



**Federal International (2000) Ltd**  
(Co. Reg. No. 199907113K)  
47/49 Genting Road  
Singapore 349489

---

**FEDERAL SIGNS MEMORANDUM OF UNDERSTANDING WITH COOEC AND PT TIMAS TO CO-OPERATE EXCLUSIVELY ON THE PROPOSAL FOR THE CONSTRUCTION OF AN LNG TERMINAL IN WEST JAVA, INDONESIA**

---

The Board of Directors (the “**Board**”) of Federal International (2000) Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Federal Hardware Engineering Co. Pte Ltd (“**FHEC**”), a wholly owned subsidiary of the Group, has signed a Memorandum of Understanding (“**MOU**”) with Offshore Oil Engineering Co., Ltd (“**COOEC**”) and PT Timas Suplindo (“**PT Timas**”) to co-operate exclusively to submit a proposal for the Engineering, Procurement and Construction (“**EPC**”) contract in connection with the construction of an LNG terminal in West Java. The parties are in advanced discussions with the owner of the LNG terminal project and the proposal is to be submitted directly to the owner of the LNG terminal project.

Based on discussion among the parties, the construction of the LNG terminal is estimated to cost about USD 260 million and will take about 24 months to complete. Under the MOU, COOEC shall provide the financing for the construction and will also undertake the project management and detailed engineering. FHEC shall be given the first right of refusal to supply materials required for the construction and will also, undertake co-management of the project. Following the signing of the MOU, the parties will discuss and enter into a detailed co-operation agreement in order to properly define the nature of the co-operation, scope of work, pricing and liabilities of each party under the EPC contract (the “**Definitive Agreement**”). If and when the Definitive Agreement is entered into by FHEC, the Board will make an announcement.

Under the terms of the MOU, FHEC and the other parties have up to 16 May 2018 to enter into the Definitive Agreement, failing which the MOU shall terminate and cease and lapse. In addition, upon the occurrence of certain events, the MOU will be automatically terminated without the incurring of any liability by any party.

Shareholders should note that although the terms of the MOU are binding, there is no assurance that the Definitive Agreement will be entered into and there is no certainty that the direct bid for the EPC contract will be successful. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action which may be prejudicial to their interests. In the event of any doubt, Shareholders and investors are advised to consult their stockbrokers, bank managers, solicitors, accountants and other professional advisers.

None of the Directors and, to the best of the best knowledge of the Directors, none of the substantial shareholders or controlling shareholders of the Company, has any direct or indirect interest in the transaction.

By order of the Board

Koh Kian Kiong  
Executive Chairman and CEO

17 May 2017

---

#### **About Federal International (2000) Ltd**

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, energy, utilities and infrastructure industries. The Group's main trading business contributes 97% 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 EPC contractor and counts major oil companies such as TOTAL, Chevron, ONGC, Pertamina and PTTEP as its customers. The Group provides procurement services to PTG for the EPC projects 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 and a 1,200 HP American built land drilling rig. The FSO is chartered to the China National Offshore Oil Corporation. 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.