



ABTERRA LTD.

(Registration No. 199903007C)

MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS

The board of directors (the "**Board**") of Abterra Ltd. (the "**Company**") refers to the announcement released by the Company on the SGXNet on 29 August 2008 on the unaudited financial statements for the financial year ended 30 June 2008.

The Board wishes to announce that pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, a material adjustment has been made following the finalization of the audit.

The increase of S\$9,994,000 from the Company's unaudited total liabilities of approximately S\$73,301,000 to the audited total liabilities of approximately S\$83,295,000, and a corresponding increase of the same amount from the unaudited total assets of approximately S\$281,294,000 to the audited total assets of approximately S\$291,288,000, arose due to the following:

1. A trust receipt loan of the Company amounting to US\$7,348,556 (equivalent to approximately S\$9,994,000) was booked in the Company's wholly-owned subsidiary, Abterra Resources Pte Ltd's ("ABR") book. ABR does not have banking facilities with a certain bank and have used the banking facilities granted by that bank to the Company to finance their purchases. As the trust receipt loan was applied by ABR under an indemnity provided by the Company, the Company is thereby legally liable on the trust receipt loan. Hence, LTC LLP, the Company's auditor, is in the view that the liabilities of S\$9,994,000 should be recognized in the Company instead of its subsidiary ABR. The above adjustment does not have an impact on the Group level financial statements, and it does not have any impact on the net profit for the year ended 30 June 2008 of both the Group and the Company.

Issued by Abterra Ltd.

Lau Yu
Director and Chief Executive Officer
15 October 2008