



Sapex Group Limited
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NSX RELEASE

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UPDATE ON PROPOSED TRANSACTION

As per Sapex Group Limited (NSX: SAA) (the "Company")'s Announcement of 23 May 2018, the Company and PT SAS International ("PT SAS") have now executed an Asset Purchase Agreement, for the previously advised acquisition of the PT SAS Dura-Base® Mat Rental Services business in Indonesia. All Legal, financial, technical and operational due diligence and third party approvals have been completed. The Asset Purchase Agreement stipulates that financial close occur prior to 31 July 2018.

The Dura-Base® mats business will be acquired by a wholly owned subsidiary of SAA and will be immediately consolidated within SAA from both an operational and financial standpoint.

The Company intends to raise AUD \$12 million by way of Convertible Notes issuance, to finance the acquisition and to meet other working capital and expense requirements for the SAA Group. The Company will call and convene a shareholder meeting in the coming weeks to seek approval of the convertibility of the notes.

The transaction brings significant value and scale to SAA, increasing its mat inventory and earnings capacity, allowing it to meet demand from its existing network of users across the Oil & Gas and other industries in Indonesia.

PT SAS is a diversified mining, oil and gas products and services provider headquartered in Jakarta, Indonesia. PT SAS has acted as the Indonesian agent for the Dura-Base® mats business since 2002 and owns a total inventory of approximately 4,525 Dura-Base® mats and has generated in excess of A\$20 million in revenues arising from the Dura-Base® mats business since 2015.

PT SAS will remain an integral business partner of SAA going forward, remaining SAA's exclusive local agent within Indonesia for at least the next three years, as well as remaining a shareholder of SAA.

Board of Directors.
Sapex Group Limited

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