

**ABTERRA LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No. 199903007C)

("Company")

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- (1) **ISSUE OF PLACEMENT SHARES PURSUANT TO SUPPLEMENTED 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, 8 March 2010, 3 May 2010, 1 June 2010 and 2 June 2010 in relation to the Supplemented ELF Agreement and Loan Note Subscription Agreement.*

The board of directors ("Board") refers to the announcements released by the Company on the SGXNet on 17 February 2010, 23 February 2010, 8 March 2010, 3 May 2010 and 1 June 2010 in relation to the Supplemented ELF Agreement.

The Board wishes to announce that, pursuant to an Advance Notice (as defined in the Supplemented ELF Agreement) dated 28 September 2010, the Purchaser has made available the advance amount of S\$1,940,000 (after deduction of the 3% commission payable to the Purchaser under the Supplemented ELF Agreement) to the Company. Pursuant to the Supplemented ELF Agreement, the Company has on 30 September 2010 allotted and issued 1,712,845 Placement Shares to the Purchaser at the Purchase Price of \$1.1677 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 1 October 2010.

Pursuant to the above, the share capital of the Company has increased from S\$210,854,526.6521 to S\$212,854,615.7586 comprising 214,506,415 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 Supplemented ELF Agreement, the issue of the Advance Shares, the Advance Shares, the Company and/or its subsidiaries.

**Use of Net Proceeds for Placement made on 21 September 2010**

The Board wishes to provide the following update on the usage of the net proceeds from the Placement made and announced on SGXNet by the Company on 21 September 2010 under the Supplemented ELF Agreement, as follows:

<b>Placement made on 21 September 2010</b>	<b>S\$</b>
Net proceeds as of 21 September 2010	1,940,000
Usage:	
Staff Cost	(200,000)
Professional Fees	(117,000)
Office Property Mortgage Installment	(186,000)
Property Tax Installment	(37,000)
Repayment of Term Loan	(663,000)
Miscellaneous/ Operating Expense	(197,500)
<b>Balance</b>	<b>539,500</b>

The use of net proceeds of the Placement is in accordance with the stated use set out in the announcements released by the Company on the SGXNet on 17 February 2010 and 3 May 2010 in relation to the Supplemented ELF 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  
30 September 2010