4.1 Overview and Outlook of the Global Economy

The world economy continues to grow albeit high crude oil prices and uncertainties in the economy of the United States. Growth is expected to remain strong with further expansion in economic activities, especially in fast-growing emerging economies, notably China, India and Russia.

Growth is more balanced among advanced countries. The steady recovery in Europe and Japan offsets the moderation in the US. Developing countries are expected to outperform advanced countries. Rapid growth in emerging economies has led to outward foreign direct investment.

The global economy is expected to expand at 5.2% in 2007, mainly driven by China, India and Russia. The US economy grew at 4.0% during the second quarter 2007. The US housing sector, exacerbated by the subprime mortgage crisis, has caused a credit crisis over the July-August period. Apart from moderation in the US economy in the second half of 2007, it has also led to greater volatility in world financial markets.

Global FDI inflows grew by 34.3% to USD1,230.4 billion in 2006, with the US being the largest recipient, followed by the United Kingdom and France. FDI inflows to Asia and Oceania reached USD230 billion, up 15.0% from USD 200 million in 2005, with China drawing USD 70 billion and Hong Kong SAR drawing USD 41.4 billion. The Netherlands, France and the UK topped global FDI outflows, which amounted to USD 779 billion in 2005. Outward FDI from developing countries totalled USD133 billion or 17% of total outflows, motivated by overseas expansion due to opportunities in new markets, higher domestic cost of production and competition from low-cost producers. Global FDI growth is expected to persist in 2007, particularly in sectors like ICT, public utilities, transportation, tourism, as well as hotel and restaurants. Growth is also expected in the manufacturing sector. In the primary sector, higher prices and strong demand for natural resources are expected to increase FDI flows, notably into mining and petroleum.

World trade continues to expand in 2007, albeit at a slower pace of 7.1%. Strong global growth and sustained import demand of 7.3%, particularly for raw materials and commodities are main contributors to trade growth. Import demands in the euro area is expected to expand by 5.4%, while in Japan, it is likely to moderate to 3.0%. In the US, import growth is expected to remain at 3.7%. Hikes in crude oil prices and rising environmental awareness have caused greater demand for alternative fuels, particularly biofuels. The main constituents of such fuel inputs including corn, palm oil, sugar cane and rapeseed, will also gain in price.

Global growth in 2008 will continue to spur world trade and investment flows. This is supported by a steady demand-driven expansion in global high-technology industries, commodities and services. The outlook for global FDI remains positive, driven by rising M&A activities, sustained economic growth and an increase in fixed capital spending. However, this could be impeded by a continued fallout in the US subprime mortgage sector. Rising crude oil prices will also cause global inflationary pressures, a further impediment to growth. Long-term risks that could undermine growth include aging population and greater protectionist sentiments, as well as environmental consequences of rapid development.

Notwithstanding these risks, the global economy is anticipated to continue to expand at 5.2% in 2008, with Japan, Europe and emerging Asia, particularly China and India, offsetting the moderation in the US economy.

(Source: Economic Report 2007 / 2008)

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.4.2 Overview and Outlook of the Malaysian Economy

Growth prospects for the Malaysian economy remain favourable in 2007, despite uncertainty in the global economic environment. Strong domestic economic fundamentals will enable the economy to grow at 6.3% in 2007 (2006:5.9%).

On the supply side, output growth is supported by expansion in all sectors of the economy. The services sector is envisaged to contribute significantly to real Gross Domestic Product (GDP) growth, led by robust household spending and buoyant business activity. The manufacturing sector is expected to pick up in the second half of the year on the back of an anticipated recovery in global electronics demand. The agriculture sector will continue to expand, supported by higher output of food commodities. The scheduled implementation of Ninth Malaysia Plan (9MP) projects and improvement in the property market will further boost the construction sector. Output growth of the mining sector is envisaged to turn positive, with increased crude oil production in the second half of the year.

On the demand side, growth will be driven by resilient domestic demand of both private and public sectors, largely due to stronger consumer sentiment and business confidence as well as higher Government spending. On the external front, Malaysia is expected to record a smaller trade surplus, as import growth picks up momentum in line with increased domestic economic activity. Supported by the increase in inflows of foreign direct investment (FDI), higher tourist arrivals and sustained export earnings, the overall balance of payments (BOP) position are expected to remain strong. Per capita income is envisaged to grow by 7.2% to RM22,345(2006: 9.9%; RM20,841), while per capita income in terms of Purchasing Power Parity (PPP), is expected to increase by 13.9% to USD13,289 in 2007 (2006: 13.0%; USD11,663).

Monetary policy in 2007 continues to emphasise economic growth with price stability. With inflation continuing to ease amidst steady economic growth, the overnight policy rate (OPR) was left unchanged since April 2006. Monetary conditions were supportive of economic activity, especially interest rates that remained stable. Money supply expanded, mainly due to the larger increase in net external operations and steady private sector financing. The ringgit continued to strengthen against the USD, supported by strong economic fundamentals and higher portfolio inflows, reinforced by market-friendly measures.

Malaysia's external position is expected to remain strong in line with improved prospects for global growth and world trade. The goods account of the balance of payments (BOP) is expected to record a surplus of RM130,755 million in spite of import growth. This is on account of increased domestic economic activity and to meet rising demand for manufactured goods. Imports are projected to post a stronger growth of 8.2% to RM530,454 million.

The Malaysian economy is anticipated to strengthen further to 6.0-6.5% in 2008 with positive contribution from all sectors of the economy. Domestic demand will be the main driver of the economy, while external demand is expected to pick up in tandem with improved prospects in world trade. Private investment and consumption spending are expected to remain robust, while public expenditure continues to expand. Inflation is anticipated to remain low despite strong expansion in the economy as output growth is still below potential level. Coupled with increased productivity, the economy would be able to absorb higher output and firm commodity prices, nominal GNP per capita is expected to rise 6.8% to RM23,864 in 2008. In terms of PPP, per capital income is expected to increase 6.9% to reach USD14,206 reflecting improved quality of life of the nation.

(Source: Economic Report 2007 / 2008)

4.4.3 Overview of the Oil and Gas Industry

The Oil and Gas Industry plays a significant role as a major contributor to the growth and development of the Malaysian economy, contributing in terms of domestic production, as a major generator of export earnings, and as a source of feedstock and raw materials for the chemical and petrochemical industries.

The majority of the Exploration, Appraisal, Development and Production activities of the Oil and Gas Industry in Malaysia is carried out offshore. Historically, activity has been focused in the shallow waters (informally defined as water depth of less than 200 metres) off the East Coast of Peninsular Malaysia, Sabah and Sarawak.

Deepwater and ultra-deepwater areas are becoming increasingly important, and are expected to drive the future growth and development of the Malaysian Oil and Gas Industry.

Malaysia is also an active refining centre for the Oil and Gas Industry. In 2007, operators that are involved in the refining activities in Malaysia are as follows: -

(i) Five refineries and one gas-to-liquid plant involved in refining crude oil;
(ii) Three liquefied natural gas plants and six gas-processing plants involved in refining natural gas.

Domestic Production

The activities of the Oil and Gas Industry in Malaysia include the production of crude oil, the production of natural gas, and refining. The Oil and Gas Industry is also an important generator of foreign direct investment, the majority of which drives other business activities within the sector.

For the FYE 31 March 2007, the average daily production of Crude Oil and Condensates amounted to 661,000 BOE.

As at 1 January 2008, preliminary data indicates that Malaysia's Reserves of Crude Oil (including Condensates) amounted to 5.35 billion BOE. If these reserves were extracted at a constant rate equal to the Crude Oil (including Condensate) production rate recorded in 2007, production is projected to continue for 22 years.

For the FYE 31 March 2007, average daily production of Natural Gas amounted to 950,400 BOE.

As at 1 January 2008, preliminary data indicates that Malaysia's Reserves of Natural Gas amounted to 15.33 billion BOE. At the current daily rate of Natural Gas production, production in Malaysia is projected to continue for 38 years.

In 2007, the sales value of the manufacture of Refined Petroleum Products increased by 9.0% to reach RM89.8 billion.

The Oil and Gas Industry in Malaysia invests a significant amount of resources into Exploration and Production activities. For the FYE 31 March 2007, investment in the Exploration and Production of Oil and Gas increased by 19.5% to reach approximately RM19.2 billion.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

Exports

The primary exports of the Oil and Gas Industry in Malaysia are crude oil, natural gas, and refined petroleum products. These exports represent a significant proportion of the nation's exports, and are an important source of foreign exchange.

In 2007, the export value of Petroleum Oils, Crude, and Crude Oils obtained from Bituminous Minerals increased by 3.0% to reach RM33.5 billion.

In 2007, the export value of Refined Petroleum Products increased by 3.2% to reach RM19.8 billion.

In 2007, the export value of Natural Gas (whether Liquefied or Not) increased by 12.3% to reach RM26.2 billion.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

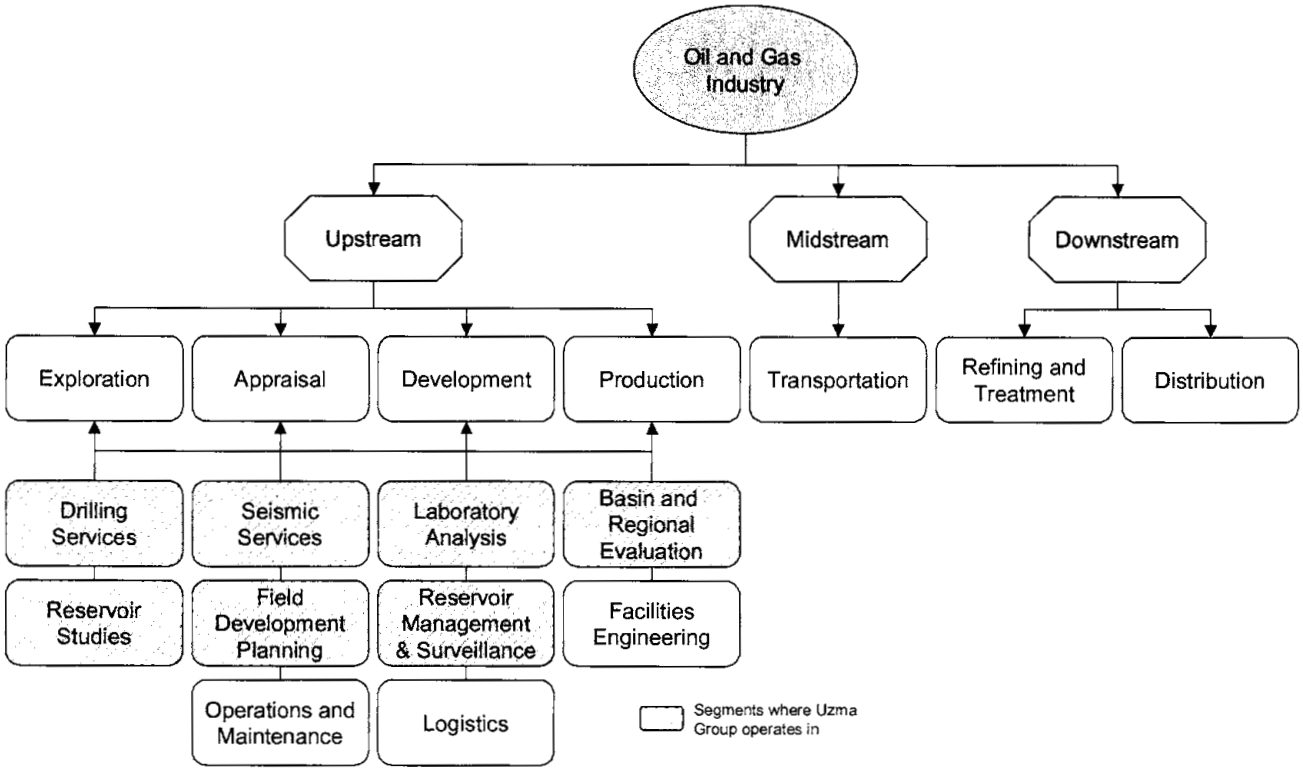
[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.4.4 The Segments of the Oil and Gas Industry

Our Group is principally engaged in providing Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services, which are covered by the broader umbrella of the Oil and Gas Industry.

The overall structure of the Oil and Gas Industry is depicted as follows: -



In general, the overall Oil and Gas Industry may be segmented into the Upstream, Midstream and Downstream sectors. The Upstream sector comprises Exploration, Appraisal, Development and Production segments. The Midstream sector comprises Transportation, while the Downstream sector comprises the Refining and Treatment, and Distribution segments.

Exploration primarily involves gaining an understanding of the geological structure of the region and basin, and discovering of hydrocarbon accumulations through the acquisition and analysis of various forms of data, including seismic, core sample, petrophysical and fluid data.

Appraisal comprises activities that are concerned with determining whether or not the discovered hydrocarbon accumulations are economically viable. Appraisal usually involves the acquisition and analysis of additional seismic, core, petrophysical and fluid data. Appraisal also involves more extensive types of analysis, including reservoir modelling.

Development comprises activities that are carried out to bring an untapped economically viable hydrocarbon reserve into production or significantly expanding an existing production facility, including additional data analysis and modelling to gain a better understanding of the reservoir. Other development activities include field development planning, development drilling, and engineering, designing, fabricating, installing and commissioning production facilities and pipelines.

Production comprises activities that are related to the extraction of hydrocarbons from identified and developed hydrocarbon reserves. One of the key goals of production is to maximise the extraction of hydrocarbons while minimising costs. During production, analysis such as reservoir modelling is on-going as more data is gathered. In addition, additional appraisal and development activities will also continue.

Transportation comprises the activities related to the transportation of extracted hydrocarbons from production fields to storage facilities and refineries. Transportation activity includes the operation of onshore and offshore hydrocarbon pipelines, and the operation of hydrocarbon transport vessels.

Refining and Treatment comprises activities that are related to the processing of extracted hydrocarbons into a form that is utilised by intermediate and final users. Petroleum refining primarily involves fractional distillation to separate the different petroleum fractions from crude petroleum. Natural gas treatment involves purifying and / or liquidifying of natural gas to facilitate storage, transportation and usage.

Distribution comprises activities that are related to the transportation and distribution of refined and treated hydrocarbons to end-users. Distribution activities include the operation of tankers, domestic gas networks, and retail outlets such as petrol stations.

Supporting Activities for the Upstream Sector

Some of the activities that support the Upstream sector of the Oil and Gas Industry (comprising Exploration, Appraisal, Development and Production segments) include: -

(i) Drilling Services
(ii) Seismic Services
(iii) Basin and Regional Evaluation
(iv) Field Development Planning
(v) Reservoir Studies
(vi) Reservoir Management and Surveillance
(vii) Laboratory Analysis
(viii) Operations and Maintenance
(ix) Facilities Engineering
(x) Logistics

Many of these supporting activities are recurring in nature, in that one or more of these activities will be carried out repeatedly during the life of a hydrocarbon reservoir.

Drilling Services refer to the wide range of services that support drilling activities carried out by the Oil and Gas Industry. Drilling Services are carried out during the Exploration and Appraisal segments to gather rock and fluid samples, and petrophysical and other reservoir data. Drilling Services carried out for Development involves drilling into the hydrocarbon reserve, followed by the installation of completion and wellhead equipment to produce hydrocarbons in a controlled manner. Additional data is also usually gathered during development drilling. During Production, additional Drilling Services may be required to repair or modify a completed well. The various activities that are included under Drilling Services are included in Section 4.4.6 below.

Seismic Services involves a set of activities that are carried out to gather, process and analyse seismic data to determine the geological structure of a defined area. Seismic Services are divided into three distinct phases, i.e. Acquisition, Processing and Interpretation.

4. INFORMATION ON OUR GROUP *(Cont'd)*

Basin and Regional Evaluation are analytical activities carried out by geoscientists to gain an overall understanding of regional petroleum systems and sedimentary basins so that informed decisions can be made with regard to investment in exploration drilling and additional seismic acquisition.

Field Development Planning is carried out to select and define the best development concept, including reservoir management, facilities design, well design, and operations and management philosophy, before major capital expenditure is committed to produce hydrocarbons from a field. Authorising bodies normally require the submission of a Field Development Plan for approval to ensure that development complies with Government requirements. In Malaysia, PETRONAS requires that Field Development Plans be reviewed periodically and updated every 3 to 5 years.

Reservoir Studies are carried out by geoscientists and engineers to gain an overall understanding of the hydrocarbon reservoir, and to examine in detail particular aspects of the hydrocarbon reservoir. Reservoir Studies typically use data gained during drilling, seismic surveys, and subsequent laboratory analysis. Reservoir Studies often require the creation of computer models using powerful computer hardware and software. Several disciplines are involved for Reservoir Studies, including geophysics, geology, reservoir engineering and petrophysics.

Reservoir Management and Surveillance is required on an on-going basis to manage hydrocarbon reservoirs and individual wells to ensure optimal hydrocarbon production. Reservoir Management and Surveillance typically commences with the building of a dynamic reservoir model using powerful computer hardware and software. This allows initial decisions to be made regarding overall reservoir drainage and individual well design. Hydrocarbon reservoir and individual well performance is continuously monitored, and the dynamic model is updated and detailed studies are carried out. Some studies are concerned with enhanced oil recovery, which is aimed at boosting production and / or recoverable reserves, as typically less than 40% of available hydrocarbons are recovered using conventional means.

Laboratory Analysis in the Upstream sector of the Oil and Gas Industry primarily involves the preparation, analysis and storage of core and fluid samples obtained during drilling testing or production. Laboratory Analysis provides geoscientists and engineers with detailed data that they require to carry out Reservoir Studies, and Reservoir Management and Surveillance activities.

Operations and Maintenance activities are required to keep production facilities in safe operational condition. Although there is a move towards increasing automation at production facilities, Operations and Maintenance activities are still labour intensive and require the participation of engineers and technicians specialising in various disciplines.

Facilities Engineering is concerned with the design and fabrication of production and process facilities and pipelines. The Facilities Engineering process usually commences with a Field Development Plan, or Field Review and Field Development Plan update. Facilities Engineering usually involves front-end engineering, detailed design, fabrication, installation, and commissioning. Various engineering disciplines are involved in Facilities Engineering, including electrical, instrumentation, instrumentation, civil, structural, process, mechanical, and pipeline engineering.

Logistics services provide support to other supporting activities for the Upstream sector of the Oil and Gas Industry. Supporting activities such as Seismic Services, Drilling Services, Facilities Engineering and Operations and Maintenance require extensive Logistics support and sophisticated supply chain management. Vehicles such as oilfield trucks, anchor handling vessels, supply vessels, aircraft and helicopters provide logistics support and emergency response services.

4. INFORMATION ON OUR GROUP *(Cont'd)*

These supporting activities may be carried out by Second Tier Oil and Gas Industry Companies, or be fully or partially outsourced to Third Tier Oil and Gas Industry Companies.

Our Group is currently engaged in providing the following types of supporting activities to the Upstream sector of the Oil and Gas Industry: -

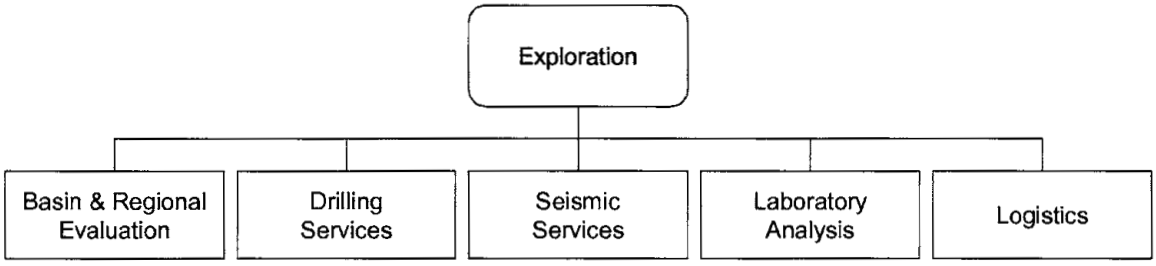
(i) Drilling Services
(ii) Seismic data interpretation (a subset of Seismic Services)
(iii) Basin and Regional Evaluation
(iv) Field Development Planning
(v) Reservoir Studies
(vi) Reservoir Management and Surveillance
(vii) Providing Laboratory Services and carrying out Laboratory Analysis

The supporting activities to the Upstream sector of the Oil and Gas Industry provided by our Group are primarily related to Oil and Gas Drilling, Geoscience and Reservoir Engineering activities. As such, this section shall focus mainly on the Oil and Gas Drilling, Geoscience and Reservoir Engineering sectors.

Description of the Upstream Sector

Exploration

The main supporting activities that are carried out in the Exploration segment of the Oil and Gas Industry include: -



The ultimate aim of Exploration is to gain an understanding of the geological structure of the region and basin, and to discover hydrocarbon accumulations.

Exploration involves activities related to the gathering and analysis of data such as seismic data, core samples, and petrophysical and fluid data.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

Some of the main supporting activities that are carried out in Exploration include: -

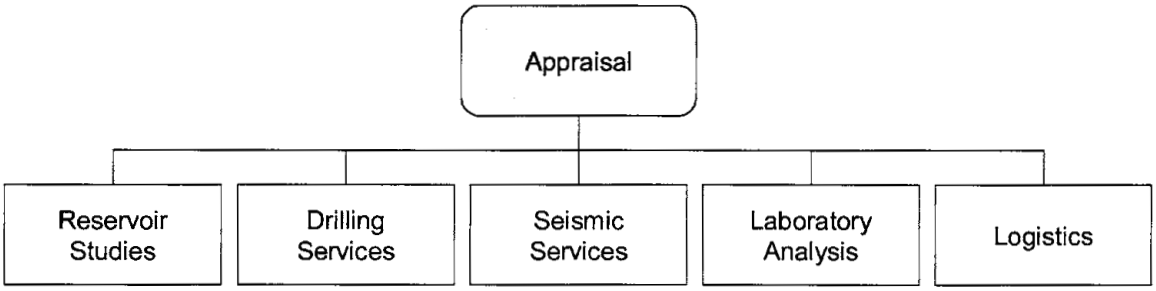
(i) Basin and Regional Evaluation
(ii) Drilling Services
(iii) Seismic Services
(iv) Laboratory Analysis
(v) Logistics

Our Group is involved in the following fields of Exploration: -

(i) Basin and Regional Evaluation
(ii) Drilling Services through planning and managing exploration drilling projects and wellsite and operational geology services
(iii) Seismic data interpretation
(iv) Providing Laboratory Services

Appraisal

The main supporting activities that are carried out in the Appraisal segment of the Oil and Gas Industry include: -



Appraisal comprises activities that are concerned with determining whether or not the discovered hydrocarbon accumulations are economically viable.

Some of the main supporting activities that are carried out in Appraisal include: -

(i) Reservoir Studies
(ii) Drilling Services
(iii) Seismic Services
(iv) Laboratory Analysis
(v) Logistics.

Our Group is involved in the following activities related to Appraisal: -

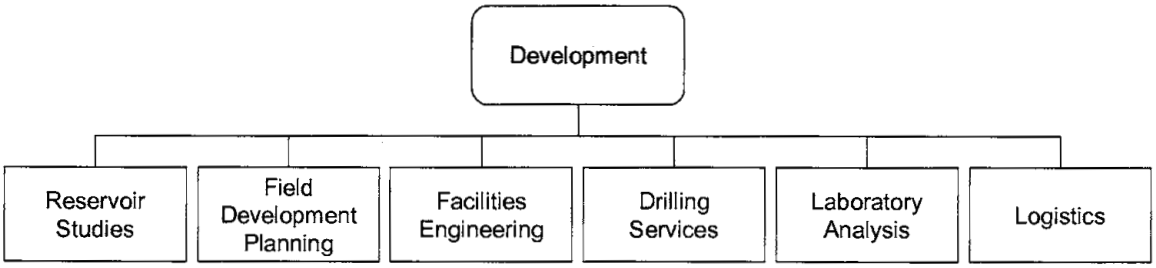
(i) Reservoir Characterisation;
(ii) Prospect Evaluation;
(iii) Drilling Services through planning and managing appraisal drilling projects, and wellsite and operational geology services;
(iv) Seismic data interpretation;
(v) Providing Laboratory Services.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

Development

The main supporting activities that are carried out in the Development segment of the Oil and Gas Industry include: -



Development comprises activities that are carried out to bring an untapped economically viable hydrocarbon reserve into production, or significantly expanding an existing production facility.

Some of the main supporting activities that are carried out in Development include: -

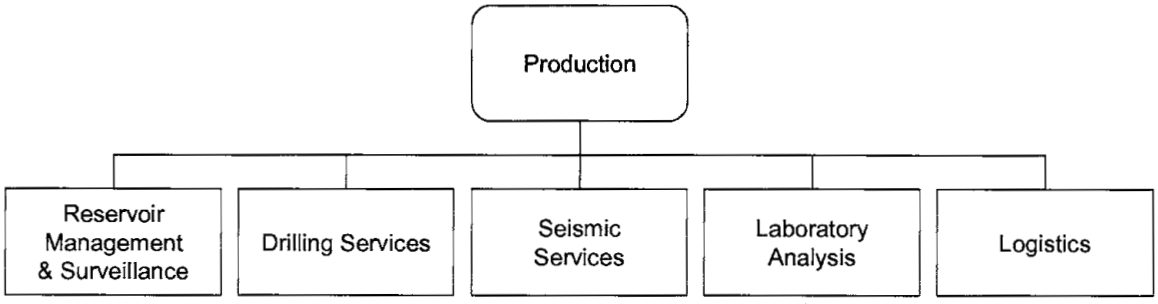
(i) Reservoir Studies
(ii) Field Development Planning
(iii) Facilities Engineering
(iv) Drilling Services
(v) Laboratory Services
(vi) Logistics.

Our Group is involved in the following activities related to Development: -

(i) Reservoir Characterisation and Modelling;
(ii) Field Development Planning;
(iii) Drilling Services through planning and managing drilling projects, and wellsite and operational geology services;
(iv) Providing Laboratory Services.

Production

The main supporting activities that are carried out in the Production segment of the Oil and Gas Industry include: -



Production comprises activities are related to the extraction of hydrocarbons from identified and developed hydrocarbon reserves. One of the key goals of production is to maximise the extraction of hydrocarbons while minimising costs.

Some of the main supporting activities that are carried out in Production include: -

(i) Reservoir Management and Surveillance
(ii) Drilling Services
(iii) Seismic Services
(iv) Laboratory Analysis
(v) Logistics

Our Group is involved in the following activities related to Production: -

(i) Reservoir Management
(ii) Enhanced Oil Recovery through studies and implementation
(iii) Seismic data re-interpretation
(iv) Production enhancement studies

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.5 The Geoscience and Reservoir Engineering Industry

Geoscience and Reservoir Engineering is the field of petroleum engineering concerned with finding reserves, characterising the reservoir, and optimising the production of Oil and Gas from reserves. Geoscience and Reservoir Engineering is applied to the Exploration, Appraisal, Development and Production segments of the upstream Oil and Gas Industry. The Geoscience and Reservoir Engineering Industry may be segmented into: -

(i) Seismic Services
(ii) Studies
(iii) Laboratory and Analytical Services

Seismic Services

The principal activities in Seismic Services are: -

(i) Data acquisition
(ii) Data processing
(iii) Data interpretation

Data acquisition utilises sophisticated vessels or land vehicles to create and measure seismic waves. The raw data is stored in digital format for processing.

In Seismic processing, specialised interpretation geophysicists utilise complex algorithms supported by sophisticated software to transform the raw digital data into a usable form by removing anomalies and improving its quality to a standard that is suitable for further study and use.

Modern Seismic data interpretation makes use of powerful computers and software to display a large amount of information simultaneously. Seismic interpretation is used in, and is an integral part of, various types of geoscience and reservoir engineering studies.

Our Group has no involvement in data acquisition. Seismic interpretation is carried out by our Group as an integral part of our Group's Geoscience and Reservoir Engineering Services.

Studies

Geoscience and Reservoir Engineering Service companies carry out a wide range of subsurface studies, some of them broad, but many of them very specialised in nature. Studies form an integral part of the following activities in the upstream sector of the Oil and Gas Industry: -

(i) Reservoir Studies
(ii) Basin and Regional Studies
(iii) Field Development Planning
(iv) Reservoir Management and Surveillance

Within the industry companies providing Geoscience and Reservoir Engineering Services may be very specialised or offer a broad range of services. Our Group has the capability to carry a broad range of Geoscience and Reservoir Engineering Service studies and works with technology partners to provide specialised input and / or software as parts of our Group's studies. Our Group's Geoscience Reservoir Engineering Studies services are described in more detail in Section 4.2.2.1 of this Prospectus.

Laboratory and Analytical

Drilling Services and production activities acquire vast quantities of reservoir rock and fluids samples. This has encouraged a large laboratory and analytical industry sector to develop which prepares, analyses and stores the samples. There are various types of laboratories but these can be broadly categorised into core and cuttings, fluids, and speciality services, for example cement, drilling fluids and formation damage.

Our Group currently provides analytical services for cores.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.6 Drilling Services

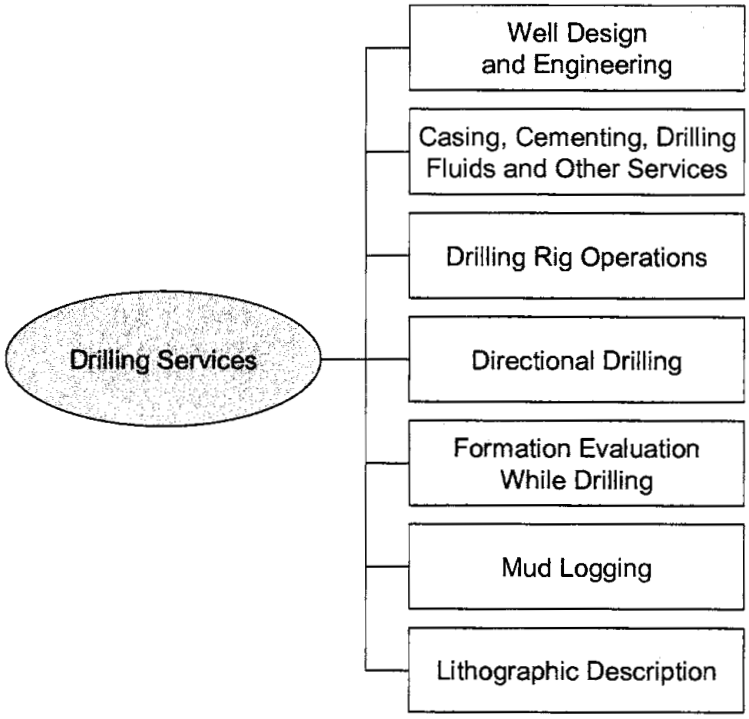
In general, Drilling Services refer to the range of services that support exploration drilling, appraisal drilling, development drilling, and other drilling activities carried out by the Oil and Gas Industry. Drilling Services are applied to the Exploration, Development, Appraisal and Production segments of the Oil and Gas Industry.

Drilling Services are applied together with drilling products such drill bits, tubing, casing, downhole tools, drilling rigs and other supporting equipment to carry out these drilling activities.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

The range of activities that are included under Drilling Services are illustrated in the figure below: -



Well Design and Engineering generally refers to the set of engineering activities intended to efficiently design exploration, appraisal, production and injection wells. Well Design and Engineering activities range from formulating the overall drilling strategy to designing individual programmes.

Casing, Cementing, Drilling Fluids and Other Services refers to the activities related to drilling and completing the well. Casing is typically installed to achieve a number of goals, including to isolate different zones in the formations from one another, seal off high pressure zones from the surface, or isolate freshwater zones so that they are not contaminated during drilling and completion. Other Services include the supply of drilling and completion fluids, and the provision of completion services and well testing services.

Drilling Rig Operations refer to the activities that are related to the management of drilling rigs.

Directional Drilling refers to the activities that are related to the drilling of wells with deviation from the vertical. Wells are drilled to a location not directly below the drilling unit to optimise reservoir drainage.

Formation Evaluation While Drilling (FEWD) refers to petrophysical measurements acquired while drilling, or shortly thereafter, through the use of tools integrated into the bottomhole assembly. FEWD has the advantage of measuring properties of a formation before drilling fluids invade deeply.

In **Mud Logging**, data and samples are collected while drilling is on-going to gather useful information about the rock layers that are being penetrated, and to determine if the hydrocarbon reservoir is reached.

Lithographic Description involves analysing the cuttings and core samples recovered during drilling, and preparing a lithographic log over the length of the well.

Our Group is involved in the following Drilling Services activities: -

(i) Well Design and Engineering
(ii) Lithographic Description
(iii) Directional Drilling, through directional planning and supervision of directional drilling operations
(iv) Supervision of Formation Evaluation While Drilling operations
(v) Supervision of drilling operations, Mud Logging and other services

Our Group can undertake the full scope of Drilling Project Management services. Our Group's role in Drilling Project Management can be segmented into the following activities: -

(i) Design and engineering
(ii) Operation supervision and management.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.7 Past Performance, Prospects and Outlook of the Oil and Gas Drilling, and Geoscience and Reservoir Engineering Services Industry in Malaysia

The outlook for the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry in Malaysia is **favourable**.

The outlook for the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry as a whole is dependent on the outlook of the overall Oil and Gas Industry. As such, the favourable outlook of the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry in Malaysia is based on the following observations and analyses:

Local Exploration Activity

Between the FYEs 31 March 2003 and 31 March 2007, Investment in the Exploration and Production sectors of the Malaysian Oil and Gas Industry by PETRONAS and PSC Operators / Contractors increased at an average annual rate of 20.6%. For the FYE 31 March 2007, investment increased by 19.5% to reach RM19.2 billion.

Between the FYEs 31 March 2001 and 31 March 2006, a total of 28 PSC were signed between PETRONAS and PSC Operators / Contractors. For the FYE 31 March 2006, 9 PSC were signed and a record 60 PSC were in operation. During the FYE 31 March 2007, 4 new PSC were signed, 2 of which were for deepwater blocks.

Between the FYEs 31 March 2003 to 2007, Offshore Seismic Survey Data Recovered declined at an average annual rage of 8.2%. In 2007, the amount of Offshore Seismic Survey Data recovered declined by 43.1% to approximately 250,000 line kilometres of 3-Dimensional seismic data.

Between the FYEs 31 March 2001 and 2007, the number of Oil and Gas fields in operation in Malaysia increased from 53 to 85. For the FYE 31 March 2007, a total of 85 fields were in operation, of which 59 were Oil fields while the remaining 26 were Gas fields.

Between the FYEs 31 March 2003 to 31 March 2007, the number of Exploration Wells Drilled increased at an average annual rate of 5.1%. For the year ended 31 March 2007, the number of Exploration Wells Drilled declined by 26.4% compared to the previous year. A total of 39 Exploration Wells were drilled during the year ended 31 March 2007.

Local Production and Reserves

Between the FYEs 31 March 2003 and 2007, average daily production of Crude Oil and Condensates declined at an annual average growth rate of 1.5%. For the FYE 31 March 2007, average daily production of Crude Oil and Condensates declined by 5.4% to 661,000 BOE per day.

As at 1 January 2008, preliminary data indicates that Malaysia's Reserves of Crude Oil (Including Condensates) amounted to 5.35 billion barrels of oil equivalent. If these reserves were extracted at a constant rate, production is estimated to continue for 22 years.

Between the FYEs 31 March 2003 and 2007, average daily production of Natural Gas declined marginally at an average annual rate of 0.2%. For the FYE 31 March 2007, average daily production of Natural Gas declined by 0.7% to 950,400 BOE per day.

As at 1 January 2008, preliminary data indicates that Malaysia's Reserves of Natural Gas amounted to 15.33 billion BOE. At the current daily rate of Natural Gas production, production in Malaysia is projected to continue for 38 years.

Between 2004 and 2007, the sales value of the manufacture of Refined Petroleum Products grew at an average annual growth rate of 20.9%. In 2007, the sales value of the manufacture of Refined Petroleum Products increased by 9.0% to reach RM89.8 billion.

Exports

Between 2003 and 2007, the export value of Petroleum Oils, Crude, and Crude Oils Obtained From Bituminous Minerals increased at an average annual rate of 20.5%. In 2007, export value increased by 3.0% to reach approximately RM33.5 billion.

Between 2003 and 2007, the export value of Petroleum Products, Refined increased at an average annual rate of 24.0%. In 2007, export value increased by 3.2% to reach approximately RM19.8 billion.

Between 2003 and 2007, the export value of Natural Gas, Whether or not Liquefied increased at an average annual rate of 18.4%. In 2007, export value increased by 12.3% to reach approximately RM26.2 billion.

Additional Factors

The Oil and Gas Industry in Malaysia's continuing push into producing from deepwater resources should continue to drive the growth of the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry. Deepwater exploration, appraisal and development is typically more complex and riskier compared to shallow water development, and often requires a substantial amount of specialised support services. For example, due to the higher risk and cost anticipated, more complete and detailed field reviews may be carried out to maximise recovery and minimise risk.

The on-going development and improvement of Oil and Gas Industry technology should sustain the growth of the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry as PSC Operators / Contractors continue to demand these new technologies.

Activity in the Oil and Gas Industry is likely to continue to grow with the sustained high global market price for hydrocarbons. On 30 April 2008, the spot price of Brent Crude Oil fluctuated around USD111 per barrel.

Sustained high price for hydrocarbons is likely to sustain hydrocarbon exploration, development and production activity. Demand for Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services such as seismic data interpretation, full field reviews, field development planning and enhanced oil recovery methods should be sustained by the desire to maximise production from existing oilfields.

In particular, discovery of new reserves may lead to demand for Geoscience and Reservoir Engineering services such as field reviews, field development planning and enhanced oil recovery methods to maximise production.

Deepwater production in Malaysia, which commenced in August 2007 when the Kikeh field came on-stream *(Source: PETRONAS)*, is expected to help drive development of supporting products and services to the Oil and Gas Industry in Malaysia. This will also position Malaysia closer to its aspiration of becoming the regional centre for deepwater capabilities.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.8 Industry Players and Competition

Competitive Nature

In general, the Oil and Gas Geoscience and Reservoir Engineering Services, Drilling Services and Project and Operations Services Industry operate under **normal** competitive conditions.

However, there are some conditions as follows: -

(i) In Malaysia, only service companies that are licensed or registered by PETRONAS are allowed to bid directly for work provided by PETRONAS and PSC Operators / Contractors in the Oil and Gas Industry;

(ii) Registration as a contractor with the Ministry of Finance under specified categories is a pre-requirement for PETRONAS licensing or registration under specified Standardised Work and Equipment Categories; and

(iii) All service companies who wish to obtain contracts from the Malaysian Government or to bid directly for work provided by PETRONAS and PSC Operators / Contractors in the Oil and Gas Industry in Malaysia are required to register as contractors with the Ministry of Finance.

Therefore, although service providers within the Oil and Gas Geoscience and Reservoir Engineering Services, Drilling Services and Project and Operations Services Industry operate under normal competitive conditions, it is imperfect due to the requirements for licensing and registration that partly inhibits free competition.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

As with most free enterprise environments, once all the licensing and registration requirements have been complied with, competition is based on a number of factors, including: -

(i) Technical compliance to customers' specifications and requirements
(ii) Geoscience, engineering and technical service capability
(iii) Availability of qualified geoscientists, engineers and technicians, and other related professionals and technicians
(iv) Health, Safety and Environment management
(v) Access to technology
(vi) Cost competitiveness
(vii) Quality of products and services
(viii) Prompt delivery and compliance with deadlines

Competitive Intensity

In general, competitive intensity among operators in the Oil and Gas Geoscience and Reservoir Engineering, Drilling, and Project and Operations Services Industry is **low to moderate**.

Considerations on competitive intensity are as follows: -

Factors that Increase Competitive Intensity

A large proportion of the contracts are awarded on an open tender basis. This system tends to create a highly competitive environment.

In practice all-open tender situations, once the technical specifications are fully complied, the contract is awarded to the lowest price bid.

Large international firms may be involved in the bidding process through their local subsidiaries or partners in situations where large, complex and high value projects are placed on tender.

In some situations, there are many bidders with the relevant credentials for tender and non-tender jobs.

Factors that Moderate Competitive Intensity

Competition for contracts within the Oil and Gas Industry in Malaysia is ultimately restricted to service companies with the relevant PETRONAS license or registration. The number of service companies with the relevant license or registration to provide a particular service or product may be limited, particularly in the case of more specialised or advanced products and services.

Some clients may award certain contracts based on closed tender, restricted tender, or a direct negotiation basis. In these instances, competitive intensity is reduced.

The technical requirements and specifications for some complex projects may be so challenging that only a small number of the more specialised service companies are able to meet the requirements.

Some service companies may not be able to meet the "similar experience" track record requirement for more specialised projects.

Clients normally take into consideration non-price factors, such as technological ability and the ability to provide specialised geoscientists, engineers and technicians in awarding more complex and challenging projects.

Operators in the Industry

As at 30 April 2008, providers of Oil and Gas Geoscience and Reservoir Engineering Services operating in Malaysia include the following: -

(i) Uzma Group
(ii) Fugro Group
(iii) GeoMechanics International Inc. (a member of the Baker Hughes Group)
(iv) Halliburton Group
(v) Orogenic Group
(vi) Rabutec Sdn Bhd
(vii) RML Reservoir Management Sdn Bhd
(viii) Schlumberger Group

As at 30 April 2008, providers of Oil and Gas Drilling Services operating in Malaysia include the following: -

(i) Uzma Group
(ii) GeoMechanics International Inc. (a member of the Baker Hughes Group)
(iii) Halliburton Group
(iv) Orogenic Group
(v) Rabutec Sdn Bhd
(vi) Schlumberger Group

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.9 Laws and Regulations

Government Regulations

All rights related to the exploration and extraction of petroleum in Malaysia is vested in PETRONAS under the Petroleum Development Act 1974. PETRONAS was also granted control over the carrying out of downstream activities and development relating to petroleum and its products under the Petroleum Development Act 1974.

All companies wishing to participate in the Oil and Gas Industry are required to obtain the necessary licences, or successfully register with PETRONAS before they are allowed to participate in these activities.

PETRONAS Licenses and Registrations

Applicants are required to specify the scope of work for which the licence or registration is being applied for, based on a set of Standardised Work & Equipment Categories ("SWEC"). An individual licence or registration must be obtained for each SWEC.

Companies that have obtained a license for a SWEC are allowed to participate in the upstream sector, downstream sector, and maritime sector of the Oil and Gas Industry.

In contrast to a licence, companies that are registered in a SWEC are only allowed to participate in the downstream sector and maritime sector of the Oil and Gas Industry. Registered companies are not allowed to participate in the upstream sector or in the offshore sector.

Generally, licenses and registration are effective for a period of 1 year. However, licenses and registration that are effective for a period of more than 1 year may be considered.

4. INFORMATION ON OUR GROUP *(Cont'd)*

Prior to 1 April 2008, SWEC classification is divided into 3 categories. The example below illustrates the categorisation system: -

Old SWEC Code	Description	Category
SM4	Mechanical & Electrical Engineering	Primary Category
SM4 – 01	Construction Work – Major	Secondary Category
SM1 – 01.1	Mechanical Engineering	Tertiary Category

Uzma Malaysia, a wholly-owned subsidiary of our Group, holds the following licences and registration issued by PETRONAS under the old SWEC classification system: -

Code	Approved Licence Categories	Effective Dates
SC4 Computer Services	05 Software License	31 October 2007 to 30 October 2009
SC5 Consultancy Services	20 Integrated Full Field Review	31 October 2007 to 30 October 2009
SG1 Geological & Reservoir	03 Geological Fieldwork 04 Laboratory Services 04.1 Biostratigraphy # 04.2 Petrography # 04.3 Geochemical # 04.4 Core Analysis # 04.5 Sedimentology / Diagenetic # 04.6 Radioactive Tracer Analysis # 04.7 Fluids Analysis # 10 Rock Sample Analysis 11 Fluid Sample Analysis 12 Modeling System / Software 12.1 Structural Geology 12.2 Geochemistry & Basin Modeling 12.3 Core Analysis 12.4 Sedimentology 13 Geological Consultancy Services 13.1 Structural Geology / Geomechanics 13.2 Geochemistry 13.3 Petrophysical Analysis 13.4 Biostratigraphy 13.5 Sedimentology 13.6 PVT Fluid 15 Data Handling & Transportation 15.1 Structural Geology / Geomechanics 15.2 Geochemistry 15.3 Core Analysis Result 15.4 Biostratigraphy 15.5 PVT Fluid	31 October 2007 to 30 October 2009
SG2 Geophysical Services	03 Seismic Data Processing / Reprocessing 07 Seismic Interpretation Services 08 Seismic Interpretation / Mapping Systems 09 Seismic Modelling	31 October 2007 to 30 October 2009
SM2 Manpower Supply	01 Professional Staff 02 Construction Technical Personnel	31 October 2007 to 30 October 2009
SM2 Manpower Supply ^	07 General Manpower for Office Services	31 October 2007 to 30 October 2009
SP3 Specialised Drilling / Workover Services	07 Drilling Consultancy 07.2 Specialised Drilling / Production Study	31 October 2007 to 30 October 2009
SQ1 Quality Assurance	02 General Inspection Services	31 October 2007 to 30 October 2009

4. INFORMATION ON OUR GROUP *(Cont'd)*

Notes: -

\# *Category has been annulled by PETRONAS, Uzma Malaysia has been requested to submit an application for additional categories*
^ *PETRONAS registration*

On 1 April 2008, PETRONAS introduced a new SWEC classification system to replace the old SWEC classification system. Under the new SWEC classification system, SWECs are categorised into up to 5 levels, although not all SWEC classifications are defined up to the fifth level. The examples below illustrate the new SWEC classification system: -

New SWEC Code	Description	Level
SQ103030201	QUALITY ASSURANCE Inspection Services Equipment Inspection Lifting Equipment Offshore Crane Inspection	Primary Level Secondary Level Tertiary Level Fourth Level Fifth Level
SG201010000	GEOPHYSICAL SERVICES Magnetic & Gravity Survey Magnetic & Gravity Survey - Aerial - -	Primary Level Secondary Level Tertiary Level Fourth Level Fifth Level

Uzma Malaysia, a wholly-owned subsidiary of our Group, holds the following licences and registration issued by PETRONAS under the new SWEC classification system: -

New SWEC Code	Primary Level	Secondary Level	Tertiary Level	Effective Dates
SO201030000 #	S02 OFFSHORE FACILITIES CONSTRUCTION	01 Offshore Construction	03 Hook-up & Commissioning of Offshore Facilities	31 October 2007 to 30 October 2009

Note: -

\# New SWEC category defined up to Tertiary Level.

Registration with the Ministry of Finance

Uzma Malaysia, our wholly-owned subsidiary, is registered as a Bumiputera Contractor with the Ministry of Finance Malaysia. This registration expires on 24 April 2010.

Uzma Malaysia holds the following registrations with the Ministry of Finance: -

(i) Code number 220501, "Kontrak Buruh"
(ii) Code number 220502, "Tenaga Pengajar"
(iii) Code number 220503, "Data Entry / Perisian"

These registrations expire on 24 April 2010.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

Government Initiatives and Incentives

As part of the aim to promote and encourage local participation in the Oil and Gas Industry, PETRONAS has implemented the following initiatives: -

(i) licensing and registration of companies with preference given to local companies
(ii) implementation of the Vendor Development Programme (VDP) for Bumiputera entrepreneurs

Environmental Regulation

Our Group does not generate any waste that is likely to have a negative impact on the environment during the normal course of our Group's normal business operations.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.10 Demand and Supply Conditions

(i) Demand

Essentially, demand for Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services will come from the local and export market demand of the overall Oil and Gas Industry.

As demand for Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services is ultimately dependent on the growth of Oil and Gas Industry, the following analysis of the performance of the Oil and Gas Industry will impact on the demand for Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services.

(a) Exploration Well Drilling

Between FYEs 31 March 2003 and 2007, the number of Exploration Wells Drilled increased at an average annual rate of 5.1%.

For the FYE 31 March 2003, the number of Exploration Wells Drilled increased by 3.2% compared to the previous year.

For the FYE 31 March 2004, a total of 25 Exploration Wells were drilled, representing a decline of 21.9% over the previous financial year.

However, Exploratory Well Drilling activities increased sharply by 88.0% for the FYE 31 March 2005 as a total of 47 Exploration Wells were drilled. 11 of these Exploration Wells were in deepwater.

For the FYE 31 March 2006, Exploratory Well Drilling activities increased, with the number of Exploration Wells drilled increasing by 12.8% with a total of 53 Exploration Wells were drilled.

During the FYE 31 March 2007, the number of Exploratory Wells Drilled declined by 26.4%, with a total of 39 Exploration Wells drilled.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

(b) PSC

Between FYEs 31 March 2001 and 2006, a total of 28 PSC were signed between PETRONAS and PSC Operators / Contractors.

The number of PSC in operation between PETRONAS and PSC Operators / Contractors increased from 41 for the FYE 31 March 2002, to a historic high of 60 for the FYE 2006.

Of the 60 PSC in operation, 18 of the PSC in operation are in deepwater areas for the FYE 2006. During the FYE 31 March 2006, a total of 9 PSC were signed.

During the FYE 31 March 2007, 4 new PSC were signed, 2 of which were for deepwater blocks.

(c) Number of Oil and Gas Fields in Operation

Between FYEs ended 31 March 2001 and 2007, the number of Oil and Gas fields in operation in Malaysia increased from 53 to 85.

For the FYE 31 March 2007, a total of 85 fields were in operation, of which 59 were Oil fields while the remaining 26 were Gas fields.

During the FYE 31 March 2007, four new fields were brought into production. Kikeh, Malaysia's first deepwater project, came onstream in August 2007.

(ii) Supply

Our Group is principally involved in the provision of Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services for the PSC Operators / Contractors within the Exploration, Appraisal, Development and Production segments of the Oil and Gas Industry.

As there are no direct data and statistics available on Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services, data on investment in Exploration and Production of Oil and Gas, and Offshore Seismic Survey are used as a proxy to provide analysis of the performance of Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services.

Investment in Exploration and Production of Oil and Gas

The level of Investment made by PETRONAS and PSC Operators / Contractors in the Exploration and Production of Oil and Gas in Malaysia increased at an average annual rate of 20.6% between the FYEs 31 March 2003 and 31 March 2007.

For the FYE 31 March 2007, investment in Exploration and Production increased by 19.5%, to reach RM19.2 billion.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

Offshore Seismic Survey

Offshore Seismic Survey activity is measured in terms of the number of line kilometres of seismic data recovered.

Between the FYEs 31 March 2003 to 2007, the amount of Offshore Seismic Survey Data Recovered declined at an average annual rate of 8.2%.

During the FYE 31 March 2007, the amount of Offshore Seismic Survey Data Recovered declined by 43.1% to approximately 250,000 line kilometres of 3-Dimensional seismic data.

Value of Output of Engineering Consultancy Services

Between 1994 and 2003, the value of gross output of Engineering Consultancy Services increased at an average annual growth rate of 5.7%.

The value of gross output of Engineering Consultancy Services increased from RM1.0 billion in 1994 to approximately RM1.7 billion in 2003.

In 2003, preliminary data indicates that the value of gross output of Engineering Consultancy Services increased by 15.4% to reach approximately RM1.7 billion, compared to the previous year.

(iii) Supply Dependencies

Our Group is primarily involved in the provision of Oil and Gas Geoscience and Reservoir Engineering, Drilling, and Project and Operations Services for the Oil and Gas Industry. As such, it does not use any raw materials in any significant amount.

(iv) Demand Dependencies

The demand for Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services will be primarily dependent on the performance of the Oil and Gas Industry in Malaysia.

Production of Oil and Gas in Malaysia is classified into two broad categories: -

(a) Production of Crude Oil and Condensates
(b) Production of Natural Gas

As an indication of the performance of the Oil and Gas Industry in Malaysia, the following section will also include the following statistics on the following types of products: -

(a) Sales value of the manufactured products of Crude Oil Refineries
(b) Sales value of the manufacture of Miscellaneous Products of Petroleum and Coal
(c) Export value of Petroleum Oils, Crude and Crude Oils obtained from Bituminous Materials
(d) Export value of Natural Gas, Whether or not Liquefied
(e) Export value of Petroleum Products, Refined
(f) Sales value of the retail and wholesale trade of Petrol, Diesel, Lubricants, etc.

The demand for supporting products and services, particularly those related to Exploration, Appraisal, Development and Production, is also dependent on the following factors: -

(a) The number of recently signed PSC, and the number of PSC in operations
(b) The number of Oil and Gas fields currently in operation in Malaysia;
(c) Exploration well drilling activity

These demand dependencies are discussed in Section 4.4.10(i).

In addition, the demand for supporting products and services, particularly those related to Exploration, Appraisal, Development and Production, is dependent on the level of investment in Exploration and Production activities made by PETRONAS and PSC Operators / Contractors. This demand dependency is discussed in Section 4.4.10(ii).

(a) Production of Crude Oil and Condensates

For the FYE 31 March 2007, the average daily production of Crude Oil and Condensates declined by 5.4% to 661,000 BOE per day.

The average daily production of Crude Oil and Condensates declined at an average annual rate of 1.5% between the FYEs 31 March 2003 and 2007.

The slight decline in Malaysia's production of crude oil and condensates, and natural gas during the FYE 31 March 2007 was due to shutdowns of several facilities for major maintenance and repair work, as well as project delays.

(b) Production of Natural Gas

Average daily production of Natural Gas declined marginally at an average annual rate of 0.2% between the FYEs 31 March 2003 to 2007.

During the FYE 31 March 2007, average daily production of Natural Gas declined by 0.7% to 950,400 BOE per day.

(c) Sales Value of Manufacture of Refined Petroleum Products

Between 2004 and 2007, the sales value of the manufacture of Refined Petroleum Products grew at an average annual growth rate of 20.9%.

In 2007, the sales value of the manufacture of Refined Petroleum Products increased by 9.0% to reach RM89.8 billion.

(d) Export Value of Petroleum Oils, Crude and Crude Oils Obtained from Bituminous Materials

Between 2003 and 2007, export value of Petroleum Oils, Crude and Crude Oils obtained from Bituminous Materials grew at an average annual growth rate of 20.5%.

In 2007, the export value of Petroleum oils, Crude and Crude Oils obtained from Bituminous Materials increased by 3.0% to reach approximately RM33.5 billion.

(e) Export Value of Petroleum Products, Refined

Between 2003 and 2007, the export value of Petroleum Products, Refined grew at an average annual growth rate of 24.0%.

In 2007, the export value of Petroleum Products, Refined increased by 3.2% to reach approximately RM19.8 billion.

(f) Export Value of Natural Gas (whether Liquefied or Not)

Between 2003 and 2007, the export value of Natural Gas (whether Liquefied or Not) grew at an average annual growth rate of 18.4%.

In 2007, the export value of Natural Gas (whether Liquefied or Not) increased by 12.3% to reach approximately RM26.2 billion.

Implications

The continuing development in Oil and Gas Industry through the growth in the export of crude oil, natural gas and refined petroleum products, and investment in Exploration and Production activities will create and stimulate demand for Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services.

New acreage is constantly being opened up for Exploration and Appraisal, and subsequent Development and Production. This is reflected by the number of PSC signed between PETRONAS and various Oil and Gas Industry companies. This will create demand for Exploration and Appraisal activities, and subsequently Development and Production activities if economically viable reserves are found.

The discovery of marginal reserves could also create opportunities and stimulate demand for specialised Geoscience and Reservoir Engineering services, and specialised Drilling technology to commercialise production of the Oil and Gas from these marginal reserves.

The continuous growth in the number of Oil and Gas fields in operation over recent years also creates demand for services related to Oil and Gas Production.

In addition, there are various Reservoir Engineering techniques used to optimise production. For example, Enhanced Oil Recovery (EOR) techniques are used to halt the drop in production and maintain maximum productivity. The continuous growth in the production of Oil and Gas should spur demand for supporting services including Oil and Gas and Geoscience and Reservoir Engineering, and Drilling Services.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.4.11 Substitute Products / Services

In general, there are currently no practical substitutes to the Oil and Gas Geoscience and Reservoir Engineering Services, and Drilling Services currently provided by our Group. As such, our Group faces no threat from substitutes for our Group's principal business activities.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.4.12 Vulnerability to and Reliance on Imports

Our Group is not vulnerable to the threat of imports, as overseas service providers who wish to supply PSC Operators / Contractors in the Exploration, Appraisal, Development and Production, and offshore segments of the Oil and Gas Industry in Malaysia are required to obtain the relevant licence from PETRONAS.

As a result, overseas service providers cannot supply PSC Operators / Contractors in the Exploration, Appraisal, Development and Production, and offshore segments of the Oil and Gas Industry in Malaysia directly.

Our Group is also not reliant on imported raw materials and components as our Group is primarily engaged in the provision of services, and as such the Group's purchases of imported raw materials and components are minor.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

4.5 MAJOR CUSTOMERS

Based on our Group's last three (3) proforma financial information for the FYEs 31 December 2007, the major customers who individually contributed 10% or more of our Group's revenue are as follows: -

	FYE 31 December					
	2007		2006		2005	
Customer Name	Revenue (RM'000)	Proportion of Group Revenue (%)	Revenue (RM'000)	Proportion of Group Revenue (%)	Revenue (RM'000)	Proportion of Group Revenue (%)
Talisman Malaysia Limited	37,344	29.1	21,709	25.0	9,301	20.9
PETRONAS Carigali Sdn Bhd	26,562	20.7	26,195	30.1	22,655	50.8
Others	64,245	50.2	39,101	44.9	12,617	28.3
Total Group Revenue	**128,151**	**100.0**	**87,005**	**100.0**	**44,573**	**100.0**

Mitigating Factors Against Dependency

(i) Talisman Malaysia Limited

The following factors serve to mitigate our Group's dependency on Talisman Malaysia Limited: -

(i) Talisman Malaysia Limited has been a customer of our Group for 4 years, indicating a long-term and stable business relationship. This will provide the basis for a continuing business relationship; and

(ii) Our Group has been a provider of a wide range of specialised services to Talisman Malaysia Limited over the past 4 years, including: -

(a) Drilling Services
- Drilling Project Management

(b) Project and Operations Services
- Resource Management
- Engineering and Operations

(c) Other Services
- Management Systems

In addition, our Group is continuously seeking to expand our business operations both locally and overseas to reduce dependency on our current major customers.

(ii) PETRONAS Carigali Sdn Bhd

Our Group's business is dependent on PETRONAS Carigali Sdn Bhd by virtue of its contribution of 20.7%, 30.1% and 50.8% of our Group's total revenue for the FYEs 31 December 2007, 2006 and 2005 respectively.

The following factors serve to mitigate our Group's dependency on PETRONAS Carigali Sdn Bhd: -

(i) PETRONAS Carigali Sdn Bhd has been a customer of our Group for 4 years, indicating a long-term and stable business relationship. This will provide the basis for a continuing business relationship;

(ii) Our Group has been a provider of a wide range of specialised services to PETRONAS Carigali Sdn Bhd over the past 4 years, including: -

(a) Geoscience and Reservoir Engineering Services
(b) Drilling Services
(c) Project and Operations Services
(d) Oil and Gas Engineer and Personnel Placement Services
(e) Management Systems

(iii) PETRONAS Carigali Sdn Bhd is a subsidiary of PETRONAS, which is entrusted with developing and adding value to all the Oil and Gas resources in Malaysia. As such PETRONAS and its subsidiaries are principal paticipants in the Malaysian Oil and Gas Industry, and will inevitably be a major source of revenue for our Group and other Oil and Gas players in Malaysia.

Our Group's dependency on PETRONAS Carigali Sdn Bhd has been declining. Although our Group's revenue from PETRONAS Carigali Sdn Bhd continues to grow, PETRONAS Carigali Sdn Bhd share of our Group's revenue declined from the FYEs 31 December 2005 to 31 December 2007, as our Group increases revenue earned from other customers.

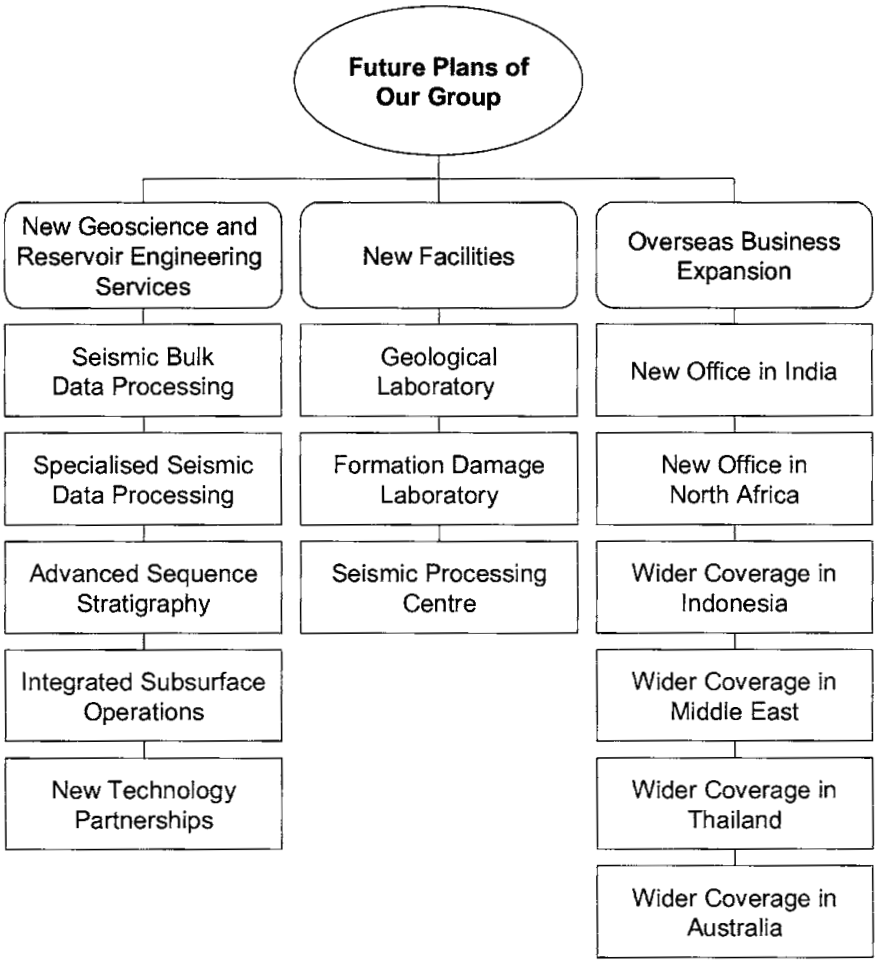
4.6 MAJOR SUPPLIERS

Our Group does not have suppliers per se as our Group is primarily engaged in the provision of services. Our Group's externally-sourced inputs comprise primarily of sub-contracted services of specialised and skilled geoscientists, engineers, technicians and other personnel within the Oil and Gas Industry.

4. INFORMATION ON OUR GROUP *(Cont'd)*

4.7 FUTURE PLANS, STRATEGIES AND PROSPECTS

The future plans of our Group are focused in 3 key areas as depicted in the figure below: -



As part of our Group's future plans, our Group plans to develop or expand the capability to provide the following services: -

(i) Seismic Bulk Data Processing
(ii) Specialised Seismic Data Processing
(iii) Advanced Sequence Stratigraphy
(iv) Integrated Sub-surface Operations
(v) Establishing New Technology Partnerships.

In addition, our Group plans to set up a new Geological Laboratory, Formation Damage Laboratory and Seismic Processing Centre in Malaysia.

The Group also plans to expand our business operations overseas, through the establishment of a new office in India and North Africa, and by providing wider business coverage in Indonesia, the Middle East, Thailand and Australia.

The development of these future plans will provide our Group with opportunities for business growth and development.

4. INFORMATION ON OUR GROUP *(Cont'd)*

(i) New Geoscience and Reservoir Engineering Services

Our Group plans to expand on our existing capabilities to provide Oil and Gas Geoscience and Reservoir Engineering Services by developing the capability to provide the following types of Geoscience and Reservoir Engineering Services: -

(a) Seismic Bulk Data Processing
(b) Specialised Seismic Data Processing
(c) Advanced Sequence Stratigraphy
(d) Integrated Sub-surface Operations
(e) Establishing New Technology Partnerships

Seismic Bulk Data Processing

Seismic survey refers to the set of activities that are carried out to gather information to determine the geological structure of a defined area, with the ultimate aim of identifying and characterising potential hydrocarbon reserves.

The steps for a typical Seismic Survey are: -

(i) Data acquisition
(ii) Data processing
(iii) Data interpretation.

In data acquisition, energy waves are generated and directed into the ground. The energy waves travel through the various geological formations at various speeds, depending on the nature of the formations. The waves that return to the surface are detected and recorded, typically in digital format.

The collected data is then processed. Specialised interpretation geophysicists utilise complex algorithms supported by sophisticated software to transform the raw digital data into a usable form by removing anomalies and improving its quality to a standard that is suitable for further study and use.

In data interpretation, the processed information is displayed visually. With 3-dimensional seismic surveys, geological features can be depicted in a rectangular grid with detailed information regarding the subsurface volume of the area surveyed.

Despite the term "Bulk Data Processing", Seismic Bulk Data Processing is a sophisticated service that requires geoscientists with a high level of expertise and experience, and the use of specialised software and computer workstations.

By developing the in-house capability to provide Seismic Data Bulk Data Processing services, our Group will be able to support our existing Geoscience and Reservoir Engineering Services, and Drilling Services and add more value to our customers.

Our Group plans to begin providing Seismic Bulk Data Processing services by 2009.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

Specialised Seismic Data Processing

As part of our Group's future plans, our Group plans to provide Specialised Seismic Data Processing Services.

Specialised Seismic Data Processing utilises different algorithms and data, coupled with more specialised software compared to conventional Seismic Survey Data Processing. As a result, Specialised Seismic Data Processing allows geoscientists and engineers to identify subsurface features with a higher degree of resolution and detail.

For example, Seismic Survey Data Processing identifies subsurface properties such as faulting and the location of fluids other features. Specialised Seismic Data Processing is able to identify additional features such as rock type, as well as identifying the type of fluids (e.g. whether the fluid present in a reservoir is water or hydrocarbons).

Our Group plans to begin providing Specialised Seismic Data Processing Services by 2009.

Advanced Sequence Stratigraphy

Our Group plans to expand our Advance Sequence Stratigraphy services by further developing the existing technology and promoting the science to the point where it is a universally accepted technique in the field of Geoscience and Reservoir Engineering.

Stratigraphy is the branch of geology that is concerned with the study of rock strata (or layers), especially the distribution, deposition and age of sedimentary rocks. Stratigraphy provides a description of the rock bodies that form the Earth's crust, organising them into distinctive, useful, mappable units based on their inherent properties or attributes in order to establish their distribution and relationship in space and their succession in time, and to interpret geological history.

Within the context of the Oil and Gas Industry, stratigraphy is commonly used to delineate the nature and extent of hydrocarbon bearing reservoir rocks, seals and traps.

ENRES International of the Netherlands, one of our Group's technology partners, is a pioneer in the discipline of climate stratigraphy. Climate stratigraphy is a relatively new discipline combining advanced numerical processing of conventional log data with the theory of climate-driven cyclicity in sedimentary depositional systems.

ENRES International has developed proprietary software, CycloLog, to extract the climate signals from wireline logs allowing the construction of a near-synchronous stratigraphic framework for both reservoir and regional scale correlation.

Our Group commenced collaboration with ENRES International to expand our Advanced Sequence Stratigraphy services in 2007.

Our Group plans to further develop the capability to carry out Advanced Sequence Stratigraphy in 2008.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

Integrated Sub-surface Operations

Our Group plans to provide Integrated Sub-surface Operations to clients in the Oil and Gas Industry in Malaysia and Overseas.

The Integrated Sub-surface Operations envisaged by our Group is similar to our Group's existing Oil and Gas Geoscience and Reservoir Engineering Services, and Drilling Services capabilities, with the exception that our Group forms an alliance with the client to share the risk and rewards arising from the project.

Under Integrated Sub-surface Operations, our Group may undertake a project for a client in return for a defined share of any increase in value that may arise from the implementation of the project.

Our Group plans to begin providing Integrated Sub-surface Operations services by 2009.

New Technology Partners

Our Group plans to expand our number of Technology Partners. This will enable our Group to apply new technologies to in-house projects, as well as simultaneously increasing direct sales of proprietary software to Oil and Gas companies.

Our Group has selectively entered into a variety of partnerships, including exclusive agency agreements, with a number of leading providers of specialised Oil and Gas Industry technology, software and services.

Our Group plans to apply the same stringent selection criteria when assessing our potential technology partners, which includes: -

(i) Our Group must be given the exclusive right to market the technology in Malaysia, and preferably our other operating areas, and / or
(ii) The technology must give us a competitive advantage in our Geoscience and Reservoir Engineer Services or Drilling Services

Our Group identifies potential technology partners by listening to our customers' technical challenges, and keeping abreast with the latest technological developments in the Oil and Gas Industry.

Regularly introducing new technology will give our Group a competitive advantage in our Geoscience and Reservoir Engineering Services and Drilling Services, in addition to increasing revenue generated by sales of software and related services.

Our Group plans to continuously establish New Technology Partnerships.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

4. INFORMATION ON OUR GROUP *(Cont'd)*

(ii) New Facilities

In addition to developing the capability to provide new services, our Group plans to establish the following new facilities in Malaysia: -

(a) Geological Laboratory
(b) Seismic Processing Centre

Geological Laboratory

As part of our Group's future plans, our Group plans to establish a new Geological Laboratory in Malaysia to handle core samples for clients in the Oil and Gas Industry.

Our Group plans to carry out the following core handling activities at the Geological Laboratory: -

(i) Core stabilisation and preservation (carried out at the well site)
(ii) Receipt, depth measurement, orientation and marking of the core
(iii) Measurement of natural total and spectral gamma radiation of the entire core length
(iv) Obtaining core plugs, either by rotary drill press or plunge cutting
(v) Mounting of plugs (if necessary), or preservation of plugs
(vi) Preparing and preserving full diameter core sections for future specialised testing
(vii) Slabbing of the core after plugging as part of the archiving process
(viii) Cutting of core sample into sections of standard length (1 metre) and preserving the core samples in resin for future examination and re-sampling
(ix) Digital colour photography of the core under visible, ultraviolet or other light source
(x) Core sample storage and archiving

Our Group has identified the following specialised equipment for the new Geological Laboratory: -

(i) Total and spectral core gamma analysis system
(ii) Mercury displacement pump
(iii) Gas permeameter
(iv) Helium porosimeter
(v) Retort oven
(vi) Dean Stark extraction apparatus
(vii) Digital core photography system
(viii) Reflux Soxhlet Extractors and associated equipment
(ix) Core resination equipment
(x) Core slabbing system
(xi) Unconsolidated core sampling equipment (plunge cutter)
(xii) Calibration equipment
(xiii) Preservation equipment
(xiv) High pressure core holder and stand

Long-term core sample storage and archiving has the potential to create a recurring stream of revenue in the future through recurring periodic storage fees charged to clients, and fees from periodic future core sample analysis or examination.

Our Group plans to utilise the Geological Laboratory to support our Group's Oil and Gas Geoscience and Reservoir Engineering Services, and Drilling Services and to provide core handling, analysis and storage services to our clients.

Having access to a large library of core samples from the main hydrocarbon producing areas in Malaysia will be of considerable benefit to our Group's geoscientists and engineers for carrying out Geoscience and Reservoir Engineering Services in the future.

The core sample library will also greatly enhance our Group's in-house knowledge of local and regional geological knowledge.

Our Group plans to begin work to establish the new Geological Laboratory by end 2008.

Seismic Processing Centre

Seismic data is gathered in digital format that then requires processing. Processing is carried out by Interpretation Geophysicists using complex algorithms supported by sophisticated software. This processing transforms the raw digital data, removing anomalies and improving its quality to an acceptable standard for use in studies.

Our Group plans to establish a new Seismic Processing Centre to centralise our Group's existing and planned seismic services, including the facilities for our Group's planned Seismic Data Bulk Data Processing and Specialised Seismic Data Processing services.

Our Group plans to equip the Seismic Processing Centre with the advanced computer workstations and specialised software that is required to provide seismic services.

Our Group also plans to equip the Seismic Processing Centre with an advanced 3-dimensional visualisation system and secure data storage facilities.

Our Group plans to begin work to establish the new Seismic Processing Centre by 2009.

(iii) Overseas Business Expansion

As part of our business plans, our Group plans to expand our business by establishing new offices in the following overseas markets: -

(a) India
(b) North Africa

Our Group also plans to expand our business coverage in the following existing overseas markets: -

(a) Indonesia
(b) Middle East
(c) Thailand
(d) Australia

India

As part of our Group's future plans, our Group plans to expand our business operations to India and the Indian sub-continent.

Our Group plans to establish an operating office in India by end 2008. The office shall focus on serving existing customers in the Indian sub-continent, and on developing new customers in India and the surrounding region.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

North Africa

As part of our Group's future plans, our Group plans to expand our business operations from Sudan and the wider North African region.

Our Group plans to establish an operating office in Sudan by 2009. Our Group plans to use our Group's physical presence in Sudan as a base to acquire new customers in the region.

Indonesia

Our Group plans to expand our business coverage in Indonesia. Our Group currently operates a representative office in Jakarta, Indonesia.

Our Group plans to expand the scope of our business activities at the representative office to include the full scope of our Group's business activities. The representative office will also serve as a base to serve new and existing customers in Indonesia and the surrounding region.

Our Group plans to expand our business coverage in Indonesia in 2008.

Middle East

Our Group plans to expand our business coverage in the Middle East. Our Group currently operates a representative office in Doha, Qatar.

Our Group plans to expand the scope of our business activities at the representative office to include the full scope of our Group's business activities. The representative office will also serve as a base to serve new and existing customers in the Middle East region.

Our Group plans to expand our business coverage in the Middle East in 2008.

Thailand

Our Group plans to expand our business coverage in Thailand. Our subsidiary, Uzma Thailand, currently operates in Bangkok, Thailand.

Uzma Thailand will also serve as a base to serve new and existing customers in the Thailand and neighbouring countries, such as Myanmar and Vietnam.

Our Group plans to expand our business coverage in Thailand in 2008.

Australia

Our Group plans to expand our business coverage in Australia. Our subsidiary, Uzma Australia, currently operates in Perth, Australia.

Our Group plans to expand the scope of our business activities at Uzma Australia to include the full scope of our Group's business activities.

Uzma Australia will also serve as a base to serve new and existing customers in the Australia and regional countries, such as New Zealand.

Our Group plans to expand our business coverage in Australia in 2008.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT

5.1 PROMOTERS

5.1.1 Particulars and Shareholdings

The details of the Promoters and their shareholdings in us before and after the IPO are as follows: -

Name	Place of Incorporation / Nationality	No. of Uzma Shares Held Before the IPO				No. of Uzma Shares Held After the IPO*			
		Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
Dato' Kamarul	Malaysian	47,692,257	76.92	[(1)]14,307,739	23.08	40,299,957	50.37	[(1)] 12,300,039	15.38
Datin Rozita	Malaysian	14,307,739	23.08	[(2)]47,692,257	76.92	12,300,039	15.38	[(2)] 40,299,957	50.37

Notes: -

* *Including pink form allocation*
(1) Deemed interested by virtue of his spouse, Datin Rozita's interest
(2) Deemed interested by virtue of her spouse, Dato' Kamarul's interest

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.1.2 Profiles of Promoters

(i) Dato' Kamarul

The profile of Dato' Kamarul is set out in Section 5.3.2 of this Prospectus.

(ii) Datin Rozita

The profile of Datin Rozita is set out in Section 5.3.2 of this Prospectus.

5.1.3 Directorships and Substantial Shareholdings of the Promoters in all Other Public Corporations for the Past Two (2) Years

Our Promoters do not have any directorships and substantial shareholdings in all other public corporations for the past two (2) years.

5.1.4 Significant Changes in Shareholdings in Our Company for the Past Three (3) Years

Save as disclosed below, there are no other significant changes in our Promoters' shareholdings in our Company for the past three (3) years, as at the date of this Prospectus: -

Name	Ordinary share of RM1.00 each		Ordinary share of RM0.50 each	
	Balance as at Date of Incorporation		Balance before the IPO	
	Direct	Indirect	Direct	Indirect
Promoters				
Dato' Kamarul	-	-	47,692,257	(1) 14,307,739
Datin Rozita	-	-	14,307,739	(2) 47,692,257

Notes: -

(1) Deemed interested by virtue of his spouse, Datin Rozita's interest
(2) Deemed interested by virtue of her spouse, Dato' Kamarul's interest

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.2 SUBSTANTIAL SHAREHOLDERS

5.2.1 Particulars and Shareholdings

The details of the substantial shareholders and their shareholdings in us before and after the IPO are as follows: -

Name	Place of Incorporation / Nationality	No. of Uzma Shares Held Before the IPO				No. of Uzma Shares Held After the IPO*			
		Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
Dato' Kamarul	Malaysian	47,692,257	76.92	(1)14,307,739	23.08	40,299,957	50.37	(1) 12,300,039	15.38
Datin Rozita	Malaysian	14,307,739	23.08	(2)47,692,257	76.92	12,300,039	15.38	(2) 40,299,957	50.37

Notes: -

* *Including pink form allocation*
(1) Deemed interested by virtue of his spouse, Datin Rozita's interest
(2) Deemed interested by virtue of her spouse, Dato' Kamarul's interest

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.2.2 Profiles of Substantial Shareholders

(i) Dato' Kamarul

The profile of Dato' Kamarul is set out in Section 5.3.2 of this Prospectus.

(ii) Datin Rozita

The profile of Datin Rozita is set out in Section 5.3.2 of this Prospectus.

5.2.3 Directorships and Substantial Shareholdings of the Substantial Shareholders in all Other Public Corporations for the Past Two (2) Years

Our substantial shareholders do not have any directorships and substantial shareholdings in all other public corporations for the past two (2) years.

5.2.4 Significant Changes in Shareholdings in Our Company for the Past Three (3) Years

Save as disclosed below, there are no other significant changes in our substantial shareholders' shareholdings in our Company for the past three (3) years, as at the date of this Prospectus.

Name	Ordinary share of RM1.00 each		Ordinary share of RM0.50 each	
	Balance as at Date of Incorporation		Balance before the IPO	
	Direct	Indirect	Direct	Indirect
Substantial Shareholders				
Mohd Fadzir Bin Ismail	1	-	2	-
Ahmad Khalil Bin Mak Mon	1	-	2	-
Dato' Kamarul	-	-	47,692,257	(1) 14,307,739
Datin Rozita	-	-	14,307,739	(2) 47,692,257

Notes: -

(1) Deemed interested by virtue of his spouse, Datin Rozita's interest
(2) Deemed interested by virtue of her spouse, Dato' Kamarul's interest

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.3 DIRECTORS

5.3.1 Particulars and Shareholdings

The details of the Directors of our Group and their shareholdings in us before and after the IPO are as follows: -

Name	Designation	No. of Uzma Shares Held Before the IPO				No. of Uzma Shares Held After the IPO*			
		Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
Senator Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	Independent Non-Executive Chairman	-	-	-	-	100,000	0.13	-	-
Dato' Kamarul	Non-Independent Managing Director / Chief Executive Officer	47,692,257	76.92	[(1)]14,307,739	23.08	40,299,957	50.37	[(1)]12,300,039	15.38
Datin Rozita	Non-Independent Executive Director, Corporate Services	14,307,739	23.08	[(2)]47,692,257	76.92	12,300,039	15.38	[(2)]40,299,957	50.37
Peter Angus Knowles	Non-Independent Executive Director, International Business	-	-	-	-	300,000	0.38	-	-
Mohd Khalid Embong	Non-Independent Executive Director, Strategic and Business Planning	-	-	-	-	250,000	0.31	-	-
Che Nazahatuhisamudin Che Haron	Non-Independent Executive Director, Sales and Marketing	-	-	-	-	400,000	0.50	-	-
Nordin Md Nor	Independent Non-Executive Director	-	-	-	-	100,000	0.13	-	-
Khalid bin Sufat	Independent Non-Executive Director	-	-	-	-	100,000	0.13	-	-

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Notes: -

* *Including pink form allocation*
(1) Deemed interested by virtue of his spouse, Datin Rozita's interest
(2) Deemed interested by virtue of her spouse, Dato' Kamarul's interest

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.3.2 Profiles of Directors and Group Chief Executive Officer

Senator Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee, aged 47, is our Independent Non-Executive Chairman. He was appointed to our Board on 21 May 2008.

He was awarded a Professional Diploma in Leadership and Management by the New Zealand Institute of Management, New Zealand in 2003. He ventured into business in the early 1980s and held directorships in several private and public corporations involved in a diverse range of businesses. He also holds directorships in IIUM Holdings Sdn Bhd and C.I. Holdings Berhad. He also holds Chairmanships in Composites Technology Research Malaysia Sdn Bhd, a company which is controlled by the Ministry of Finance, and Tanjung Offshore Berhad, a public listed company on the Main Board of Bursa Securities. Senator Datuk Wira Syed Ali was also appointed as a member of Dewan Negara (Senate) of Malaysia on 21 April 2003 and his tenure of office has been renewed to April 2009. He is also the Chairman of Yayasan Pendidikan Cheras, Kuala Lumpur.

Dato' Kamarul Redzuan Muhamed, aged 35, is our Managing Director / Chief Executive Officer. He was appointed to our Board on 21 May 2008.

Dato' Kamarul attended Colorado School of Mines, which is renowned as one of the world's top petroleum universities, as part of the Government-sponsored "American Top Universities" programme. He graduated in 1995 with a Bachelor's Degree in Petroleum Engineering.

He worked as a reservoir engineer on an integrated reservoir engineering study in the USA before returning to Malaysia where he joined Esso Production Malaysia Inc. ("**EPMI**") as a Facilities Engineer. He worked on a number of offshore studies and projects gaining a good grounding in offshore engineering. During this time he started to develop a network of exploration and production contacts in Malaysia. Subsequently he joined Sedco Forex, a leading International Drilling Contractor as a graduate trainee, further expanding his offshore engineering knowledge. He later joined Smedvig Technologies Sdn Bhd, as a Technical Representative. He proved to be a natural entrepreneur and helped grow the company's sales expediently. He was soon promoted above the incumbent expatriate sales personnel to become Business Development Manager for the Asian Division. During his tenure, he developed a good relationship with PETRONAS and other profit sharing contractors and secured multi-million dollar contracts for Smedvig Technologies Sdn Bhd in Malaysia and the region.

Smedvig Technologies Sdn Bhd was rebranded as Roxar Sdn Bhd ("**Roxar**") in 1999. He was instrumental in setting up Roxar's office in Kuala Lumpur and was responsible for effectively changing the Roxar's Kuala Lumpur office to become the regional office and hub for Roxar's activities in Asia Pacific. Roxar, then, was a public company listed on the Oslo Stock Exchange. He left Roxar in May 2000 but was appointed as a member of the board of Roxar as its Non-Executive Director until his resignation in 2006.

In 1999 he formed AKK Management together with Peter Angus Knowles. AKK Management is involved in the provision of industrial water treatment solution.

Uzma Malaysia was formed in 2000 and he assumed the role of Chief Executive Officer leading the growth of the company from inception to what it is today.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

He brings with him an academic qualification from one of the top American universities together with sound hands-on training from Exxon Mobil and Roxar, the world's largest international oil company and one of the premier oilfield service company, respectively. Despite being a competent engineer, it is his business development skills and entrepreneurship that contribute most to our Group. He has developed an established network in many Malaysian Oil and Gas companies and has earned the respect of senior management and senior personnel in many Malaysian-based Oil and Gas companies where his overseas education and working experience enables him to relate equally well with Malaysians and foreigners. He spends the bulk of his time managing our Group where he plays a role in technical governance in addition to his primary commercial responsibilities.

Datin Rozita Mat Shah, aged 38, is our Executive Director, Corporate Services. She was appointed to our Board on 21 May 2008.

Datin Rozita graduated with a Bachelor of Science in Chemical Engineering from Rensselaer Polytechnic Institute, New York in 1993.

She worked for an American technology company before returning to Malaysia in 1994 where she joined EPMI as a Systems Engineer. She held various technical roles during her six years with EPMI during which she developed sound project management skills and became an accomplished Project Engineer. After a short period as a Project Engineer with OGP Technical Services Sdn Bhd, a PETRONAS subsidiary, she joined Uzma Malaysia to work alongside her husband Dato' Kamarul.

Her initial role in Uzma Malaysia was to build the core consultancy business where she had successfully grown the business during her tenure. Managing the consultancy business involves developing and maintaining relationships, not only with customers, but with associate consultants from around the world. Her abilities were ideal for the consultancy business as she has strong formal technical qualifications and training, coupled with a natural ability to develop and maintain personal relationships. These skills, together with good commercial awareness and strong management techniques have won her respect from staffs, customers and consultants. After the appointment of senior personnel to manage the consultancy business, she became the Operations Director, managing the back office functions for the whole business as well as performance improvement. The back office functions include logistics, human resources and information technology and fostering good community relationships. Until the appointment of our Group Finance Manager, she also managed accounting and finance, controlling cash flow and budgets. She directs special projects and is currently managing the implementation of SAP and the purchase and renovation of our Group's new corporate headquarters.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Peter Angus Knowles, a British subject aged 51, is our Executive Director, International Business. He was appointed to our Board on 21 May 2008.

He is a graduate from RGIT University in Aberdeen, Scotland which is renowned as a higher learning institution for offshore engineering. After graduation in 1978 he worked for an offshore engineering company before joining Southeastern Drilling Company ("**Sedco**"), a leading International Drilling Contractor in 1981, as a graduate trainee. He worked on a number of international assignments in Korea, USA, Norway and the Middle East attaining the level of District Manager before Sedco was acquired by Schlumberger in 1984. He subsequently worked in a number of senior engineer roles. In 1989 he joined Prodrill Ltd, an Aberdeen-based drilling consultancy, and was seconded as Senior Drilling Engineer to Petroleum Development Oman and to Shell and Conoco Phillips and the United Kinddom for a total of 4 years before being posted to Malaysia as Engineering Manager in 1992. He was subsequently promoted to Regional Manager. In 1996 Prodrill was acquired by Smedvig Inc, a leading Norwegian drilling company listed on the New York Stock Exchange. He was appointed Asian General Manager for their Smedvig Technologies division and led a period of major expansion.

In 1999 he left Smedvig and formed Engineered Management Systems (M) Sdn Bhd which by mutual agreement took over Smedvig's management systems consultancy work. Shortly afterwards, together with Dato' Kamarul (who at the time was Sales Manager with Smedvig Technologies), he formed AKK Management and then Uzma Malaysia.

He brings with him a total of 25 years hands-on international oilfield experience which earns him technical credibility and respect amongst customers throughout South East Asia and Australasia. He also has a proven track record in business development and project management providing a balance of technical understanding, entrepreneurial spirit, and commercial prudence. The continuing demand from oil companies for his performance improvement and risk management consultancy helps him to maintain his extensive client network and provides access to senior executives throughout the industry.

Mohd Khalid Embong, aged 52, is our Executive Director, Strategic and Business Planning. He was appointed to our Board on 21 May 2008.

He graduated with a Bachelor of Science in Petroleum Engineering from Imperial College, London, one of the world's top ten science universities. After graduation in 1980 he joined PETRONAS as Reservoir Engineer and remained in hands-on technical positions until 1992, progressing through Senior Reservoir Engineer to Head of Reservoir Engineering at PETRONAS Carigali Sdn Bhd. In 1992 he was promoted to a senior manager position as Asset Manager of Dulang Field where he was responsible for managing the asset as an operating unit. In 1995, he joined a group of senior personnel who, facilitated by Boston Consulting Group, established vision, focus areas and long term strategies for the PETRONAS Exploration and Production business.

In 1999, he was part of a similar team, this time facilitated by Accenture, conducting an assessment of PETRONAS Carigali Sdn Bhd's information technology, knowledge management, capabilities and business process using an Integrated Business approach. Between these two assignments, from 1996 to 1998, he was Engineering Manager for Carigali-PTTEP Operating Company Sdn Bhd, an exploration and production joint venture between PETRONAS Carigali Sdn Bhd and PTTEP, the Thai state oil company. In this position he led the petroleum engineering, drilling and facilities engineering functions in appraising and developing Oil and Gas discoveries.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

In 2000, Khalid joined PRSS, a PETRONAS subsidiary focusing on independent research and consultancy business. He joined as Account Manager where he led sales and marketing. In 2003 he became head of the Exploration and Production Division, formulating and implementing the division business plan with special emphasis in the area of integrated seismic studies, integrated basin studies, reservoir characterisation, enhanced oil recovery and flow assurance; all are core technical focus areas for our Group.

In 2006, PETRONAS changed the direction of PRSS to move out of consultancy into pure research. He was invited to join our Group and accepted the challenge against a background of numerous enticing offers from other leading exploration and production players. He brings with him a total of 25 years experience and is held in high regard in the Malaysian and International reservoir engineering communities for his technical capabilities and integrity.

Che Nazahatuhisamudin Che Haron ("**En. Naza**"), aged 36, is our Executive Director, Sales and Marketing. He was appointed to our Board on 21 May 2008.

He joined Uzma Malaysia in 2001 and was appointed Sales and Marketing Director in 2006.

He graduated with a Bachelor of Science in Electrical Engineering from Valparaiso University, Indiana in 1996. After graduation he joined Scopetel (M) Sdn Bhd as a Project Engineer gaining four years hands-on offshore engineering and project management experience in this satellite communications company where he also assisted in business development. He joined AKK Management, our related party, in 1999 as its General Manager and helped build the company into a successful trading and water treatment company. He soon proved himself to be a natural entrepreneur and an exceptionally dedicated and trustworthy employee. During his tenure at AKK Management, he had concluded major contracts with various multinational companies. He also has been instrumental in forming formal and exclusive relationships with major suppliers in the water treatment business. In 2003, having previously built AKK Management into a viable operation, he joined Uzma Malaysia to open up business for Uzma Malaysia in the Middle East. He readily accepted this challenge and set about building, from a zero customer base, into a successful overseas business centre in the Middle East, extending into North Africa. While in Qatar, he successfully built a relationship with major Oil and Gas and petrochemical companies and subsequently secured various long term contracts with Qatar Gas, Dolphin Oil, Greater Nile Petroleum Operating Company in Sudan and the Government of Qatar.

In 2007 he was invited to be our Sales and Marketing Director. This is a role at which he is extremely able where he can apply his excellent human relationship and astute negotiating skills to their maximum. In addition to directing the Account Managers and managing the preparation of tenders and proposals, he spends a great deal of his time in direct customer contact for business development and marketing. His unquestionable loyalty, dedication and business skills are important for our continued growth.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Nordin Md Nor, aged 56, is our Independent Non-Executive Director. He was appointed to our Board on 21 May 2008.

He is an Economics graduate from University of Malaya (1974). He has attended the International Oil and Gas Industry Course, London School of Economics (1987), Harvard Senior Management Program (1992) and INSEAD Advanced Management Program, France (1998). After graduation, he joined Citibank as Manager in the Operations Division.

He joined PETRONAS in 1978, and has more than 29 years of working experience holding several key positions in the corporation. Some of the positions held include Deputy-General Manager (Commercial) of PETRONAS Gas Sdn Bhd; General Manager, Sabah Region; General Manager, Corporate Development Unit; Managing Director / Chief Executive Office of PETRONAS Dagangan Sdn Bhd; Managing Director / Chief Executive Officer of Gas District Cooling Sdn Bhd and Managing Director / Chief Executive Director of PETRONAS Research & Scientific Services Sdn Bhd, until his retirement from the corporation in September 2006.

After his retirement, in November 2006, he joined Lloyd's Register, a UK-based company, as the Country Manager for Malaysia and as the Managing Director of Lloyd's Register Technical Services Sdn Bhd, the locally incorporated consulting company, servicing the Oil and Gas industry until now.

Khalid bin Sufat, aged 52, is our Independent Non-Executive Director. He was appointed to our Board on 21 May 2008.

He obtained his professional qualification from the Chartered Association of Certified Accountants (United Kingdom) in 1977 and the Malaysian Association of Certified Public Accountants (MACPA) in 1986. Currently, he is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and a Fellow Member of the Chartered Association of Certified Accountants (United Kingdom).

He had extensive experience and held senior positions in the Malaysian banking and corporate sectors. In his early years, he was attached with Maybank Group for more than 10 years, his last position being their General Manager of Consumer Banking in 1994. He later spearheaded United Merchant Finance Berhad from an average banking institution to a major player in the banking and finance industry during his appointment as their Executive Director from 1994 to 1998.

From 1998 to 2000, he was the Managing Director of Bank Kerjasama Rakyat Malaysia Berhad and was primarily responsible for the turnaround of that bank from non-performing co-operative bank to a formidable Islamic Banking player in the Malaysian banking scene. In 2002, he served as an Executive Director in Tronoh Mines Malaysia Berhad. Among his responsibilities are the overall management of the company and overseeing corporate exercises. He directed and supervised the acquisitions of IJM and Zelan Group. In early 2003, he joined Furqan Business Organisation Berhad (FBO) as Managing Director after the successful implementation of the reverse takeover of Austral Amalgamated Berhad. He then became the Executive Deputy Chairman of FBO.

From mid 2006 to 2007, he was appointed the Group Managing Director of Seacera Tiles Berhad where he initiated the consolidation and streamlining exercises of that group.

Currently, he sits on the board of four (4) other public listed companies. He is the Executive Director of Syarikat Kayu Wangi Berhad, Audit Committee Chairman of Binapuri Holdings Berhad, EXCO Member of Malaysia Building Society Berhad and Audit Committee Member of Amtek Holdings Berhad.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.3.3 Directorships and Substantial Shareholdings in All Other Public Corporations for the Past Two (2) Years

Save as disclosed below, as at LPD, none of our Directors have any directorships or substantial shareholdings in other public corporations for the past two (2) years.

Name	Principal activity	Designation	No. of ordinary shares held			
			Direct	%	Indirect	%
Senator Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee						
C.I. Holdings Berhad	Selling, bottling and distribution of beverages	Director	-	-	-	-
Tanjung Offshore Berhad	Provision of integrated services to both upstream and downstream activities in the Oil and Gas Industry	Chairman	420,000	0.21	-	-
Khalid bin Sufat						
Amtek Holdings Berhad	Marketing and distribution of garments and electrical goods	Director	-	-	-	-
Binapuri Holdings Berhad	Construction related activities including civil and building engineering management, property development, highway concessionaire, quarry operations, manufacturing of construction materials and polyurethane system house	Director	-	-	-	-
Malaysia Building Society Berhad	Property financing	Director	-	-	-	-
Seacera Tiles Berhad	Manufacturing and trading of ceramic tiles	Director (resigned on 26 November 2007)	-	-	-	-
Syarikat Kayu Wangi Berhad	Production of sawn timber, manufacturing of prefabricated timber rooftrussess and trading of timber	Director	-	-	-	-
VTI Vintage Berhad	Manufacturing of tiles	Director (resigned on 16 January 2008)				

5.3.4 Directors' Remuneration and Benefits

The aggregate remuneration and benefits in-kind paid or payable to our Directors on an individual basis for services rendered in all capacities to our Group for the FYE 31 December 2007 and proposed for current FYE 31 December 2008 falling within the respective bands are as follows: -

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

	FYE 31 December 2007	Proposed for FYE 31 December 2008
	Remuneration Band (RM)	
Senator Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	-	10,001 – 60,000
Dato' Kamarul	700,001 – 750,000	650,001 – 700,000
Datin Rozita	300,001 – 350,000	250,001 – 300,000
Peter Angus Knowles	-	450,001 – 500,000
Mohd Khalid Embong	-	350,001 – 400,000
Che Nazahatuhisamudin Che Haron	-	150,001 – 200,000
Nordin Md Nor	-	10,001 – 60,000
Khalid bin Sufat	-	10,001 – 60,000

5.4 COMMITTEES

5.4.1 Audit Committee

The main functions of the Audit Committee fall within the ambit of the Listing Requirements, which include the review of audit plans and audit reports with our Group's auditors, review of the auditors' evaluation of internal accounting controls and management information systems, review of the scope of internal audit procedures, review of the balance sheet and income statement, and nomination of the auditors. The Audit Committee comprises the following members: -

Name	Designation	Directorship
Khalid bin Sufat	Chairman of Audit Committee	Independent Non-Executive Director
Nordin Md Nor	Member of Audit Committee	Independent Non-Executive Director
Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	Member of Audit Committee	Independent Non-Executive Chairman

5.4.2 Remuneration Committee

The Remuneration Committee of our Company is principally responsible for reviewing and recommending to our Board the remuneration package and the terms of employment of our Executive Directors. The Executive Director does not participate in any way in determining his individual remuneration.

The policy adopted by our Remuneration Committee is to provide the necessary package to attract, retain and motivate the Executive Directors of the quality required to manage our business and to align the interest of our Executive Directors with those of shareholders. The Remuneration Committee comprises the following members: -

Name	Designation	Directorship
Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	Chairman of Remuneration Committee	Independent Non-Executive Chairman
Nordin Md Nor	Member of Remuneration Committee	Independent Non-Executive Director
Dato' Kamarul	Member of Remuneration Committee	Managing Director / Chief Executive Officer

5.4.3 Nominating Committee

The Nominating Committee of our Company is principally responsible for recommending to our Board, the appointment of new Directors and committee members, with regard to the Director's contribution and performance, as well as reviewing on an annual basis the appropriate balance and size of non-executive participation.

This requires a review of the mix of skills and experience, including core competencies and qualities that Non-Executive Directors should bring to our Board in order for our Board to function effectively. Our Board as a whole makes all decisions on appointments after considering the recommendations of the Nominating Committee. The Nominating Committee comprises the following members: -

Name	Designation	Directorship
Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	Chairman of Nominating Committee	Independent Non-Executive Chairman
Nordin Md Nor	Member of Nominating Committee	Independent Non-Executive Director
Khalid bin Sufat	Member of Nominating Committee	Independent Non-Executive Director

5.5 BOARD PRACTICES

In accordance with our Articles of Association, one-third of our Board retires by rotation at every annual general meeting provided always that each Director shall retire at least once in every three (3) years but shall be eligible for re-election. Additionally, persons appointed as additional Directors in the course of a financial year shall hold office only until the next annual general meeting and shall be eligible for re-election but shall not be taken into account in the determination of the usual one-third retirement of Directors by rotation.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

The dates of appointment for each of our Directors are as follows: -

Name of Director	Date of appointment	Period served in office	Date of expiration of current term of office
Nordin Md Nor	21 May 2008	Approximately 1 month	Shall retire at our 2009 annual general meeting in accordance with Article 77 of our Articles of Association.
Mohd Khalid Embong	21 May 2008	Approximately 1 month	Shall retire at our 2009 annual general meeting in accordance with Article 77 of our Articles of Association.
Khalid bin Sufat	21 May 2008	Approximately 1 month	Shall retire at our 2009 annual general meeting in accordance with Article 77 of our Articles of Association.
Peter Angus Knowles	21 May 2008	Approximately 1 month	Shall retire at our 2010 annual general meeting in accordance with Article 77 of our Articles of Association.
Datin Rozita	21 May 2008	Approximately 1 month	Shall retire at our 2010 annual general meeting in accordance with Article 77 of our Articles of Association.
Senator Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	21 May 2008	Approximately 1 month	Shall retire at our 2010 annual general meeting in accordance with Article 77 of our Articles of Association.
Che Nazahatuhisamudin Che Haron	21 May 2008	Approximately 1 month	Shall retire at our 2011 annual general meeting in accordance with Article 77 of our Articles of Association.
Dato' Kamarul	21 May 2008	Approximately 1 month	Shall retire at our 2011 annual general meeting in accordance with Article 77 of our Articles of Association.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.6 KEY MANAGEMENT

5.6.1 Particulars and Shareholdings of the Key Management Team

The details of the key management of our Group and their shareholdings in us before and after the IPO are as follows: -

Name	Designation	No. of Uzma Shares Held Before the IPO				No. of Uzma Shares Held After the IPO*			
		Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
Dato' Kamarul	Chief Executive Officer	47,692,257	76.92	[1]14,307,739	23.08	40,299,957	50.37	[1]12,300,039	15.38
Datin Rozita	Director, Corporate Services	14,307,739	23.08	[2]47,692,257	76.92	12,300,039	15.38	[2]40,299,957	50.37
Peter Angus Knowles	Director, International Business	-	-	-	-	300,000	0.38	-	-
Mohd Khalid Embong	Director, Strategic Business and Planning	-	-	-	-	250,000	0.31	-	-
Che Nazahatuhisamudin Che Haron	Director, Sales and Marketing	-	-	-	-	400,000	0.50	-	-
Ahmad Ridzuan Tahir	Group Manager, Geoscience and Reservoir Engineering	-	-	-	-	200,000	0.25	-	-
Hoon Shat Mei	Group Manager, Finance and Accounting	-	-	-	-	100,000	0.13	-	-
Bong Leong Sung	Manager, Corporate Finance	-	-	-	-	150,000	0.19	-	-
Hamzah Yunus	Manager, Integrated Basin Studies	-	-	-	-	150,000	0.19	-	-
Drs Robert Hulsbos	Manager, Laboratory and Analytical Services	-	-	-	-	150,000	0.19	-	-

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Name	Designation	No. of Uzma Shares Held Before the IPO				No. of Uzma Shares Held After the IPO*			
		Direct	(%)	Indirect	(%)	Direct	(%)	Indirect	(%)
Jamal Jamil	Team Leader, Development	-	-	-	-	125,000	0.16	-	-
Robert Charles Shoup	Chief Geoscientist	-	-	-	-	125,000	0.16	-	-

Notes: -

* *Including pink form allocation*
(1) Deemed interested by virtue of his spouse, Datin Rozita's interest
(2) Deemed interested by virtue of her spouse, Dato' Kamarul's interest

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5.6.2 Profiles of the Key Management

Dato' Kamarul

The profile of Dato' Kamarul is set out in Section 5.3.2 of this Prospectus.

Datin Rozita

The profile of Datin Rozita is set out in Section 5.3.2 of this Prospectus.

Peter Angus Knowles

The profile of Peter Angus Knowles is set out in Section 5.3.2 of this Prospectus.

Mohd Khalid Embong

The profile of Mohd Khalid Embong is set out in Section 5.3.2 of this Prospectus.

Che Nazahatuhisamudin Che Haron

The profile of Che Nazahatuhisamudin Che Haron is set out in Section 5.3.2 of this Prospectus.

Ahmad Ridzuan Tahir, aged 38, joined Uzma Malaysia as Manager, Reservoir Characterisation Studies in 2006.

He graduated from University of Malaya in 1993 with a Bachelor of Science (Hons) in Applied Geology. He worked for a year in Western Mining Corporation as a Site Geologist, responsible for onsite geotechnical work, before joining EPMI in 1994 where he stayed for 10 years. His first two years were spent as an Intern at Exxon Production and Research Company, Houston. This included working on sequence stratigraphy and reservoir architecture analysis of fluvial systems in Ebro Basin, Spain. From 2000 until 2002 he was the Senior Petroleum Geologist for several new field developments projects. He was in charge of preparing the Field Development Plans for Lawang / Langat, Serudon and South Raya developments, which included thorough geological analysis of the field and uncertainty management. His last position in EPMI was Exploration Geoscientist, planning and coordinating a study of the North Gas Fields. In 2004, he joined Intesery One Sdn Bhd where he was Manager, Subsurface Science & Engineering Division, managing operations which centred on the new science of Web-Based Real-Time Drilling Monitoring.

He brings to Uzma Malaysia sequence stratigraphy expertise with an emphasis on siliclastic sedimentology. He is a certified expert sequence stratigrapher by Exxon Mobil and has extensive experience in planning, working and leading field and regional scale technical studies. He is proficient in exploration geoscience including hydrocarbon play assessment, hydrocarbon lead recognition, prospect evaluation, risk assessment, probabilistic volume assessment, well planning and wildcat drilling operations. These are all areas of expertise highly sought after by Uzma Malaysia's existing and potential clients in Malaysia and overseas.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Hoon Shat Mei, aged 41, joined Uzma Malaysia in 2008 as Group Manager, Finance and Accounting.

Ms. Hoon graduated with a Bachelor of Arts with majors in Accounting and Finance from Oxford Brookes University (United Kingdom). She is also a member of the Association of Chartered Certified Accountants (United Kingdom). Ms. Hoon has more than 20 years of experience in the field of accounting and finance.

From 1986 to 1996, Ms. Hoon worked in the accounting and finance department of various organisations. Ms. Hoon then joined Leighton Contractors (M) Sdn Bhd in 1996 as Accounting Manager and was seconded to the Ampang KL Elevated Highway Project where she was responsible for financial and management reporting. She was promoted to Regional Accountant and engaged in the preparation of monthly reports, budgets and cash flow forecasts as well as supervision and administration of project accounting systems. She has also taken an active role in the preparation of project reports for various development projects.

In 2001, Ms. Hoon joined Baker Hughes (M) Sdn Bhd as Area Finance Manager where she managed the financial and accounting functions for Baker Oil Tools Division for four countries – Malaysia, Brunei, the Philippines and Sakhalin, Russia. She was transferred to INTEQ Division and promoted to Senior Finance Manager – Middle East & Asia Pacific Region in 2003. Among her responsibilities were expense forecasting, tax planning, cash management and investment strategies.

In December 2006, Ms. Hoon joined Spie Oil & Gas Services ASP Sdn Bhd as Regional Accounting Manager where she led a team of accounting staff in various accounting and finance functions in the Asia Pacific region.

Bong Leong Sung, aged 34, was appointed Manager, Corporate Finance of Uzma Malaysia in 2007.

Mr. Bong graduated with a Bachelor of Accounting (Hons) from University Malaya in 1999. He is a Chartered Accountant (Malaysia), Certified Public Accountant (Malaysia) and a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. After graduating, Mr. Bong joined Arthur Andersen, which later merged with Ernst & Young, as a Senior Associate. He gained almost five years of audit, advisory and financial due diligence experience. In 2003 Mr. Bong joined Alliance Investment Bank Berhad as Deputy Manager where he gained 3 years experience in corporate finance and investment banking.

In January 2007 Mr. Bong joined Uzma Malaysia as Manager, Corporate Finance to restructure our group and strengthen financial management. He brings with him a balance of financial due diligence experience and corporate finance experience. He has provided consultancy for a number of listings on Main and Second Boards of Bursa Securities.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Hamzah Yunus ("**En Hamzah**"), aged 56, joined Uzma Malaysia in 2007 as Manager, Integrated Basin Studies.

He graduated with a Bachelor of Science in geology from the National University of Malaysia in 1976 and has almost 30 years of international experience.

He joined PETRONAS Carigali Sdn Bhd as a geophysicist in 1978 and stayed with the PETRONAS group until joining Uzma Malaysia. In 1988 he became the Senior Development Geophysicist in an integrated multi disciplinary team for Dulang Unitised Field. In 1992 he became the Senior Explorationist for Carigali in East Malaysia. In 1995, En. Hamzah was transferred to the Middle East and Africa Exploration and Projects Department where he carried out technical evaluation of onshore and offshore exploration blocks in Oman, Tunisia and Libya, and supervised an exploration block in Syria. In 1997, En. Hamzah was seconded to PETRONAS Carigali Sdn Bhd's Greater Nile Petroleum Operating Company in Sudan joint venture where he was the subsurface team leader. On his return to Malaysia in 2002 En. Hamzah was appointed leader of the subsurface team for blocks PM306 and PM307 where, amongst other activities, he carried out regional seismic interpretation. For the last three years before joining Uzma Malaysia, En. Hamzah was Manager of the Prospect Maturation Unit in PETRONAS Management Unit where he was in charge of all seismic acquisition and processing.

En Hamzah brings to Uzma Malaysia a wealth of Geophysical technical knowledge in seismic acquisition, processing and interpretation. He is widely respected in the industry in Malaysia.

Drs Robert Hulsbos ("**Drs Hulsbos**"), a Dutch national aged 52, joined Uzma Malaysia in 2007 to manage its Laboratory and Analytical Services in addition to providing expertise for its Regional and Basis Studies Teams.

Drs Hulsbos graduated with a bachelor's degree in geology from the Free University in the Netherlands in 1978. In 1982 he gained his Doctoraal in Geology majoring in Paleontology and Stratigraphy. He now has 25 years experience and is an internationally respected Stratigrapher.

Drs Hulsbos spent some of his professional career working for industry research centres including the Petroleum Research Centre, Tripoli, Libya where he researched the micropaleontology and stratigraphy of Late Mesozoic to Cenozoic. He was also a research assistant at the Institute of Earth Sciences, Free University, Amsterdam working on early tertiary foraminiferal biostratigraphy and paleoceanography of the North Atlantic. In 1985 he joined Gearhart GeoConsultants as a Micropaleontologist / Stratigrapher in Jakarta. In 1989 he joined Core Laboratories where he stayed until joining Uzma Malaysia. He started work for Core Laboratories in Malaysia as a Senior Micropaleontologist before being promoted to Supervisor of Biostratigraphy. In 1997 he became Manager, Geological Sciences Division in Jakarta where his responsibilities included financial and technical management of the Geological Sciences department and supervision and co-ordination of the Geological Sciences laboratories. In 2002 he became Technical Manager - International Studies based in the United Kingdom. This position involved a variety of disciplines, including (depending on the type of project) reservoir geology, stratigraphy, structural geology, geochemistry and petrophysics.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Drs Hulsbos brings with him extensive technical expertise in the biostratigraphy and micropaleontology and sound commercial expertise having worked in the Oil and Gas Geoscience Services and Laboratory Operations for over 20 years. He has professional affiliations with the Royal Geological and Mining Society of the Netherlands, the Indonesian Petroleum Association and American Association of Petroleum Geologists. He has authored and presented a number of technical papers.

Jamal Jamil, aged 52, joined Uzma Malaysia in October 2006 as Senior Staff Geophysicist.

En. Jamal graduated with a Bachelor of Science (Physics) from the University of Science of Malaysia in 1981.

He joined PETRONAS as a geophysicist in 1984 and was responsible in liasing with PSC Operators / Contractors in all exploration and development activities. In 1995, En. Jamal was transferred to PETRONAS Carigali Sdn Bhd and was assigned to secure exploration acreage in various countries in North Africa and the Middle East. In 1998, he was transferred to Khartoum, Sudan to explore and locate oil in the Muglad Basin. His expertise in understanding petroleum systems is invaluable and he is experienced in identifying prospects using various types of workstations which is crucial in the Oil & Gas Industry.

In 2000, he participated in the Angsi Field Development Plan and was responsible for sustaining 100,000 barrels-per-day production in 6 platforms. Subsequently, he was promoted to Staff Geophysicist in 2004 and was assigned to supervise all PETRONAS Carigali exploration projects locally and internationally.

In 2006, En. Jamal joined M Cube Petroleum Inc. based in Jakarta as Senior Geophysicist to oversee the Rembang and Halmahera exploration blocks as well as development fields in Sumatra.

En. Jamal brings to Uzma Malaysia more than 20 years of experience in geology and geophysics particularly in seismic interpretations.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Robert Charles Shoup ("**Mr. Shoup**"), an American aged 53, joined Uzma Malaysia as a Senior Geoscientist in 2004 and was transferred to the Thailand office as Chief Geoscientist at the beginning of 2006. Mr. Shoup has a Master of Science in Geology from the University of Oklahoma and has 28 years experience in basin analysis, regional studies, new play generation, prospect evaluation, drilling operations, and project management.

He commenced his professional life as a geologist with the US Geological Survey before joining Shell in New Orleans in 1980. He spent almost twenty years with Shell including over five years in the research department where he led a team evaluating the Tectonic and Stratigraphic architecture of the Gulf of Mexico. During his career with Shell he also gained many years deepwater experience in the Gulf of Mexico. He was Exploration Coordinator for the West Mississippi Canyon Team where he was responsible for overseeing generation, evaluation, acquisition and prosecution of prospects. He also conducted regional studies to facilitate basin and prospect ranking. Mr. Shoup spent two years with Shell in China where he was the offshore exploration Team Leader responsible for establishing and maintaining a portfolio of high-quality leads and prospects for offshore China. In China he successfully proposed and negotiated a bilateral agreement with China National Oil & Gas Exploration and Development Corporation in the South China Sea.

In 1999 Mr. Shoup joined Samson Investment Company as Offshore Team Leader responsible for establishing an exploration programme in the offshore Gulf of Mexico. Before joining our Group, he spent a year with Hilcop Energy identifying exploration opportunities.

After joining Uzma Malaysia, Mr. Shoup quickly established the respect of customers, colleagues and the management with his extensive knowledge and his willingness to share it. He was one of the keys to our Group's successful execution of the Temana Field Review for PETRONAS Carigali Sdn Bhd. Although he is based in Bangkok he still carries out technical reviews of projects being conducted by our Group in Malaysia. In Thailand his interpretation and analytical skills are held in high regard by all at PTTEP where he has identified new exploration opportunities.

Mr. Shoup is passionate about geoscience and is an active contributor in the professional community. He is Past President and Vice President of American Association of Petroleum Geologists ("**AAPG**")'s Division of Professional Affairs, past Chairman of the AAPG Mentor, Membership and Student Chapter Committees and Past Secretary-Editor of the AAPG House of Delegates. He received Certificates of Merit in 1990, 1991, and 1998, and Distinguished Service Awards in 2000 and 2008. An academic at heart, Mr Shoup has authored or became co-author of over 25 internal publications and reports, and has lectured for Shell and AAPG.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.7 INVOLVEMENT OF EXECUTIVE DIRECTORS / KEY MANAGEMENT IN OTHER BUSINESSES / CORPORATIONS

As at LPD and save for below, none of our Executive Directors and / or key management are involved in other businesses or corporations.

Dato' Kamarul

Company	Position	Principal Activities
AKK Management Sdn Bhd	Director and substantial shareholder	Provision of services and supply of equipment and consumables for industrial water treatment
Marsya Medic Sdn Bhd	Director and substantial shareholder	Provision of medical equipment and supplies (Business has not commenced)
Jenescom Sdn Bhd	Director and substantial shareholder	Dormant

His involvement in AKK Management does not require much of his time as the company is managed by well-qualified and experienced managers. In addition, the rest of the companies are either dormant or the business of the companies has yet to commence. As such, Dato' Kamarul spends substantial portion of his working hours on the affairs of our Group.

His involvements in other businesses and corporations do not negatively impact his ability to act as our Director.

Datin Rozita

Company	Position	Principal Activities
AKK Management Sdn Bhd	Director	Provision of services and supply of equipment and consumables for industrial water treatment

Her involvement in AKK Management does not require much of her time as the company is managed by well-qualified and experienced managers. As such, Datin Rozita spends substantial portion of her working hours on the affairs of our Group.

Her involvements in other businesses and corporations do not negatively impact her ability to act as our Director.

Mohd Khalid Embong

Company	Position	Principal Activities
Moneywise Network Sdn Bhd	Director and substantial shareholder	Provision of consultancy and personal financial planning services

His involvement in the above business is performed on a part time basis. As such, Mohd Khalid Embong is engaged on a full time basis on the affairs of our Group.

His involvement in other business does not negatively impact his ability to act as our Director.

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

Che Nazahatuhisamudin Che Haron

Company	Position	Principal Activities
AKK Management Sdn Bhd	Shareholder	Provision of services and supply of equipment and consumables for industrial water treatment

His involvement in the above business does not require much of his time as this company is managed by well-qualified and experienced managers. As such, Che Nazahatuhisamudin Che Haron spends substantial portion of his working hours on the affairs of our Group.

His involvement in other business does not negatively impact his ability to act as our Director.

Hamzah Yunus

Company	Position	Principal Activities
HY Trading & Services	Sole trader	Provision of consulting services, supply office equipment, sports equipment, gifts & presents, washing & cleaning area, interior decoration, tailoring services

His involvement in the HY Trading & Services does not require much of his time as the business is currently inactive. As such, Hamzah Yunus spends a substantial portion of his working hours on the affairs of our Group. His involvement in other business does not negatively impact his ability to act as our key management.

Ahmad Ridzuan Tahir

Company	Position	Principal Activities
Vintegrate Solutions	Sole trader	Provision of management and internet services, supply of teaching equipment, reading materials, stationery, computer equipment and trading of gift

His involvement in Vintegrate Solutions does not require much of his time as the company is managed by well-qualified and experienced managers. As such, Ahmad Ridzuan Tahir spends a substantial portion of his working hours on the affairs of our Group. His involvement in other business does not negatively impact his ability to act as our key management.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.8 DECLARATION OF DIRECTORS AND KEY MANAGEMENT TEAM

As at LPD, none of our Promoters, Directors, key management personnel or person nominated to become a Director or key management is or has been involved in any of the following events: -

(i) a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a Director or key personnel;

(ii) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;

(iii) charged and / or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) judgment was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or

(v) was the subject of any order, judgment or ruling of any court, government or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

5.9 FAMILY RELATIONSHIPS

Dato' Kamarul and Datin Rozita, who are both our Promoters, substantial shareholders and Directors, are husband and wife.

Samrat Knowles, who is a substantial shareholder and Director of Uzma Thailand, is the spouse of Peter Angus Knowles, who is our Director.

Save for the above, there is no family relationship *(as defined in Section 122A of the Act)* or association between our substantial shareholders, Promoters, Directors, key management or key technical personnel.

5.10 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at 31 May 2008, there are no existing or proposed service agreements between our Group and our Directors and key management or key technical personnel.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]

5. INFORMATION ON SHAREHOLDERS, PROMOTERS, DIRECTORS AND KEY MANAGEMENT *(Cont'd)*

5.11 EMPLOYEES

As at 16 May 2008, the total number of employees of our Group is 69 persons as illustrated below: -

Category	No. of Employees	Average Years in Service with our Group
Executive Directors and key management	8	4
Managerial and professional	16	4
Technical and supervisory	24	2
Clerical, administrative and accounts	21	2
TOTAL	**69**	

As at 16 May 2008, our Group's workforce consists of 17 foreign employees.

The management of our Group views human resource as one the most important critical key success factors and that a dedicated, well-trained and efficient workforce is essential to our Group's success. The management of our Group enjoys a good working relationship with the employees. None of the employees of our Group belong to any union nor involve in any material disputes in the past. As of LPD, our Group has not been involved with any material industrial disputes with any of our employees.

As at 16 May 2008, our Group has 72 contractual employees of technical and supervisory level, and 14 contractual employees of clerical, administrative and accounts role.

Training and Development

Our Group is of the view that training and development is an essential continuing process for enhancement of productivity and improvement of overall skill sets and professionalism. Towards this respect, our Group has been consistently sending our personnel to various courses, both in-house and externally conducted, in tandem with the training needs. Currently, our Group's technical staff are sent for technical courses provided by Subsurface Consultants Associates and sales staff will be attending courses provided by Zobedy, Miller Heimann and Dale Carnegie. In addition, the Group has also planned for Uzma Sales School, a training course for sales personnel of our Group once a year.

Management Succession Plan

Our Group places high priority on ensuring that there is continuity in our Group's management team so as to ensure continuity and to maintain our level of competitiveness in the industry. To achieve this, it is the policy of our Group to groom the lower and middle management staff to gradually assume the responsibilities of the senior management and also as part of our employees' career advancement programme. Our Group's strategy for management continuity is driven by our top management. Our Group Chief Executive Officer, together with the Executive Directors are involved in the process of identifying key competencies and requirements for managers and higher positions. Job and candidate profiles are developed for management position in line with the business goals, strategies and culture of our Group.

[THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY]