



ABTERRA LTD.

(Company Registration No. 199903007C)

**PROPOSED ACQUISITION OF 22.8% OF ZUOQUAN XINRUI METALLURGY MINE CO. LTD.
- SIGNING OF SUPPLEMENTAL AGREEMENT**

The Board of Directors of Abterra Ltd. (the “**Company**”) refers to the Company’s announcements made on 18 December 2007 (Proposed Acquisition of 22.8% of Zuoquan Xinrui Metallurgy Mine Co. Ltd.) (“**Announcement**”) and 29 January 2008 (Response to SGX Queries on Proposed Acquisition of Zuoquan Xinrui Metallurgy Mine Co. Ltd.) in relation to the proposed acquisition of 22.8% of the equity interest in Zuoquan Xinrui Metallurgy Mine Co. Ltd (左权县鑫瑞冶金矿山有限公司) (“**Xinrui**”) (the “**Proposed Acquisition**”). Capitalised terms in this announcement shall, unless the contrary is stated otherwise, have the meanings ascribed to them in the Announcement.

The Company and Shenzhen Manfu Industrial Company Limited (深圳市满孚实业有限公司) (“**Manfu**”) have today entered into a Supplemental Agreement to amend the terms of the Sale and Purchase Agreement (“**Supplemental Agreement**”).

Under the terms of the Supplemental Agreement, the parties agreed as follows :-

1. The acquisition of Manfu’s 22.8% equity interest in Xinrui shall be effected via the purchase of Manfu’s 100% shareholding interest in Max Harvest Enterprise Limited (万溢企业有限公司) (“**Max Harvest**”).

Since the execution of the Sale and Purchase Agreement, Manfu’s 22.8% equity interest in Xinrui has been transferred to its subsidiary, Tianjin Kaitemei Trading Co., Ltd. (天津凯特美贸易有限公司) (“**Tianjin Kaitemei**”), a wholly foreign-owned enterprise in the People’s Republic of China. Tianjin Kaitemei is 100% owned by Max Harvest, a company incorporated in Hong Kong. Max Harvest is wholly owned by Manfu.

2. The mode of payment of the balance purchase consideration was amended.

The Company paid RMB160,000,000 of the purchase consideration to Manfu on 18 December 2007 pursuant to the Sale and Purchase Agreement. The parties agreed that the balance purchase consideration is RMB230,500,000⁽¹⁾. The parties agreed that the said balance purchase consideration is discharged by the Company setting-off the amount of RMB230,500,000 (being part of existing debts owing from Manfu to the Company⁽²⁾) against the balance purchase consideration.

Notes:

- (1) The balance purchase consideration of RMB230,500,000 includes the agreed monetary value of the options which have been cancelled, after accounting for fluctuations in the exchange rate between RMB and S\$.
- (2) The debts owing by the Vendor to the Company arise due to the novation of trade receivables due to the Company by a customer of the Company to the Vendor.

3. Completion of the Sale and Purchase Agreement was deferred to 30 June 2010 (“**Completion Date**”).
4. The parties agreed that the Company was not intended to assume the accrued liabilities of Max Harvest and Tianjin Kaitemei outstanding to Manfu (the “**Liabilities**”). Accordingly, under the Supplemental Agreement, Manfu has agreed to pay the Company an amount equal to the Liabilities on Completion.
5. In the event Completion does not take place on the Completion Date for any reason whatsoever which is not attributable to any delay on the part of the Purchaser:-
 - (a) the Vendor shall pay to the Purchaser, interest on the aggregate of the First Instalment and the Balance Consideration at the rate of 5% above the prevailing lending rate of the People's Bank of China for the period (i) of three (3) months after the Completion Date; or (ii) of time between the Completion Date and the date of actual Completion, whichever is shorter. The said interest is payable monthly by way of telegraphic transfer to a bank account designated by the Purchaser in writing to the Vendor or such other means as the Purchaser may indicate to the Vendor in writing; and
 - (b) further, in the event that actual Completion does not take place within 3 months of the Completion Date (or such other time period as the Purchaser may agree to in writing) (“**Final Completion Date**”):-
 - (i) the Sale and Purchase Agreement shall terminate automatically whereupon, subject to (ii) below, all obligations and liabilities of the Parties thereunder shall *ipso facto* cease and determine and no Party shall have any claim against the other Party for costs, compensation, damages or otherwise; and
 - (ii) the Vendor shall refund the First Instalment and the Balance Consideration to the Purchaser within five (5) Business Days after the Final Completion Date by way of telegraphic transfer to a bank account designated by the Purchaser in writing to the Vendor or such other means as the Purchaser may indicate to the Vendor in writing.

Upon Completion of the Sale and Purchase Agreement, Max Harvest and Tianjin Kaitemei will become subsidiaries of the Company, and Xinrui will become an associated company of the Company.

There is no change to the financial effects of the Proposed Acquisition announced in the Announcement. Assuming that the Proposed Acquisition had been completed on 31 December 2008 (based on the last audited financial statements of the Company), the net tangible assets per share of the Company will not be affected by the Proposed Acquisition as Xinrui’s financial results would not be consolidated with the Company’s financial statements.

The effect of the Proposed Acquisition on the earnings per share of the Company for the financial period ended 31 December 2008 assuming that the transaction had been effected at the beginning of that financial period is as follows:

Earnings per share	For the financial period ended 31 December 2008
Before adjusting for Proposed Acquisition	(0.31) cents
After adjusting for Proposed Acquisition	(0.26) cents

None of the Directors of the Company has any interest, direct or indirect, in the Proposed Acquisition, or in Max Harvest, Tianjin Kaitemei and Xinrui. As far as the Directors are aware, no substantial shareholder of the Company has any interest, direct or indirect, in the Proposed Acquisition and the Directors of the Company have not received any notification of any interest in the Proposed Acquisition from any substantial shareholder of the Company.

Issued by Abterra Ltd.

Lau Yu
Chief Executive Officer
9 April 2010

About Abterra

Abterra is an emerging player in the natural resources business with a strong foothold in China. With vertical integration as its core strategy, Abterra pursues sustainable long term growth in the Chinese and international markets.

Abterra trades coking coal, coke and iron ore in Australia, India, Indonesia and China. By acquiring upstream assets such as coking coal mines, iron ore mines, coke plants, logistic units, Abterra aims to differentiate itself by having control over the inputs in its core trading business.