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NSX RELEASE

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## COMPLETION OF ACQUISITION

SAPEX Group Limited (NSX: SAA) (**Company** or **SAA**) is pleased to advise that it has completed the acquisition of the PT SAS Dura-Base® Mat Rental Services business in Indonesia (**Acquisition**) from PT SAS International (**PT SAS**).

As announced on 17 December 2018, the only outstanding completion obligation relating to the Acquisition was the issue of US\$2.0 million equivalent of SAA fully paid ordinary shares, which is subject to receiving shareholder approval at the General Meeting of the Company on 30 January 2019.

For clarification the Company is seeking approval from shareholders to issue 2,954,545 shares at A\$1.10 which represents a total value of US\$2.275 million (using an exchange rate of 0.7 USD to 1 AUD). The additional US\$275,000 of shares was agreed between the parties on 25 June 2018 in a variation to the Acquisition agreement in return for the extension of the financial close date. This variation was inadvertently excluded from the NSX announcement dated 3 August 2018.

To settle the Acquisition, a small group of Company shareholders (**Shareholder Group**) transferred 2,954,545 fully paid ordinary shares to PT SAS (**Transferred Shares**). Subject to receipt of shareholder approval at the General Meeting on 30 January 2019, the Company will issue 2,954,545 fully paid ordinary shares to PT SAS, 80% of which will be subject to voluntary escrow for 12 months and 20% subject to voluntary escrow for 6 months (**Approved Shares**). Upon receipt of the Approved Shares PT SAS will transfer the Transferred Shares back to the Shareholder Group by way of off market transfer.

If shareholder approval is not obtained at the General Meeting on 30 January 2019, then there will be no change to the current arrangement, and the Transferred Shares will remain held by PT SAS with no voluntary escrow in place. The Shareholder Group has accepted the risk that shareholder approval may not be obtained.

It was decided to complete the Acquisition now as waiting until 30 January 2019 would negatively impact the Company's cash flow and ability to proceed with numerous financing / capital markets exercises, as an agreed revenue split on receivables only comes fully into effect post completion of the Acquisition.

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