



## **FEDERAL INTERNATIONAL (2000) LTD**

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### **FEDERAL INTERNATIONAL SETS UP JOINT VENTURE COMPANY TO TAP THE MARINE LOGISTICS AND OFFSHORE OIL & GAS SECTOR**

23 December 2005, Singapore – The Board of Directors of Federal International (2000) Ltd (“Federal International”) wishes to announce that Federal International has entered into a joint venture with Longzhu Oilfield Services Limited (“Longzhu”) to set up Federal Offshore Services Pte Ltd (“Federal Offshore”) to tap the growing business opportunities in the marine logistics and offshore oil and gas sector. The principal activity of the joint venture company will be investment holding.

Federal International and Longzhu hold a 60% and 40% stake in Federal Offshore respectively. Federal Offshore has an authorised capital of US100 million and a paid-up capital of US\$2.28 million.

Said Mr K. K. Koh, Executive Chairman and CEO of Federal International: “Given the strong uptrend in oil prices this year, we believe that the demand for marine and logistics services, as well as vessels for oil and gas exploration or development activities, will continue to be strong. This joint venture will position us well to tap this booming market and thus increase our earnings base.”

This joint venture will be funded by internal resources, and is not expected to have a material impact on the net tangible assets or earnings per share of Federal International for the financial year ending 31 December 2005.

None of the Directors or substantial shareholders of the Company has any direct or indirect interest in the above agreement.

**About Federal International (2000) Ltd**

Mainboard-listed Federal International is a value-added distributor and provider of turnkey EPC (engineering, procurement & construction) solutions for the energy & infrastructure industries. Federal is also involved in upstream activities such as R&D and manufacturing of valves and valve-related equipment through its wholly owned subsidiary Houston-based HP & T Products, Inc. as well as KVC Co. Ltd (Japan) and KVC (UK) Ltd, in which it has strategic stakes.

**About Longzhu Oilfield Services (S) Pte Ltd**

Longzhu Oilfield Services Limited is one of Longzhu Group's companies supplying and providing services in oil & gas equipment, instrumentation, spare parts to the oil & gas, marine and petrochemical industries in South East Asia and China. The company also has vast experience in providing services such as logistics services and the management of Seismic Ships, Research Boats and Offshore Platform barges to a worldwide clientele.

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