

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

(Incorporated in Singapore)

Company Registration No. 199907113K

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## **FEDERAL ENERGI PTE LTD ENTERS INTO OPTION AGREEMENT WITH ASIA PACIFIC LINKS LIMITED**

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The Directors of Federal International (2000) Limited (the "Company") would like to announce that its wholly-owned subsidiary, Federal Energi Pte Ltd ("FEPL"), had entered into an Option Agreement (the "Agreement") with Asia Pacific Links Limited ("APLL").

Under the Agreement, APLL intends to procure the acquisition of equity interests in:

- (i) a Swiss mining company with rights to a gold mine in West Africa; and
- (ii) a company with interests in a precious metal and copper mine in Indonesia (collectively the "Proposed Acquisitions").

FEPL is interested to participate in managing and operating the Proposed Acquisitions if APLL is successful in acquiring the Proposed Acquisitions. The Proposed Acquisitions require an initial outlay of US\$10 million.

Under the terms of the Agreement, APLL would grant FEPL an option to be issued and allotted shares in APLL within the Option Period (which is the period commencing 2 months from 2 May 2007 and ending 4 months after 2 May 2007), on payment of an amount of S\$10 million.

FEPL would, immediately after entering into the Agreement, commission a due diligence to be conducted to determine the feasibility of its participation in the Proposed Acquisitions.

The amount paid of S\$10,000,000 would be fully refundable, under the terms of the Agreement should FEPL decide not to exercise its right to require APLL to issue and allot shares or if APLL should decide to terminate the option.

The Directors will keep shareholders apprised of further developments in this transaction.

The above transaction is part of the Federal Group's efforts to tap business opportunities in the areas of mining and the provision of related services in the natural resources sector.

The above transaction will be funded by internal resources, and is expected to have a favourable material impact on the earnings per share but it is not expected to have any material impact on net tangible assets per share of the Company for the financial year ending 31 December 2007.

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

By Order of the Board

Chng Geok  
Director/Company Secretary

3 May 2007