



ABTERRA LTD.

Company Registration No.: 199903007C

INCORPORATION OF A SUBSIDIARY

The Board of Directors of Abterra Ltd. (the "Company") wishes to announce that the Company has incorporated a subsidiary, PT. Abterra Resources Indonesia ("PT. Abterra").

PT. Abterra Resources Indonesia was incorporated in Indonesia with a paid-up capital of USD 250,000 and its principal activities are trading in mining products.

The investment in PT. Abterra Resources Indonesia is funded through internal funds and is not expected to have any material effect on the net tangible assets and earnings per share of the Company for the current financial year.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect in the above investment.

By Order of the Board

Lau Yu
Director and Chief Executive Officer
17 February 2009