

FEDERAL INTERNATIONAL (2000) LTD

(Incorporated in Singapore)

Company Registration No. 199907113K

PROFIT GUIDANCE FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

The Board of Directors of Federal International (2000) Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide profit guidance on the Group’s unaudited results for the third quarter ended 30 September 2014 (“**3QFY2014**”).

The Group’s overall results for 3QFY2014 were weighed down by additional cost overrun and provisions due to delays relating to the *Federal II* project. The project relates to the conversion of *Federal II* into a floating, storage and offloading vessel (“**FSO**”) before its sale to PT Eastern Jason, a 30% associate of the Group. The completed FSO will be subsequently chartered by PT Eastern Jason to China National Offshore Oil Corporation (“**CNOOC**”). The conversion and sale of the vessel were completed on 19 August 2014. The vessel is currently undergoing mooring and hook-up operations before commencement of the charter.

Additional costs were incurred and provisions were made due to delays to the completion of the conversion of the vessel and the mooring and hook-up operations. The additional costs were due to the increased work scope and equipment provided in order to ensure that the vessel meets the required standards necessary for the charter operations.

Further details of the Group’s performance will be disclosed in the announcement of the 3QFY2014 results, which is scheduled for release on or before 15 November 2014. Shareholders are advised to exercise caution when dealing with the securities of the Company and to seek professional advice as and when necessary.

By order of the Board

Koh Kian Kiong
Executive Chairman

10 October 2014