

**ABTERRA LTD.**

(Registration No. 199903007C)

RESPONSE TO THE REPRIMAND ISSUED BY THE SINGAPORE EXCHANGE TO ABTERRA LIMITED ("THE COMPANY") AND ITS EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board of Directors (the "Board") of Abterra Limited (the "Company") refers to the reprimand issued by the Singapore Exchange ("SGX") on 7 January 2016 (the "Reprimand") for breaches of the Listing Rules and to the Company's announcement dated 8 January 2016 (the "Announcement").

Further to the Announcement, the Board has convened a meeting on 11 January 2016 to consider the following recommendations made by the Nominating Committee ("NC"):

- 1) That the duties and powers of the Executive Chairman, Mr Cai Sui Xin ("Chairman"), and the Chief Executive Officer, Mr Lau Yu ("CEO"), with regards to the Company's acquisitions and investment activities is to be taken over by the Board with immediate effect.
- 2) That the Company's Merger and Acquisitions ("M&A") team is to report to, consult and obtain directions from the Board on all matters relating to the Company's acquisition and investment activities.
- 3) That the approval process set out in the Company's Acquisition Policy and Investment Policy is to be amended to reflect the changes made to the Company's acquisitions and investment activities.
- 4) That in the interim, the Chairman and CEO are to continue as directors of the Company in view of their past performance and contributions to the Company. Further, in view of the competency, experience and trade connections of the Chairman and the CEO in the commodities trading business, the Chairman and the CEO are to continue handling the Company's commodities trading business in accordance with the Company's Trading policy.

Having deliberated the NC's recommendations, the Board wishes to inform shareholders that it has unanimously adopted them. The Company has also immediately taken steps to implement the Board's directions.

In the meantime, the Company has contacted various service providers with a view of appointing a compliance adviser to advise it on its continuing listing obligations. The Company will make further announcements in due course with regards to the appointment of a compliance adviser.

The Board reiterates its commitment to comply with SGX's directions. The Company shall also continue its ongoing efforts to strengthen and enhance its internal processes and controls.

By Order of the Board

Wong Shiu Wah Williamson

Independent Director & Chairman of Audit Committee

Chew Ban Chuan Victor Mark

Independent Director & Chairman of Remuneration

Chan Chun Tat Ray

Independent Director & Chairman of Nominating Committee

13 January 2016