



**ABTERRA LTD.**

(Registration No. 199903007C)

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**CLARIFICATION ON PROPOSED DUAL LISTING PRIMARY LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

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Further to the announcement dated 25 August 2009 and 18 May 2010, the board of Directors (the "Board") of Abterra Ltd. (the "Company") wishes to provide further clarification on the proposed dual listing as follows:

- (a) When the Company announced its intention to seek a dual-listing on in SEHK, why did the Company reasonably think that it would be able to list in SEHK such that an announcement at that time was warranted? Why did the Company choose to make an announcement if the proposal was still significantly uncertain. As SEHK listing rules are publicly available, why did the Company still proceed to make the announcement when the directors should have been aware that the Company would not have met the eligibility for the SEHK listing?

The announcement on 25 August 2009 was to inform that the Company was contemplating the possibility of seeking a dual primary listing on the SEHK. The announcement also highlighted to shareholders that the Proposed HK Listing will involve fairly extensive preparatory work and there was no assurance that the application to SEHK would be made.

The Company had consulted external professional advisors on its eligibility for the SEHK listing and after the announcement, carried out a fair amount of preparatory work to ascertain the possibility of seeking a dual primary listing on the SEHK. After discussions with several financial advisers, it was concluded that the Company would not be eligible based on its latest financial results for FY2009. However the Company is still keen to seek a dual-listing and is looking to assess its eligibility on the basis of its financial results for the coming financial year ending 31 December 2010. If there are any material developments on this matter, the Company will make the necessary announcements to update as and when appropriate.

BY ORDER OF THE BOARD

Lau Yu  
Director and Chief Executive Officer  
21 May 2010