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>> Announcement Details
The details of the announcement start here ...

Announcement Title *	PRESS RELEASE – FEDERAL'S SUBSIDIARY, ALTON INTERNATIONAL RESOURCES PTE LTD, CLINCHES MILESTONE CONTRACTS WORTH US\$210 MILLION TO SUPPLY COAL, IRON ORE AND MANGANESE ORE TO SINGAPORE SUBSIDIARY OF A CHINA COMPANY
Description	Please see attached.
Attachments	 PR-AIR-Chinacontracts.pdf Total size = 115K (2048K size limit recommended)

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PRESS RELEASE

FEDERAL'S SUBSIDIARY, ALTON INTERNATIONAL RESOURCES PTE LTD, CLINCHES MILESTONE CONTRACTS WORTH US\$210 MILLION TO SUPPLY COAL, IRON ORE AND MANGANESE ORE TO SINGAPORE SUBSIDIARY OF A CHINA COMPANY

- **The US\$210 million contract signifies a breakthrough for Federal Group into the commodity trading business**

Singapore, 16 April 2010 – SGX Mainboard-listed Federal International (2000) Ltd (“Federal” or collectively with its subsidiaries, the “Group”), an integrated engineering and procurement specialist supporting the energy and utility sectors in the region, is pleased to announce that the Group has secured its **first** batch of milestone contracts worth US\$210 million to supply coal, iron ore and manganese ore to a Singapore subsidiary of a China company through Alton International Resources Pte Ltd (“AIR”), the subsidiary of Federal’s wholly owned subsidiary Alton International (S) Pte Ltd (“Alton”).

AIR has recently signed four contracts with a Singapore subsidiary of a China company whereby AIR will supply coal, iron ore and manganese ore over twelve to twenty four shipments. The total contractual value of the coal, iron ore and manganese ore shipments is US\$210 million. This is the first major batch of contracts for Federal Group in commodity trading.

This contract awarded to AIR is subject to the latter’s fulfilment of the customer’s certain terms and conditions, including the successful completion of trial shipment and ability to obtain the supply sources.

To-date, AIR has sourced the supply worth of US\$55M for the US\$210M contract.

Federal Group's Executive Chairman and CEO, Mr K. K. Koh commented on this breakthrough achievement: "This is certainly another feather in the cap for the Federal Group, especially in breaking into another high growth segment of the entire energy value chain. About two years ago, we started developing the coal mining and trading business. Through the invaluable support of our business partners and the laudable efforts of Alton's management team, we have now successfully made a great foray into commodity trading with iron ore and manganese ore."

"As Asian economies continue with their nascent economic recovery, prices of commodities such as coal and steel are on the uptrend as these are needed for building and infrastructure works, which is part of their continuous economic progress. We are fortunate to have entered the market through these significant contracts, which positions us well to capture a share of the global commodity trading business," added Mr Koh.

The Federal Group had expanded into coal mining business in Indonesia in early 2008, following the strategic incorporation of AIR and its fully owned subsidiary, PT Alton International Resources ("PT AIR").

Demand for iron ore and manganese ore

As a free element, manganese is a metal with important industrial metal alloy uses, particularly in stainless steel. Manganese ore is essential to iron and steel production by virtue of its sulfur-fixing, deoxidizing, and alloying properties. Products for construction, machinery, and transportation are leading end uses of manganese ore.

Iron ore is one of the world's most important minerals. Almost all iron ore is used to make steel. In the steelmaking process, iron ore is alloyed with a variety of elements such as tungsten, manganese, nickel and chromium to give it strength and hardness. The resulting varieties of steel are essential for nearly all industries.

The abovementioned contracts are expected to have a material impact on the Company's earnings per share but not on its net tangible assets per share for the financial year ending 31 December 2010.

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

About Federal International

Listed on the Mainboard of the SGX-ST in 2000, Federal is an integrated service provider and procurement specialist in the oil & gas, energy and infrastructure industries. From a trading company, Federal has transformed its business model, and today, the Group is involved in five core businesses, namely, **Trading** of flowline control products and services and oil & gas-related equipment, **Design and Manufacturing**, **Marine Logistics**, **Energy and Utilities**, and **Resources**.

While Trading continues to be the Group's mainstay, the other core businesses have been developed with a strategic objective of building a business base with stable, recurring income streams. To this end, the Group develops and markets its own proprietary valves under the KVC™ brand as part of its Design and Manufacturing business segment.

Federal's Marine Logistics Division also generates long-term, steady revenue streams through its services in chartering out vessels such as Floating & Storage Offloading vessels for offshore oil & gas upstream activities.

Leveraging on the 'Build, Own and Operate' (BOO) or 'Build, Own and Transfer' (BOT) business model, Federal has established itself as a regional player in the Energy and Utilities sector, working on gas processing/power facilities in Singapore and Indonesia. In China, Federal has ventured into the environmental management industry through a BOO project to provide waste water treatment services to the Sichuan PanZhiHua Vanadium-Titanium Industrial Park in China.

Recognizing the tremendous demand for coal in the region, Federal has also moved into the coal mining management and marketing business in Indonesia, having clinched a contract to supply coal to one of India's major coal trading companies.

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

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