



ABTERRA LTD.

(Company Registration Number 199903007C)

PROPOSED ACQUISITION OF EQUITY INTEREST IN SHANXI LOUDONG GENERAL NICE COKING & GAS CO., LTD (“PROPOSED ACQUISITION”)

The Board of Directors of Abterra Ltd. (the “**Company**”) refers to the Company’s announcements dated 26 March 2008 and 26 September 2008 (the “**Announcements**”) in relation to the Proposed Acquisition. Capitalised terms used herein shall have the meanings ascribed to them in the Announcements.

Under the terms of the conditional sale and purchase agreement dated 26 March 2008 (“**SPA**”), the Company’s obligation to complete the transaction is subject to the fulfilment of certain conditions by a long stop date, which was deferred by mutual consent of the Company and the Vendor, to 31 March 2009 (“**Long Stop Date**”). However, as the requisite regulatory approvals by the People’s Republic of China authorities (being one of the conditions of the transaction) have not been obtained by the Long Stop Date, the parties have mutually decided not to proceed with the Proposed Acquisition.

In relation to the above, the Board of Directors wishes to announce that the Agreement has lapsed on 31 March 2009 in accordance with its terms.

As of 31 December 2008, the Company has incurred professional expenses of approximately S\$1,586,000 in relation to the Proposed Acquisition, which have been fully expensed off in the six month financial period ended 31 December 2008 (“**FP2008**”). Based on the unaudited financial statements of the Company and its subsidiaries (the “**Group**”), as announced by the Company for FP2008, the loss per share of the Group amounted to 0.33 cents per ordinary share. Assuming that the professional expenses of approximately S\$1,586,000 in relation to the Proposed Acquisition were not incurred, the loss per share of the Group would be 0.30 cents instead.

The non-completion of the Proposed Acquisition does not have any material impact on the net tangible assets of the Company.

Pursuant to the terms and conditions of the SPA, upon the lapsing of the SPA, all obligations and liabilities of the Company and the Vendor shall cease and determine and none of them shall have any claim against each other for costs, compensation, damages or otherwise.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
1 April 2009