ABTERRA LTD.
(Registration No. 199903007C)

RESPONSE TO SGX QUERIES REGARDING THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") refers to its Annual Report for the financial year ended 31 December 2015 and wishes to provide the following clarification in response to the queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 13 May 2016:-

Query no. (a)

Guideline 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. The Board's commentary should include information needed by stakeholders to make an informed assessment of the company's internal control and risk management systems. The Board should also comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and

(b) regarding the effectiveness of the company's risk management and internal control systems.

As required under Listing Rule 710, please disclose the Board's comments on the (i) adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls; and the (ii) adequacy and effectiveness of the risk management systems.

Our Response:

Based on the internal controls established and maintained by the Group, work performed by the outsourced internal auditors and external auditors, and reviews performed by management, the Audit Committee and the Board are of the opinion that the Groups internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 31 December 2015.

As disclosed in pages 26 and 27 of the Annual Report, the Board has received assurance from the Chief Executive Officer and Finance Manager that (i) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances and (ii) regarding the effectiveness of the Company's risk management and internal control systems.

Query no. (b)

It is stated on page 30 of the 2015 annual report, "*The Company has adopted an internal code on dealings in securities to govern dealings in its shares by the Directors and the key employees of the Group. The Directors and the employees are not allowed to deal in the Company's shares during the period commencing two weeks before the date of announcement of results for each of the first three quarters of the Company's financial results and one month before the date of announcement of the full year results, and ending on the date of announcements of the relevant results, and at any time while in possession of price sensitive information. Further, Directors and officers are advised not to deal in the Company's securities on short-term considerations*…".

Please disclose whether and how the Company has complied with the best practices on dealing in securities pursuant to Listing Rule 1207(19)(c), in particular that the listed issuer should not deal in the listed issuer's securities during the period commencing two weeks before the announcement of the company financial statements for each of the first three quarters of its financial year and one month before the announcement of the company's full year financial statements (if required to announce quarterly financial statements), or one month before the announcement of the company's half year and full year financial statements (if not required to announce quarterly financial statements).

Our Response:

The Company circulated an internal memorandum via email to all Directors, officers and employees of the Company not to deal in the listed issuer's securities during the period commencing two weeks before the announcement of the Company financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements ("Black-out Period"). The internal memorandum was sent out before the commencement of the Black-out Period. All Directors, officers and employees of the Company are also reminded that the law on insider trading is applicable at all times, notwithstanding compliance with the Black-out Period. Further, Directors, officers and employees of the Company are advised not to deal in the Company's securities on short-term considerations. Therefore, the Company wishes to confirm that it has complied with the best practices on dealing in securities pursuant to Listing Rule 1207(19)(c).

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
13 May 2016