



FEDERAL INTERNATIONAL (2000) LTD

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PRESS RELEASE

***"FEDERAL I"* SET TO SAIL TOMORROW TO COMMENCE CHARTERING SERVICES TO PETROCHINA INTERNATIONAL JABUNG LIMITED**

19 April 2006, Singapore –Mainboard-listed Federal International (2000) Ltd ("Federal"), an integrated engineering and procurement specialist supporting the energy and infrastructure sectors in the region, is pleased to announce today that its subsidiary Federal Offshore Services Pte Ltd's ("FOS's") first floating, storage & off-loading ("FSO") vessel, ***"Federal I"***, is set to sail tomorrow to commence its chartering services to PetroChina International Jabung Limited ("PetroChina").

In February this year, Federal had announced that FOS, KK Marine Inc. and PT Antarbuwana Pertala (collectively the "Consortium") had secured a 10-year contract of US\$91.325 million from PetroChina to provide time charter of FSO vessel services to support PetroChina's operational activities in Jabung Block, Province of Jambi, Indonesia.

The time charter contract is for an initial period of 10 years with an option for another five years. Currently, PetroChina shares a production sharing contract with BPMIGAS - Indonesia's Ministry of Oil and Energy - for the Jabung Block in Jambi Province. PetroChina will be chartering ***"Federal I"***, which will be moored at its terminal to receive, store and off-load crude oil.

"Federal I" was converted from a Suez-Max tanker and is built with a one-million barrel capacity.

Commented Mr K. K. Koh, Federal's Executive Chairman and CEO, at a special viewing event of the vessel, "With oil prices trending northwards, the level of upstream oil and gas activities worldwide and especially in Asia, will accelerate. This will in turn translate into higher demand for chartering of marine logistics support vessels such as FSO and FPSO ("floating, production, storage and offloading") vessels."

Added Captain Ken Fernandes, FOS' Chief Operating Officer, "We are delighted that Federal and Keppel Shipyard have partnered so well to complete the fast-track project of converting a tanker into a FSO vessel within two months. "

About Federal International

Federal is a value-added distributor and provider of turnkey EPC (engineering, procurement & construction) solutions for the energy & infrastructure industries. Currently, the group is principally involved in the distribution of flowline control products to the oil and gas, power, chemical and pharmaceutical industries.

Through its subsidiary Houston-based HP & T Products, Inc. and its strategic stakes in KVC Co., Ltd (Japan) and KVC (UK) Ltd -- companies which are involved in upstream activities such as research & development and, manufacturing of valves and valve-related equipment -- Federal is moving up the value chain as it aims to be an integrated service provider and procurement specialist in the energy and infrastructure industries.

About PetroChina International Jabung Limited

PetroChina is one of the most profitable subsidiary companies of CNODC (China National Oil & Gas, Exploration & Development Corporation)(中国石油天然气勘探开发公司) which has business operations in 23 countries worldwide. Its core business activities consist of oil and gas exploration, drilling and marketing of crude/condensate oil and LPG to a worldwide clientele.

About PT Antarbuwana Pertala

Founded in 1992 and headquartered in Indonesia, PT Antarbuwana Pertala's key services include the rental of tug boats, Vessels, Work barges and Floating Storage vessels. The Company markets its services to the mid-size and large corporations throughout the world across oil & gas sectors via direct marketing and tender.

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by Aimpact Consultancy Pte Ltd

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