ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2014

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") wishes to make the following clarification with regard to the SGX query:

(a) It is stated on page 10 of the Company's announced financial results, "Inventories decreased by S$2.9 million as the Group sold the inventory on hand." It is also stated on the same page, "Trade payables increased by S$17.3 million mainly due to purchase of inventories nearly quarter end." In this regard, please explain the reason(s) for the decrease in the Inventory balance from approximately S$2,896,000 as at 31 December 2013 to zero as at 30 September 2014.

The trade payable increase by S$17.3 million mainly due to the purchase of inventory near quarter end. However, the corresponding inventory that were purchased were sold out before 30 September 2014 while the trade payable was only settled subsequent to 30 September 2014.

For the inventory of S$2.9 million as at 31 December 2013, the Group has sold it out during the first half of 2014.

BY ORDER OF THE BOARD

Lau Yu
Chief Executive Officer
19 November 2014