



FEDERAL INTERNATIONAL (2000) LTD

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PRESS RELEASE

FEDERAL'S SUBSIDIARY, ALTON INTERNATIONAL, DIVERSIFIES INTO NEW BUSINESS

- **Alton clinches S\$3.9 million contract to supply and package generator sets for one of the oil majors in Malaysia**

January 31, 2007, Singapore – SGX Mainboard-listed Federal International (2000) Ltd (“Federal”), an integrated engineering, procurement specialist and marine logistics service provider supporting the energy and infrastructure sectors in the region, announced today that its wholly owned subsidiary, Alton International (S) Pte Ltd (“Alton”), has secured a S\$3.9 million contract to supply and package generator sets for one of the oil majors in Malaysia. Alton expects to fulfil this contract within the financial year.

Mr. K. K. Koh, Federal’s Executive Chairman and CEO commented, “We are delighted to have won this contract. It is significant as it marks Alton’s first successful initiative to diversify into a new business sector - engineering and fabrication/packaging of equipment - to meet the needs of the vibrant oil and gas industry in the region.”

This contract is expected to have a favourable impact on the earnings per share of Federal but it is not expected to have any material impact on net tangible assets per share of Federal for the financial year ending 31 December 2007.

None of the Directors or substantial shareholders of the company has any direct or indirect interest in this transaction.

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 and petrochemical 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.

Release issued on behalf of Federal International (2000) Ltd
by Aimpact Consultancy Pte Ltd

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