



Federal International (2000) Ltd

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MEDIA RELEASE – FOR IMMEDIATE RELEASE

FEDERAL GRANTED OPTION TO ACQUIRE 51.3% SHARES IN PT PETROSA NOVOMET INDONESIA

- **Investment allows Federal to expand and strength its foothold in the upstream oil and gas sector under the Group’s Resources business segment**
- **Significant number of old and abandoned wells in Indonesia presents sizable oppportunity for strong, stable and recurring future earnings**

Singapore, 14 July 2015 – Federal International (2000) Ltd (“Federal” or the “Group”), an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries, is pleased to announce that a subsidiary of the Group has signed an option agreement (“**Option**”) to acquire 77 shares, representing 51.3% of the issued and paid-up share capital of PT Petrosa Novomet Indonesia (“**PTPNI**”).

PTPNI was incorporated in January 2015 to supply, lease and operate specialized equipment using advanced proprietary technology that is able to increase the production and yield of onshore and offshore oil and gas wells in Indonesia. The specialized equipment is able to increase the output of abandoned wells whereby production is no longer economically viable. Recent trials using the equipment for two major oil companies yielded encouraging results and PTPNI is in active discussions to utilise and deploy the equipment for wells operated by these major oil companies and other oil companies.

In Indonesia, it is estimated that there are about 100,000 old and abandoned oil and gas wells that could benefit from using PTPNI’s equipment and technology. Besides Indonesia, the equipment could also be deployed to other countries looking to enhance output from their oil and gas fields.

Commenting on the signing of the Option, Mr Koh Kian Kiong, Federal’s Executive Chairman and Chief Executive Officer said: ***“This potential investment in PTPNI will allow the Group to expand and strengthen its foothold in the upstream oil and gas sector under the Group’s Resources business segment and is likely to generate strong, stable and recurring future earnings for the Group in the years to come once PTPNI builds up its order book for the equipment leasing contracts from the oil companies.”***

About Federal International (2000) Ltd

Established in 1974 and listed on the Mainboard of the SGX-ST in 2000, the Company is an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries. From being a distributor of valves, the Company has transformed its business model to encompass research and development, design and manufacturing, as well as the supply and distribution of various flowline control products and related equipment for use in the oil and gas industries. The Company also owns and charters vessels under its Marine Logistics business segment. The Company's products include its own proprietary brands, as well as products from major European manufacturers.