



ABTERRA LTD.

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

CLARIFICATION ON ANNOUNCEMENT IN RESPECT OF EQUITY LINE FACILITY AGREEMENT WITH YA GLOBAL MASTER SPV LTD. DATED 17 FEBRUARY 2010 (“AGREEMENT”)

The Board of Directors of Abterra Ltd. (“**Company**”) refers to the Company’s announcement of 17 February 2010 (“**Announcement**”) and wishes to clarify certain terms of the Agreement set out in the Announcement. Unless otherwise defined herein, all capitalised and defined terms shall have the same meaning as ascribed to them in the Announcement.

Under the Agreement, the subscription price of the Shares (“**Purchase Price**”) is determined as 96% of the lowest daily VWAP for the Shares during the period comprising 5 consecutive days on which the Shares are traded, excluding any Excluded Days (as defined below), commencing on the trading day immediately following the date the Purchaser receives the relevant notice from the Company requesting for an Advance from the Subscriber (“**Market Price**”), PROVIDED ALWAYS THAT the Market Price must not be less than the Minimum Issue Price, being:

- (i) S\$0.0485, being 97% of the VWAP on 17 February 2010 for Advances effected *prior* to the EGM, or
- (ii) S\$0.0435, being 87% of the VWAP on 17 February 2010 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 avoidance of doubt, each Advance is subject to various conditions, including, *inter alia* that in determining the Purchase Price for an Advance, days on which 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 gross amount payable by the Purchaser to the Company in connection with the Advance by up to 20% (rounded up, if necessary, to the nearest whole cent).

On the assumption that the facilities offered under the Agreement are fully drawn-down before the EGM and the Purchase Price for all the new Shares issued under the Agreement is S\$0.0465 (“**Illustrative Purchase Price**”) ie. 96% of the Minimum Issue Price representing a total discount of 6.88% discount off the VWAP on the date the Agreement was signed, an aggregate of 429,983,248 new Shares, representing approximately 8.46% of the existing issued share capital of the Company, will be issued.

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)

429,983,248 new Shares, representing 8.46% of the existing issued share capital of the Company, will be issued at the Illustrative Purchase Price.

(a) **Share Capital**

	Audited FP2008 (as at 31 Dec 2008)	Assuming that there is a full draw-down of the facilities offered under the Agreement
Number of Shares	5,084,755,824	5,514,739,072
Treasury Shares	Nil	Nil
Issued and fully-paid share capital	5,084,755,824	5,514,739,072

(b) **EPS**

	Audited FP2008 (as at 31 Dec 2008)	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	5,437,950,783
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 (as at 31 Dec 2008)	Assuming that there is a full draw-down of the facilities offered under the Agreement
NTA	S\$202,057,000	S\$202,057,000
Issued and fully-paid share capital ⁽¹⁾	5,084,755,824	5,514,739,072
NTA per Share (cents)	3.97	3.66

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
23 February 2010