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Name of Announcer *	FEDERAL INT(2000) LTD
Company Registration No.	199907113K
Announcement submitted on behalf of	FEDERAL INT(2000) LTD
Announcement is submitted with respect to *	FEDERAL INT(2000) LTD
Announcement is submitted by *	Chng Geok
Designation *	Director/Company Secretary
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**>> ANNOUNCEMENT DETAILS***The details of the announcement start here ...*

Announcement Title *	DISPOSAL OF SHAREHOLDINGS IN PT GASUMA FEDERAL INDONESIA
Description	PLEASE SEE ATTACHED
Attachments	 <a href="#">Disposal_of_PT_Gasuma.pdf</a> Total size = <b>32K</b> (2048K size limit recommended)

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# FEDERAL INTERNATIONAL (2000) LTD

(Incorporated in Singapore)

Company Registration No. 199907113K

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## DISPOSAL OF SHAREHOLDINGS IN PT GASUMA FEDERAL INDONESIA

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### 1. The Disposal

The Board of Directors ("Board") of Federal International (2000) Ltd (the "Company" or together with its subsidiaries the "Group") wishes to announce that its wholly-owned subsidiary, Federal Hardware Engineering Co. Pte Ltd ("FHEC"), has entered into a Head of Agreement (the "Agreement") with PT Yudistira Energy (the "Purchaser"), PT Gasuma Corporindo ("Gasmua") and PT Gasuma Federal Indonesia ("GFI"), for the sale of its entire 60% interest in shareholdings in GFI and the transfer of receivables due from GFI to the Purchaser. Gasuma owns the balance 40% interest in shareholdings in GFI.

### 2. Information on the Purchaser

PT Yudistira Energy is a limited liability company established under the laws of Republic of Indonesia specializing in oil and gas and related services.

### 3. Consideration

Under the terms of the Agreement, the amount payable by the Purchaser to FHEC shall be US\$7.84 million ("Purchase Price"), in consideration of:

- (i) Settlement by the Purchaser to FHEC (following the assignment of receivables) amounting to US\$7.64 million ("Receivables Purchase Price"); and
- (ii) FHEC's 60% interests in the shareholding of GFI, amounting to US\$200,000 ("Share Purchase Price").

The following terms of payment had been agreed between the parties:

#### Share Purchase Price

The Share Purchase Price has been received.

#### Receivables Purchase Price

- US\$1.64 million to be paid by the Purchaser before 30 April 2010.
- The remainder US\$6 million to be paid by the Purchaser in 5 subsequent instalments of US\$1.2 million annually, commencing 1 July 2012 and with the final instalment payment by 1 July 2016.

The consideration of US\$7.84 million was arrived at after arm's-length negotiations on a 'willing-buyer willing-seller' basis.

### 4. Rationale for the Sale

The disposal is in line with the Group's strategy to divest the Group's interest in certain projects and subsidiaries and the proceeds of which will be used to repay bank loans and improve working capital.

The disposal will result in a gain of S\$621,725 which will be recognised in the full year financial statements ending 31 December 2009.

## 5. Financial Effects

The above transaction is not expected to have a material impact on the net tangible assets but is expected to have a material impact on the earnings per share of the Group for the financial year ending 31 December 2009.

## 6. Relative Figures

<b>Rule 1006(a)</b>	S\$
Net Asset Value (NAV) of the disposed assets	10,707,100
NAV of the Group	136,922,431
NAV of the disposed assets as a % of NAV of the Group	7.82%
<b>Rule 1006(b)</b>	
Net profits before taxation attributable to the disposed assets	621,725
Net profits before taxation of the Group	5,378,286
Net profits before taxation attributable to the disposed assets as a % of the net profit before taxation of the Group	11.56%
<b>Rule 1006(c)</b>	
Aggregate value of consideration to be received	11,121,040
Market Capitalisation of the Company	88,038,623
Aggregate value of the consideration as a % of the market capitalization of the company as at 8 December 2009	12.6%
<b>Rule 1006(d)</b>	
Not applicable as the Company will not be issuing shares for the transaction	NA

Based on the above computation, no shareholder approval is required for the disposal.

## 7. Material Conditions

The contract is subject to the successful application for the extension of GSPA (Gas Sales and Purchase Agreement) with the gas suppliers, which is due to expire on 31 January 2010.

The Company will update shareholders on the outcome of the above application.

## 8. Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the disposal.

By Order of the Board

Chng Geok  
Director/Company Secretary  
8 December 2009