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 2020 ("**1Q2020**").

Update on Unaudited Financial Performance and Financial Situation

The Group has today released its unaudited financial statements for 1Q2020 (the "**1Q2020 Announcement**").

The Group's revenue decreased from S$24.1 million in the three months ended 31 March 2019 to S$5.6 million in the three months ended 31 March 2020. The revenue was mainly generated from the sales of coke and coal by the subsidiary Tianjin Belong Faith Energy Minerals Co., Ltd (天津博朗信国际贸易有限公司). Additionally, the cost of sales decreased from S$21.6 million to S$5.6 million, mainly due to the drop in sales which resulted from the COVID-19 pandemic.

The Group's net assets decreased from S$1.81 million as at 31 December 2019 to S$1.60 million as at 31 March 2020. Cash and cash equivalents decreased from S$0.78 million as at 31 December 2019 to S$0.33 million as at 31 March 2020. The Group used S$0.59 million in its operating activities.

Shareholders should refer to the 1Q2020 Announcement for further details.

Update on Abterra Australia Pty Limited

The Company has, on 28 October 2019, received a Notice of Intention to Apply for Remuneration (the "**Notice**") from Mr Ahmad Zeidan ("**Mr Zeidan**"), the former voluntary administrator of the Company's subsidiary, Abterra Australia Pty Limited (In Liquidation).

The Notice provides that Mr Zeidan intends to apply to the Australian Court for a determination of his remuneration (as voluntary administrator) not less than 21 days after service of the Notice. To object to Mr Zeidan's application, the Company has to, within 21 days after being served with the Notice, serve on Mr Zeidan a notice of objection stating the grounds of objection to the remuneration claim.

The Company has sought legal advice and is assessing all options in respect of the Notice. To date, there has been no material developments in relation to the Notice. The Company will make further announcements to update shareholders as and when there are any material developments in relation to the Notice and/or Mr Zeidan's application.

Update on Future Direction

The Group is currently affected by the COVID-19 pandemic and as a result, the Company's businesses are not operating normally. After the stabilisation of global COVID-19 conditions, the Company's businesses may take up to 6 months to fully resume operations and run normally.

The Group remains engaged in the business of trading of coal products, the success of which depends largely on coal price stability and overcoming the key challenge from the fluctuation of foreign exchange rate. To reach profitability, the Group will continue boost the volume of trade and increase revenue.

The Company will continue to make efforts and consider various options, including the exploration of new business activities and opportunities to increase the revenue stream 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
Director and Chief Executive Officer
6 October 2020