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Federal Secures US\$6.0 million Procurement Contract with Malaysia’s Xtreme Subsea for an Offshore Oil & Gas Project in Vietnam

- **The procurement contract is for plugging and abandonment of three subsea oil wells at the DH field in offshore Vietnam**

Singapore, 08 April 2019 – Federal International (2000) Limited (“Federal” or the “Group”), an integrated service provider and procurement specialist in the oil and gas, energy, utilities and infrastructure industries, inked a US\$6.0 million procurement service agreement with Xtreme Subsea Solutions Sdn. Bhd. based in Malaysia and its wholly owned subsidiary, Xtreme Solutions (Labuan) Incorporated (**“Xtreme Subsea”**). The procurement service agreement will run for a period of 6 months starting from April 2019, with a potential additional variation order value of approximately US\$2.0 million.

About Xtreme Subsea

Xtreme Subsea is based in Malaysia and registered with a license from Malaysian state-owned Petronas to provide subsea solutions to operators. Xtreme Subsea provides the following services to their customers: (1) subsea well intervention, (2) subsea inspection, maintenance and repair (**“IMR”**), (3) underwater inspection & services, (4) subsea hardware installation and retrieve, (5) SURF installations, (6) stranded field optimisation solutions, (7) subsea drilling and completion (100m-450m) water depth, (8) tophole drilling and construction and (9) subsea plug & abandonment etc.

The Offshore Oil & Gas Project in Vietnam

Federal is supporting Xtreme Subsea as its procurement specialist for plugging and abandonment of three subsea oil wells at the Dai Hung (**“DH”**) field in Block 05-1A in offshore Vietnam. The DH field spans 260 kilometres wide with water depths up to 110 metres. The DH field utilize a Floating Production Unit (**“FPU-DH01”**) which is connected to twelve subsea wells and the crude oil is offloaded to a Floating, Storage and Offloading Vessel (**“FSO”**).

Commenting on the Group’s contract win, Mr. Koh Kian Kiong, Executive Chairman and CEO of Federal, said, *“Given the challenges in the Oil & Gas industry over the last number of years, we are very grateful to Xtreme Subsea for selecting Federal as their procurement*



specialist for these three subsea oil wells in offshore Vietnam's DH field. General Statistics Office in Vietnam revealed that Southeast Asia is fast becoming a major Oil & Gas hub as the production of oil and petrol witnessed the largest output expansion year-on-year at 73.2% while liquefied petroleum gas ("LPG") was up 37.8%¹. We are excited and look forward for more of such opportunities in the region. Our Group will strive hard to deliver this contract and demonstrate our expertise and capability in the region. We remain hopeful of more cooperation opportunities with Xtreme Subsea."

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About Federal International (Bloomberg Code: FEDI SP)

Established in 1974 and listed on the mainboard of the Singapore Stock Exchange in 2000, Federal International (2000) Limited ("Federal" and together with its Subsidiaries, the "Group"), is an integrated service provider and procurement specialist in the oil and gas and energy industries. The Group's main trading business contributes over 90% of total turnover.

The Group's strategy for sustainable growth of the trading business is through forming strategic partnerships. One such partnership is with PT Gunanusa Utama Fabricators ("PTG"). PTG is an established EPCIC contractor and its customers include oil majors such as TOTAL, Petronas, ONGC, Pertamina and PTTEP as its customers. The Group provides procurement services to PTG for projects secured by secured by PTG.

In addition, the Group has a design and manufacturing facility located in Scotland, the United Kingdom. The facility is American Petroleum Institute (API) Q1, Spec 6D, ISO 9001:2015 and Pressure Equipment Directive 97/23/EC (PED) certified. Products manufactured also meet the Safety Integrity Level (SIL) Qualification independently certified by Exida.

The Group also owns a floating, storage and offloading ("FSO") vessel through its 30% interest in an associate. The FSO is chartered to PT Pertamina Hulu Energi OSES. The Group has a 1,200 HP American built land drilling rig. The Group also operates an industrial waster plant in the People's Republic of China under a 30-year Build, Operate and Transfer agreement with the local Xinjin county government.

¹ Xinhua Net, Lu Hui, Vietnam's industrial production up 9.2 pct in Q1, 29 March 2019



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