

NSX RELEASE

8 January 2020

SELECTIVE BUYBACK UPDATE

SAPEX Group Ltd (NSX: SAA) ("**SAPEX**" or "**Company**") provides the following update in relation to the Selective Buyback which was announced on 3 October 2019 ("**Announcement**").

As advised in the Announcement the selective buyback was being conducted in conjunction with an NSX delisting and capital restructure, the aim of which was to create a simplified balance sheet with significantly reduced debt and no dilutive securities or agreements. The restructure and Selective Buyback were subject to a number of conditions ("**Selective Buyback Conditions**") which were listed in the Announcement.

On 9 December 2019 SAPEX announced that a consortium of investors (the "**Consortium**") presented the Company with a proposed takeover bid ("**Offer**"). As announced the terms of the Consortium's offer are still being considered and a due diligence process is underway. A component of the offer would see the Consortium refinance and recapitalise SAPEX's balance sheet which includes the refinancing and extension of the Company's existing debt facility which is currently due.

During the due diligence process it has become evident to SAPEX that whether the proposed transaction completes or not, the Selective Buyback Conditions will not be met. As a result, SAPEX advises that it will not be proceeding with the Selective Buyback.

For further information regarding the cancellation of the Selective Buyback, please contact the Company Secretary.

With regards to the due diligence currently being undertaken in relation to the Offer, the Board of Directors will provide a further update to shareholders advising of its decision and the next steps required once it has been completed.

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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