ABTERRA LTD.
(Company Registration No. 199903007C)

RESPONSE TO SGX QUERIES ON THE DISPOSAL OF TWO OFFICE UNITS LOCATED AT 7 TEMASEK BOULEVARD SUNTEC TOWER 1 SINGAPORE 038987

In response to queries raised by Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors (the "**Board**") of Abterra Ltd. (the "**Company**") wishes to provide the following information:

Query no. (a)

It is stated the "*The Sale Consideration was arrived at on a willing buyer-willing seller basis, taking into consideration the valuation of the Property and the current market conditions…no valuation report has been commissioned*" (emphasis added).

Please provide details of the valuation of the Property mentioned in the announcement;

Please clarify the factors taken into account in determining the sale consideration;

Please clarify how the sale consideration was arrived at by considering "the valuation of the Property" if no valuation report was commissioned; and

Please clarify the basis for not commissioning a valuation report.

Our Response:

The net book value of the Property in the audited financial statements as at 31 December 2015 was S$13,000,000. This valuation was conducted by 11 February 2016.

The sale consideration was determined based on the offers then received.

The current valuation of the Property was arrived at based on information found in caveats lodged on similar properties obtained by the Company's housing agent. The Property was put up for sale and the Sale Consideration was arrived at based on the offers which the Company had received by 4 May 2016.

A valuation report was not commissioned as the Company had already conducted a valuation in February 2016 for its annual auditing purposes.

Query no. (b)

Please disclose the detailed computation for the relative figures calculated under Listing Rule 1006.

Our Response:

Rule 1006	Bases	%
(a)	The net asset value of the assets disposed of, compared with the Group's net asset value	17.01%(1)
(b)	The net profits attributable to the assets disposed of, compared with the Group's net loss	Not meaningful(2)
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	10.51%(3)
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount proven and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

(1) The relative figure in Rule 1006(a) is computed by dividing the net asset value of the disposed Property of S$13,000,000 by the audited Group's net asset value of S$76,432,000 for the year ended 31 December 2015.

(2) The relative figure in Rule 1006(b) is computed by dividing the net profits attributable to the assets disposed of S$478,225.44 by the audited Group's net loss of S$70,931,000 for the year ended 31 December 2015. The relative figure calculated under Listing Rule 1006(b) is -0.67%.

(3) The relative figure in Rule 1006(c) is computed by dividing the Sale Consideration of S$9,240,000 by the market capitalisation of the Company of approximately S$87,938,694, which is determined by multiplying the total issued share capital of the Company of 244,274,150 shares and the volume weighted average price of the shares of S$0.36 as at 4 May 2016, being the market day immediately preceding the date of the signing of the Option Agreement.

Query no. (c)

It is stated, "*The Board has approved a plan for the partial divestment of the Company's investment property, which would provide the Company with cash proceeds*". Please disclose the intended use of the cash proceeds by the Company.

Our Response:

The proceeds from the Proposed Disposal would be used to reduce bank borrowings and general working capital.

BY ORDER OF THE BOARD

Lau Yu
Director and Chief Executive Officer
29 May 2016