



Sapex Group Limited
ACN 619 195 283
Level 5, 126 Phillip Street
Sydney NSW 2000

NSX RELEASE

4 February 2019

UPDATE ON ISSUE OF SHARES TO PT SAS INTERNATIONAL

Further to the announcement of 18 January 2019, Sapex Group Limited (NSX:SAA) (**Company**) advises that it has today issued 2,954,545 fully paid ordinary shares (**Shares**) to PT SAS International (**PT SAS**) as part of the consideration of the acquisition of PT SAS' existing Dura-Base® mats business (**Acquisition**).

The issue of these shares was approved by Shareholders at a General Meeting held on Wednesday, 30 January 2019.

It was previously announced that the Shares issued to PT SAS would be subject to voluntary escrow conditions. The Company wishes to advise that after discussions with PT SAS, its Board of Directors has resolved to issue these shares without any escrow conditions.

As previously advised a small group of Company shareholders (**Shareholder Group**) had transferred 2,954,545 fully paid ordinary shares to PT SAS (**Transferred Shares**) to expedite the completion of the Acquisition. Accordingly, PT SAS has now returned those Transferred Shares to the Shareholder Group by way of off market transfer.

Board of Directors
Sapex Group Limited

For further information please contact:
Lee Tamplin
Company Secretary
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If you would like to receive these announcements as and when they are made, please register via the below link to join our mailing list:

<https://sapexgroup.reachmarkets.com.au/subscribe/>

Application for Quotation of Additional Securities



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Introduction

To ensure the efficient processing of this form by NSX, please:

1. Adhere to the suggested number of the annexures required by this form.
2. Complete **all** statements and questions in this form. (NSX can provide an electronic version of this form on request).



New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to NSX as soon as available. Information and documents given to NSX become NSX's property and may be made public.

Introduced 11 March 2004. Revised 7 March 2016.

Name of entity

SAPEX GROUP LIMITED

ABN/ACN

619 195 283

We (the entity) give NSX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | Class of securities issued or to be issued | Fully Paid Ordinary Shares and Detachable Warrants |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued | 2,954,545 fully paid ordinary shares

3,700,000 detachable warrants

6,084,844 convertible notes |
| 3 | Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | <p><u>Fully Paid Ordinary Shares</u>
2,954,545 fully paid ordinary shares</p> <p><u>Detachable Warrants</u>
3,700,000 detachable warrants convertible into fully paid ordinary shares (New Shares) at a strike price of \$1.10 on a 1 New Share for 1 detachable warrant basis. The warrants expire 12 months after the date on the funding notice.</p> <p><u>Convertible Notes</u>
6,084,844 convertible notes convertible into fully paid ordinary shares (New Shares) at a conversion price of \$1.10 on a 1 New Share for 1 convertible note basis. The convertible notes have a maturity date of 12 months after issue and a conversion period of 20 business days following the maturity date.</p> |

<p>4 Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p><u>Fully Paid Ordinary Shares</u> Yes</p> <p><u>Detachable Warrants</u> Yes upon exercise and conversion into fully paid ordinary shares</p> <p><u>Convertible Notes</u> Yes upon exercise and conversion into fully paid ordinary shares</p>
<p>5 Issue price or consideration</p>	<p><u>Fully Paid Ordinary Shares</u> Consideration of \$1.10 per fully paid ordinary share.</p> <p><u>Detachable Warrants</u> Nil consideration.</p> <p><u>Convertible Notes</u> \$1.10 per convertible note</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p><u>Fully Paid Ordinary Shares</u> Issued as part of the consideration for the acquisition of PT SAS International's Dura-Base mats business as approved by shareholders at a General Meeting of the Company held on 30 January 2019.</p> <p><u>Detachable Warrants</u> Issued for nil consideration per the terms of a US\$3 million loan agreement with Athos Asia Event Driven Master Fund and as approved by shareholders at a General Meeting of the Company held on 30 January 2019.</p> <p><u>Convertible Notes</u> Issued to institutional and sophisticated investors.</p>
<p>7 Dates of entering securities into uncertificated holdings or despatch of certificates</p>	<p>4 February 2019</p>













11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the securities will be offered	N/A
14	Class of securities to which the offer relates	N/A
15	Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A

25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	Despatch date	N/A


You need only complete this section if you are applying for quotation of securities

(a) ☒ Securities described in Part 1

(b) All other securities

Entities that have ticked box 34(a)

*Tick to indicate you are providing the information
or documents*

36  If the securities are equity securities, a distribution schedule of the additional securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 ☐ A copy of any trust deed for the additional securities

Entities that have ticked box 34(b)

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- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

(if issued upon conversion of another security, clearly identify that other security)

42 Number and class of all securities quoted on NSX (*including* the securities in clause 38)

Number	Class

Quotation agreement

1 Quotation of our additional securities is in NSX's absolute discretion. NSX may quote the securities on any conditions it decides.

2 We warrant the following to NSX.


- The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those securities should not be granted quotation.
- An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the securities to be quoted, it has been provided at the time that we request that the securities be quoted.
- If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.

3 We will indemnify NSX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give NSX the information and documents required by this form. If any information or document not available now, will give it to NSX before quotation of the securities begins. We acknowledge that NSX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 4 February 2019
(Director/Company secretary)

Print name: Lee Tamplin