

ABTERRA LTD.

(Registration No. 199903007C)

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- (1) **ISSUE OF PLACEMENT SHARES PURSUANT TO EQUITY LINE FACILITY AGREEMENT**
 - (2) **LISTING AND QUOTATION OF PLACEMENT SHARES**
 - (3) **USE OF NET PROCEEDS**
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Where capitalised terms are used in this announcement and not otherwise defined, such terms shall bear the same meaning as ascribed to them in the Company's announcements on 17 February 2010, 23 February 2010 and 8 March 2010 in relation to the Equity Line Financing Agreement dated 17 February 2010 and entered into between the Company and YA Global Master SPV Ltd (the "Agreement").

The board of directors (the "**Board**") of Abterra Ltd. (the "**Company**") refers to the announcements released by the Company on the SGXNet on 17 February 2010, 23 February 2010 and 8 March 2010 in relation to the Agreement.

The Board wishes to announce that, pursuant to an Advance Notice (as defined in the Agreement) dated 24 May 2010, the Purchaser has made available the advance amount of S\$970,000 (after deduction of the 3% commission payable to the Purchaser under the Agreement) to the Company. Pursuant to the Agreement, the Company has on 2 June 2010 allotted and issued 21,477,664 Placement Shares to the Purchaser at the Purchase Price of \$0.04656 per Placement Share. The Placement Shares are expected to be listed and quoted on the Mainboard of the Singapore Exchange Securities Trading Limited with effect from 9.00 am on 4 April 2010.

Pursuant to the above, the share capital of the Company has increased from S\$204,854,610.0281 to S\$205,854,610.0639 comprising 5,213,106,295 ordinary shares.

The Placement Shares will rank *pari passu* in all respects with the existing ordinary shares of the Company.

The SGX-ST's AIP is not an indication of the merits of the Agreement, the issue of the Advance Shares, the Advance Shares, the Company and/or its subsidiaries.

Use of Net Proceeds

The Board wishes to provide the following update on the usage of the net proceeds from the Placement, as follows:

	S\$
Net proceeds as of 29 April 2010	970,000
Usage:	
Staff Cost	(419,000)
Professional Fees	(181,000)
Office Property Mortgage Installment	(180,000)
Property Tax Installment	(74,000)
Miscellaneous	(116,000)
Balance	-

The use of net proceeds of the Placement is in accordance with the stated use set out in the announcement released by the Company on the SGXNet on 17 February 2010 in relation to the Agreement, ie. for general corporate and working capital purposes. The Board will continue to provide announcements on the utilisation of the usage of the net proceeds from the Placement as and when the proceeds are materially disbursed.

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.

Issued by Abterra Ltd.

Lau Yu
Director and Chief Executive Officer
2 June 2010