



FEDERAL INTERNATIONAL (2000) LTD

47/49, Genting Road, Singapore 349489

Tel: 67478118 • Facsimile: 67430690, 67450048

Email Address: admin@fedsin.com.sg • Webpage: <http://www.federal.com.sg>

Registration No: 199907113K

PRESS RELEASE

Federal International's wholly-owned subsidiary Federal Hardware Engineering Co. Pte Ltd clinches a US\$56 million, 25-year "Build, Operate and Own" contract to provide electricity in Bengkulu, Indonesia

- **Federal is poised to capitalise further on the growth potential of the energy sector in Indonesia through this third BOO project**

Singapore, 21 February 2008 -- Mainboard-listed Federal International (2000) Ltd ("Federal International" or "the Company") today announced that its wholly-owned subsidiary Federal Hardware Engineering Co. Pte Ltd ("FHEC") has entered into a joint venture agreement with PT Manna Energy Pratama ("PT MEP") to establish a JV company, PT Mega Federal Energy ("JV Company").

FHEC and PT MEP will hold 60% and 40% stakes respectively in the JV Company which is incorporated in Indonesia with an initial paid-up capital of US\$125,000, which will be increased to US\$350,000.

The JV Company has been awarded a 25-year contract to build a 4-megawatt mini-hydro power plant project on a "Build, Operate and Own" ("BOO") basis in Bengkulu, Indonesia at a cost of US\$4.38 million. This project is expected to generate revenue of approximately US\$56 million over a contractual period of 25 years.

The JV Company will be entering into a service agreement with PT MEP for supply of electricity to PT PLN (Persero) Distribusi, Bengkulu, Indonesia.

The engineering and procurement activities for this project will commence in March 2008 and construction of the plant is expected to be completed by mid-June of 2009 or earlier.

Mr K K Koh, Federal's Executive Chairman and CEO, commented on this project, "We are pleased to have clinched our third BOO project in Indonesia. The booming energy sector in Indonesia is one of the fast-growing industries in Southeast Asia at present. In particular, Bengkulu has seen rapid progress in terms of energy infrastructure development and prospects for this sector are most exciting. The Group is all poised to capitalize on the abundant opportunities in this active oil and gas market and we expect great returns in time to come."

Federal International's investment in this project will be funded by internal resources and bank borrowings and is not expected to have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 31 December 2008.

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

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.

Over the years, Federal's business model has evolved and it is now involved in Research & Development, Design and Manufacturing as well as Trading of flowline control products and services and equipment supporting the oil & gas and related industries. The Group develops and markets its own proprietary valves under the brand of KVCTM. In line with its strategic objective to build a business base with stable, recurring income streams, Federal has developed a new business segment - Marine Logistics – to provide 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, with its clinching of a 12-year, BOO project to supply power to Natural Fuel Pte Ltd on Jurong Island, Singapore.

About PT. Manna Energy Pratama (PT MEP)

PT MEP was established in 2006 as an energy sector services and supply company. It provides maintenance services for energy equipment such as steam boilers, generator, turbines and others to customers including PT. PLN (Persero). Led by President Director, Mr Bagus Evan Tabadjaja who is an industry veteran in the energy engineering and maintenance sector in Indonesia, PT MEP has a 10-member team of experienced professional engineers.

Release issued on behalf of Federal International (2000) Ltd
by Aimpact Consultancy Pte Ltd
For more information, please contact
Gwen Ling (Hp: 65-9724 5989), Gillian Lim (Hp: 65-94595050)
Tel : 65-6341 7867
Email : pwling@aimpactpr.com / gillian@aimpactpr.com