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PRESS RELEASE

Federal International's subsidiary secures total of US\$42.60 million Indonesian EPC project to build a 4 X 12-MW coal-fired steam power plant in two phases on Tanjung Pinang, Bintan Island

- **PT Federal International joins forces with Indonesian counterpart PT SSE–Van Der Horst Indonesia for a 22-month project to provide engineering, procurement and construction services for a coal-fired steam power plant**

Singapore, 31 March 2008 -- Mainboard-listed Federal International (2000) Ltd ("Federal International" or "the Company") today announced that a consortium comprising its wholly-owned subsidiary, PT Federal International ("PT FI"), and Indonesian power plant infrastructure provider, PT SSE-Van Der Horst Indonesia ("PT SSE-VDHI") has won a US\$42.60 million contract to carry out an Engineering, Procurement & Construction ("EPC") project for a 4 X 12MW coal-fired steam power plant in Tanjung Pinang, Bintan Island, Indonesia.

This EPC project is commissioned by its owner PT Tenaga Listrik Bintan ("TLB"), an Independent Power Producer, while the National Electricity Board of Indonesia (PLN) is the off-taker.

Tanjung Pinang is the main town on Bintan Island and capital of the Indonesian province of Riau Islands. As the trading and shipping centre in the region, the city is growing rapidly, hence the increased demand for electrical power.

The project, valued at US\$42.6 million, is expected to commence in the second quarter of 2008 and be completed by the fourth quarter of 2010 in two phases. During phase 1, the first 2 X 12MW coal-fired steam power turbine for the plant will commence work in the second quarter of 2008 and is expected to be completed within 22 months.

Under Phase 2, another 2 X 12MW coal-fired steam power turbine for the plant will commence work six months later subject to fulfilment of certain terms and conditions, and is expected to be completed within 22 months.

PT FI has a 50 per cent stake in the consortium while PT SSE-VDHI, an Indonesian JV of ST Marine and Van Der Horst Group, Inc. (BVI), owns the other 50 percent interest in the project.

Mr K K Koh, Federal International's Executive Chairman and CEO, said: "We look forward to this collaboration with PT SSE Van Der Horst Indonesia for the EPC project for the Coal-fired steam power plant in Tanjung Pinang. This city has seen rapid population growth in recent years, and we are pleased to be able to contribute towards building its energy infrastructure. This project reflects our client's confidence in Federal to provide EPC work in the regional energy sector."

About Federal International (2000) Ltd

Listed on the Mainboard of the SGX-ST in 2000, Federal has moved up the value chain as it aims to be an integrated service provider and procurement specialist in the oil & gas, energy and infrastructure industries.

The Group has come a long way from being a distributor and provider of turnkey EPC (engineering, procurement & construction) solutions. It is principally involved in Research & Development, Design and Manufacturing as well as Trading of flowline control products and services as well as equipment supporting the oil & gas and related industries. The Group develops and markets its own proprietary valves under the KVC™ brand.

In line with its strategic objective to build a business base with stable, recurring earnings streams, Federal has since 2006 diversified into a new business segment - Marine Logistics – providing chartering of vessels such as Floating & Storage Offloading vessels for offshore oil and gas upstream activities. In June 2007, Federal ventured into the utilities sector, after having clinched a 12-year, BOO project to supply power to Natural Fuel Pte Ltd on Jurong Island, Singapore

About PT SSE-Van Der Horst Indonesia ("SSE-VDHI")

PT SSE-Van Der Horst Indonesia ("SSE-VDHI") is an Indonesian joint venture company of Singapore Technologies Marine Limited and Van Der Horst Group, Inc. (BVI) which provides engineering and maintenance services to the oilfield, power plants, marine and industrial sectors. It has its own proprietary and approved OEM technologies in the re-standardising and certification of critical high pressure equipment. It has specific interest in the development of power plant infrastructure as well as the processing, transportation, storage and distribution facilities for the petrochemical, oil, gas and water industries.

About Perusahaan Umum Listrik Negara (“PLN”)

PLN was appointed by the Indonesian government as the owner of the electrical energy business in Indonesia. With more than 13 supporting units and subsidiaries, PLN runs the business for electrical energy supply and service for the public and other related ventures, with focus on the satisfaction of customers, corporate members and shareholders.

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by Aimpact Consultancy Pte Ltd

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