



Federal International (2000) Ltd

(Co. Reg. No. 199907113K)
47/49 Genting Road
Singapore 349489

RECEIPT OF NOTICE OF ARBITRATION

The board of directors (the "**Board**") of Federal International (2000) Limited (the "**Company**", together with its subsidiaries, referred to as the "**Group**") wishes to announce that Alton International Resources Pte Ltd ("**AIR**"), which is a 70% indirect subsidiary of the Company, has on 14 September 2016, received a notice of arbitration by a third party claimant (the "**Claimant**").

The arbitration proceedings (the "**Proceedings**") have been commenced on the basis of a tripartite sale and purchase contract for coal (the "**Contract**") entered into, between AIR and another respondent unrelated to the Group (the "**Respondents**") and the Claimant, on 8 July 2010. As set out in the Notice of Arbitration and the Claimant's Statement of Claim, the Claimant alleges that the Respondents are jointly and severally liable for a sum of up to US\$958,100, excluding interest and costs, in relation to damages the Claimant has suffered due to the Respondents' alleged repudiation of the Contract (the "**Alleged Claim**").

AIR is seeking legal advice from its lawyers on this matter and will be vigorously resisting the Alleged Claim.

AIR was in the business of mining coal and other resources. It is currently a dormant company with no operating businesses and is in a net liability position.

The Board will make further announcements on any material developments in connection with this matter as and when appropriate.

BY ORDER OF THE BOARD

Koh Kian Kiong
Executive Chairman & Chief Executive Officer
15 September 2016

About Federal International (2000) Ltd

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, the Company (together with its subsidiaries, the "Group") is an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries. The Group's design and manufacturing facility located in Scotland, the United Kingdom, is American Petroleum Institute (API) Q1, Spec 6D, ISO 9001:2008 and Pressure Equipment Directive 97/23/EC (PED) certified.

The Group owns a floating, storage and offloading vessel and a 1,200 HP Brewster land drilling rig. The Group also operates an industrial water plant in the People's Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin county government.