



ABTERRA LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 199903007C)

ABTERRA LTD. SECURES EQUITY LINE FACILITY OF S\$20,000,000 FROM YA GLOBAL MASTER SPV LTD.

Introduction

The Board of Directors of Abterra Ltd. ("**Company**") is pleased to announce that the Company and YA Global Masters SPV Ltd ("**Purchaser**") have entered into an Equity Line Facility Agreement on 17 February 2010 ("**Agreement**").

Under the Agreement, the Purchaser has agreed that it shall, at the request of the Company and, subject to the terms and conditions of the Agreement, subscribe for up to an aggregate value of S\$20,000,000 of tradeable ordinary shares in the Company ("**Shares**") for a period of up to 24 months ("**Commitment Period**") commencing from 17 February 2010 ("**Commitment Commencement Date**").

Each request by the Company to the Purchaser to subscribe for new Shares is termed as an "**Advance**". The amount and timing of each Advance shall be at the discretion of the Company at any time during the Commitment Period, subject to: (i) each Advance not exceeding S\$250,000 (or S\$1,000,000 with the agreement of the Purchaser) in any five (5) Market Day period, and (ii) the total value of the Advances made during the Commitment Period not exceeding S\$20,000,000. For each Advance, the Company will also be required to pay a commission equivalent to 3% of the value of the Advance to the Purchaser, by way of a set-off against the Advance.

Under the Agreement, the subscription price of the Shares must not be less than:

- (i) 97% of the volume weighted average price of the Shares ("**VWAP**") on 17 February 2010, being the day on which Shares are tradable on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") without limitation or restriction ("**Ordinary Share Trading Day**") falling on the Commitment Commencement Date for Advances effected *prior to* the EGM (as defined below), or
- (ii) 87% of the VWAP on 17 February 2010, being the Ordinary Share Trading Day (as defined in the Agreement) falling on the Commitment Commencement Date for Advances effected *after* the EGM up to the end of the Commitment Period (subject to the requisite shareholders' approval being obtained at the EGM)

(each, "**Minimum Issue Price**").

For the purposes to the abovementioned paragraph, VWAP shall be defined as, in relation to a day on which the SGX-ST is open for securities trading ("**Market Day**"), the volume weighted average price of the Shares traded on the SGX-ST on that Market Day, as reported by Bloomberg LP for the period commencing at 9.00 am and ending at 5.00 pm (Singapore time) of that Market Day, for which Market Day means a day on which the SGX-ST is open for trading.

Under the terms of the Agreement, each Advance is subject to various conditions, including, *inter alia* that in determining the subscription price for an Advance, days on which 97% of the VWAP of the Company's traded Shares is less than the Minimum Issue Price, are excluded ("**Excluded Day**"), in which case, the Purchaser is entitled, at its discretion, to reduce the Advance by up to 20%.

Any subscription by the Purchaser under the Agreement is conditional upon, *inter alia*, the approval being obtained by the Company from of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Shares on the SGX-ST. The Company will be making an application to the SGX-ST for the listing and quotation of the new Shares shortly.

The new Shares issued and allotted under this Agreement is pursuant to the general mandate granted by the Shareholders at the Company’s Annual General Meeting (“**AGM**”) on 30 April 2009 (“**Share Issue Mandate**”). Under the Share Issue Mandate, the Directors are authorised to allot and issue Shares other than on a pro-rata basis, for *inter alia* the conversion or exercise of convertible securities in the Company, up to 20% of the issued share capital of the Company as at the Company’s Annual General Meeting on 30 April 2009. Pursuant to an extraordinary general meeting of the Company (“**EGM**”) which shall be held on the same day as the Company’s next annual general meeting to be convened in 2010, the Company will seek to obtain specific shareholders’ approval to, *inter alia*, issue Shares pursuant to the Agreement at a discount of up to 20% of VWAP.

On the assumption that the facilities offered under the Agreement are fully drawn-down and the subscription price for all the new Shares issued under the Agreement is S\$0.0485 (ie. Minimum Issue Price), an aggregate of 412,783,917 new Shares, representing approximately 8.03% of the existing issued share capital of the Company, will be issued.

About YA Global Masters SPV Ltd

The information provided below was provided to the Company by the Purchaser. The Board of Directors of the Company has not conducted an independent review or verification of the accuracy of the statements and information below.

The Purchaser is the entity that makes investments on behalf of YA Global Investments, L.P. and YA Global Investments II, Ltd. funds. Yorkville Advisors, LLC (“**Yorkville**”) is the Investment Manager to the family of YA Global funds. Yorkville specialises in providing flexible, innovative debt and equity investments and financing in publicly listed and private companies worldwide in a variety of sectors including natural resources, technology media & telecommunication, healthcare, industrials and shipping. Yorkville has a broad investment mandate and the flexibility to invest across many geographies as well as sectors.

Use of Proceeds

The proceeds obtained from the drawing down of the facilities offered under the Agreement will be used for general corporate and working capital purposes. Assuming that the facilities offered under the Agreement are fully drawn-down, the net proceeds obtained are estimated to be approximately S\$18,190,000 after deducting the expenses of S\$1,810,000 incurred for arranging these facilities. The facilities will provide the Company with a flexible option to raise capital in a cost competitive manner.

Financial Effects

Solely for illustration purposes only and based on the Company’s consolidated financial statements for its 6 month financial period ended 31 December 2008 (“**FP2008**”), this section sets out the financial effects of the issuance of new Shares under the Agreement on the Share Capital, Earnings per Share (“**EPS**”) and the Net Tangible Assets (“**NTA**”) of the Company. For the purposes of this section, where it is assumed that a full draw-down of the facilities offered under the Agreement, it means that (i) the Purchaser will purchase new Shares for an aggregate subscription amount of S\$20,000,000, and (ii) 412,783,917 new Shares, representing 8.09% of the existing issued share capital of the Company, will be issued at the subscription price of S\$0.0485 per new Share (ie. Minimum Issue Price).

(a) **Share Capital**

	Audited FP2008	Assuming that there is a full draw-down of the facilities offered under the Agreement
Number of Shares as at 31 December 2008	5,084,755,824	5,497,539,742
Treasury Shares as at 31 December 2008	Nil	Nil
Issued and fully-paid share capital as at 31 December 2008	5,084,755,824	5,497,539,742

(b) **EPS**

	Audited FP2008	Assuming that there is a full draw-down of the facilities offered under the Agreement
Consolidated net loss for the year	S\$15,649,000	S\$15,649,000
Weighted average number of Shares ⁽¹⁾	5,007,967,535	5,420,751,453
Profit/(Loss) per Share (cents)	(0.31)	(0.29)

Notes:

(1) On the basis that the issuance of new Shares under the Agreement is at the beginning of the 2009. This figure excludes the 53,846,153 new Shares arising from conversion in 2009 of the Company's zero-coupon convertible notes. The number of issued and fully paid Shares as of 31 December 2009 is 5,138,601,977.

(c) **NTA**

	Audited FP2008	Assuming that there is a full draw-down of the facilities offered under the Agreement
NTA as at 31 December 2008	S\$202,057,000	S\$202,057,000
Weighted average number of Shares ⁽¹⁾	5,007,967,535	5,420,751,453
Profit/(Loss) per Share (cents)	4.03	3.73

Notes:

(1) On the basis that the issuance of new Shares under the Agreement is at the beginning of the 2009. This figure excludes the 53,846,153 new Shares arising from conversion in 2009 of the Company's zero-coupon convertible notes. The number of issued and fully paid Shares as of 31 December 2009 is 5,138,601,977.

Interest of Directors, Controlling Shareholders and Substantial Shareholders

Save as disclosed above, none of the Directors, controlling shareholders or substantial shareholders of the Company has an interest, direct or indirect, in the above transaction.

By the Order of the Board

Lau Yu
Director and Chief Executive Officer
17 February 2010