



Abterra Ltd.
Co. Reg. No.199903007C
7 Temasek Boulevard
#11-05 Suntec Tower 1
Singapore 038987

MEDIA RELEASE – FOR IMMEDIATE RELEASE

Abterra returns to profitability with S\$13.3 million of earnings in FY2009

- **S\$13.5 million gain from bargain purchase of Jiao Zhong coal mine**
- **On track to increase annual production capacity at Jiao Zhong coal mine from 150,000 MT to 900,000 MT by 2011**
- **Trade facilities & guaranteed supply contracts in place to benefit from China's 600 million tonnes of crude steel production forecast for 2010**

Singapore, 27 February 2010 – Abterra Ltd., (“Abterra”, or the “Group”), an emerging supply chain manager of resources and minerals in Asia Pacific, reports a net profit of S\$13.3 million for the financial year ended 31 December 2009 (“FY2009”) largely due to a gain from the revaluation of a mining asset.

Financial Highlights

	FY2009	FY2008	Change
	S\$'000	S\$'000	
Revenue	151,883	391,993	-61%
Gross Profit	6,865	19,817	-65%
Gross Profit Margin (%)	4.5%	5.1%	-
Other Operating Income	22,529	8,569	163%
Profit Att. to Shareholders	13,260	-4,975	N.M.

Turnover of the year fell 61% y-o-y from S\$392.0 million to S\$151.9 million. Revenue from the trading of iron ore declined 92% while revenue from the trading of coke and coal decreased 53%, mainly due to the tightening of credit facilities in the market, amid the financial turbulence.

Other operating income increased 163% to S\$22.5 million, largely attributable to trade receivables impairment write back of S\$6.9 million and a S\$13.5 million gain from the revaluation of one of its mining assets.

Other operating expenses decreased 71% to S\$5.9 million, mainly due to a one-off impairment loss on the investment in an associated company and an allowance made for doubtful debts in 2008 which did not recur in 2009.

With that, the Group returns to profitability with a net profit attributable to shareholders of S\$13.3 million for FY2009.

Towards a fully integrated supplier of resources

“Despite the challenging operating environment encountered during the year, we have committed ourselves to making strategic steps that will ensure the long term sustainability of Abterra. As such, we actively seized upon opportunities to secure a stable upstream supply of resources, by purchasing mining companies in China’s coal belt of Shanxi during the course of last year, of which we believe will pay dividends when the steel sector meets its recovery targets this year.”

- Mr Lau Yu, CEO of Abterra

To create a leaner and a more competitive steel industry, the PRC Government implemented a series of policies to shut down smaller mines and to restructure the industry as a whole. As part of the restructuring exercise, a Chinese state-owned enterprise (SOE), Shanxi Fenxi Ruitai Coal Investment Co. Ltd. (“山西汾西瑞泰煤业投资有限责任公司” or “Shanxi Fenxi”), will take a 51% stake in Jiao Zhong, thereby reducing the Group’s stake from 49% to 24%. In exchange, the Government has approved an increase in the annual production capacity of the Jiao Zhong coal mine from 150,000 MT to 900,000 MT. Jiao Zhong is on track to meet its targeted annual production capacity of 900,000 MT by 2011.

Efforts to extend its footprint in Asia through strategic acquisitions have also started to bear fruit for the Group’s trading business. The Group’s recently acquired iron ore operations in Southern and South-Eastern Kalimantan, Indonesia, has signed a contract to secure a guaranteed 400,000 MT of supply of iron ore for 2 years.

Potential for steel commodities in China

The resultant supply of iron ore, together with the impending completion of the restructuring exercise will allow the Group to ride on the strong growth momentum of the Chinese steel industry. Based on the forecast figures from the China Iron and Steel Association, crude steel production for 2010 in China is expected to rise about 6.2% y-o-y to 600 million tonnes. This is attributed to the healthy recovery figures across most industrial segments.

With China now contributing 44.7% of total global crude steel output in January 2010, there is growing impetus to secure resources to feed its massive production scale. China is now the largest importer of iron ore in the world.

With trade facilities in place, alongside the equity line of credit that the Group has recently secured, the Group expects healthy growth and expansion of its trading capabilities, exploiting the growing steel industry in China, barring unforeseen circumstances.

In view of the rosy outlook of the steel industry and greater clarity in regards to its mining acquisitions, the Group is cautiously optimistic of its prospects for FY2010.

---- The End ----

About Abterra Ltd.

Abterra Ltd. is primarily engaged in the businesses of the development of mineral business in countries including Australia, India, and Indonesia, and the international trading of iron ore; the sale of Chinese steel and iron products to India and South East Asian countries; domestic PRC logistics business and the operation and development of industrial real estate; and the business of coal mining, washing and processing of coal into coke among others.

For more information, please refer to the corporate website: www.abterra.com.sg

Issued for and on behalf of Abterra Ltd.

Contact Information

Financial PR Pte Ltd. Mr Kamal Samuel/ Mr Mark Lee Investor Relations Consultants Tel: (65) 6438 2990 / Fax: (65) 6438 0064 Email: staff@financialpr.com.sg	Abterra Ltd. Mr Mahesh Mehta Executive Director Tel: (65) 6885 9800 / Fax: (65) 6885 9829 Email: info@abterra.com.sg Website: www.abterra.com.sg
--	---