ABTERRA LTD.
(Registration No. 199903007C)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

Abterra Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") had been placed on the watch-list of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with effect from 5 June 2018, pursuant to Rule 1311(1) and 1311(2) of the Listing Manual of the SGX-ST (the "**Listing Manual**"). In accordance with Rule 1313(2) of the Listing Manual, the Board of Directors (the "**Board**") of the Company would like to provide the following quarterly update in respect of the three months ended 31 March 2021 ("**1Q2021**").

Update on Unaudited Financial Performance and Financial Situation

The Group has today released its unaudited financial statements for 1Q2021 (the "**1Q2021 Announcement**")

The Group's revenue decreased from S$5.6 million in the quarter ended 31 March 2020 ("**1Q2020**") to S$0.3 million in 1Q2021. In 1Q2021, revenue was generated wholly from the ship chartering introductory services business by Abterra Resources Pte Ltd, which were ancillary to and derived from the Group's coal trading business. Additionally, the cost of sales decreased from S$5.6 million in 1Q2020 to S$0.3 million in 1Q2021, which is in-line with the reduction in business sales activity.

The Group's net assets decreased from S$1.84 million as at 1Q2020 to S$1.33 million as at 1Q2021. Cash and cash equivalents decreased from S$0.27 million as at 1Q2020 to S$0.24 million as at 1Q2021. The Group used S$0.33 million in its operating activities in 1Q2021.

Shareholders should refer to the 1Q2021 Announcement for further details.

Update on Abterra Australia Pty Limited

The Company has also further updates from Mr Ahmad Zeidan ("**Mr Zeidan**"), the liquidator of its subsidiary, Abterra Australia Pty Limited (In Liquidation) ("**Abterra Australia**") in relation to the farmland at 73 Tallarook Road, Cowra being Lot 1 DP 1044550 (the "**Farmland**"), the mine situated at 73 Tallarook Road Cowra being Lot 115 DP 752932 (the "**Mining Property**") and the mining lease no. 1616 in relation to the Mining Property (the "**Mining Lease**") (collectively, the "**Properties**").

Key details of the updates are set out below:

(a) the Farmland was successfully sold at a public auction held on 26 February 2021 for $900,000. The sale has since been settled.

(b) Mr Zeidan had received an offer from Australian Magnetite Mines Pty Ltd ("**AMM**") of $324,500 (inclusive of GST) for the purchase of Mining Property and Mining Lease, together with payment of a 10% deposit (the "**AMM Offer**"). Mr Zeidan has accepted the AMM Offer and AMM is currently conducting further due diligence relating to the Mining Property and Mining Lease.

(c) as disclosed in the Company's previous quarterly update, Mr Zeidan had written to the NSW Resources Regulator to request that consideration on revoking the Mining Lease be delayed

until 30 June 2021 to provide sufficient time for AMM to purchase the Mining Property and transfer of the Mining Lease. The NSW Resources Regulator has agreed to Mr Zeidan's request.

(d) as disclosed in the Company's previous quarterly update, Mr Zeidan had also written to the Environmental Protection Agency (EPA) to request that consideration on revoking the licence it had previously granted until 30 June 2021. The EPA has agreed to Mr Zeidan's request.

(e) as disclosed in the Company's previous quarterly update, Mr Zeidan had also written to the Australian Securities and Investments Commission (ASIC) to request it delay the deregistration of the Company from the register of companies in Australia. The ASIC has agreed to delay the deregistration of Abterra Ltd until 6 May 2021.

Mr Zeidan had asserted to the Company that he had exercised his rights under a deed of guarantee granted by the Company on 15 August 2018 to sell the Properties without obtaining further consent from the Company. The Company is currently seeking legal advice from legal counsel in Australia to determine the validity of Mr Zeidan's assertions.

The Company will make further announcements to update shareholders as and when there are material developments in relation to Abterra Australia.

Update on Future Direction

The coking coal market continues to be weak in the Chinese market. Notwithstanding that the price of coking coal is expected to improve, the increase in the price of coking coal is not expected to exceed the increase in international freight cost. As such, the import of coking coal has lost its price advantage in China and the trend may continue until the international freight cost is reduced.

Chinese customers' demand for imported coking coal is not expected to recover in the near future, and the Company will be monitoring the situation closely.

The Board is also of the view that the indefinite suspension of all activities under the framework of the China-Australia Strategic Economic Dialogue as a result of the differences between the Australian Commonwealth Government and the National Development and Reform Commission of the China may have an impact the Group's businesses and financials.

The Company will continue to make efforts and consider various options, including the exploration of new business activities and opportunities to increase the revenue streams to the Company, so that it would be able to meet the requirements of Rule 1314 of the Listing Manual pursuant to the financial exit criteria.

The Company will make further announcements to update shareholders of the Company as and when there are any material developments in this matter.

BY ORDER OF THE BOARD

Cai Suirong
Executive Director and Chief Executive Officer
12 May 2021