



FEDERAL INTERNATIONAL (2000) LTD

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PRESS RELEASE

FEDERAL INTERNATIONAL'S SUBSIDIARY, ALTON INTERNATIONAL SETS UP NEW JV COMPANY, ALTON INTERNATIONAL (B) SDN BHD, TO TAP THE BRUNEIAN MARKET FOR OILFIELD EQUIPMENT AND VALVES

January 4, 2005, Singapore – Alton International (S) Pte Ltd (“Alton International”), a wholly-owned subsidiary of Federal International (2000) Ltd (“Federal International”), today announced that it has set up a joint venture company, Alton International (B) Sdn Bhd (“Alton Brunei”), with two Bruneian businessmen, aimed at providing oilfield equipment and spares as well as valves to the oil and gas, construction and manufacturing industries in Brunei.

The two Bruneian entrepreneurs are Mr Rajesh Harichandra Budhrani and Mr Awang Mohd Shahri H. Mohd Ali. Alton Brunei's customers include Brunei Shell Petroleum Company Sdn Bhd, Brunei LNG Sdn Bhd, Brunei Shell Marketing Sdn Bhd and other Brunei Shell contractors.

Alton International has a 33% stake in the JV company, while Mr Budhrani and Mr Mohd Ali have an equity stake of 33% and 34% respectively. The paid-up capital of Alton Brunei is B\$20,000, while the authorized capital is B\$100,000.

This joint venture will be funded by internal resources, and is not expected to have any material effect on the net tangible assets or earnings per share of Federal International for the financial year ending December 31, 2005.

None of the Directors or substantial shareholders of the Company has any interest in the above agreement.

About Federal International (2000) Ltd

The Mainboard-listed Federal International Group is a value-added distributor and provider of turnkey EPC (engineering, procurement & construction) solutions for the energy & infrastructure industries. Currently, the group distributes flowline control products (e.g. valves, structural steel, steel flanges/ connectors and pipe fittings) to the oil and gas, power, chemical and pharmaceutical industries. Federal International is also involved in upstream activities such as R&D and manufacturing of valves and valve-related equipment through its wholly owned subsidiary Houston-based HP & T Products, Inc. as well as KVC Co. Ltd (Japan) and KVC (UK) Ltd, in which it has strategic stakes.

Alton International, a subsidiary of Federal International, supplies oilfield equipment, spares and valves to customers in Australia, China, India and the Asia Pacific region. Its customers include major oil and gas producing companies, drilling contractors, rig building yards and offshore fabricators.

Released on behalf of Federal International (2000) Ltd

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