

NSX RELEASE

26 June 2019

COMPANY UPDATE

SAPEX Group Ltd (NSX: SAA) ("**Sapex**" or "**Company**") is pleased to provide the following Company Update.

Sapex's ongoing strategy is to lock in long-term contracts to ensure stable and secure revenues whilst diversifying into non-Oil & Gas related projects across Indonesia. We remain committed to the vision of ensuring clients "Get In, Get Out and Leave Nothing Behind" whilst working to deliver increased value to Shareholders.

The Company has been working hard to deliver on this strategy with excellent results in the last 6 months, setting the company up to deliver on its operational and financial objectives for the year, whilst further validating this approach.

Included amongst the achievements in H1 FY19 are:

- Award of a Dura-Base® Composite Mats rental contract with Ophir Indonesia (Bangkanai) Limited (see NSX announcement dated 28 March 2019);
- Three-year extension to the exclusive Indonesian Distribution License with Newpark Mats & Integrated Services LLC (see NSX announcement dated 8 April 2019);
- Extension of the Dura-Base® Rental and Services contract with SAKA Indonesia Pangkah Limited ("SAKA") into 2020 (see NSX announcement dated 31 May 2019);
- Award of a Dura-Base® Composite Mats Sale and Services contract with PT. Bukit Makmur Mandiri Utama ("BUMA"). BUMA is the second largest independent coal mining contractor in Indonesia (see NSX announcement dated 31 May 2019);
- Securing Acceptable Product status for the Dura-Base Composite Mat System with PT. Kaltim Prima Coal Indonesia ("KPC") (see NSX announcement dated 31 May 2019); and
- Award of a Dura-Base® Rental and Services contract, on a 12-month term, with PT. PERTAMINA EP ("Pertamina"), the largest Oil & Gas PSC in Indonesia (see NSX announcement dated 3 June 2019).

These contracts also provide continuing validation of Management's expectations for the Indonesian energy and construction markets' demands.

Sapex also remains committed to seeking a listing on the ASX.

The concentration on delivering on our operational strategy has been to ensure that the Company is in the best possible position ahead of a listing in order to deliver maximum value to Shareholders during this transition. Unfortunately, this has resulted in a further delay to the proposed listing date.

Management regrets this delay but wishes to advise that it is in the best interests of all Shareholders to secure the Company's future revenues and financial security leading into the proposed listing.

The Company continues to work with the ASX, ASIC and its advisers to ensure that all listing and regulatory requirements are fully addressed in preparation for the listing. The Company is progressing with the prospectus and intends to complete the listing before the end of 2019.

Sapex Chairman, Peter Chambers, will be running a live investor briefing to discuss the Companies progress, as well as answer any investors questions on Tuesday 2nd July at 12pm. Please register here if you would like to attend - <https://reachmarkets.com.au/sapex-investor-briefing/>

If you would like to receive these announcements as and when they are made, please register via the Sapex Group Investor Centre: <https://sapexgroup.investorcentre.online/subscribe/>

Board of Directors
Sapex Group Limited

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