

NSX RELEASE

5 December 2019

## SAKA CONTRACT EXTENSION

SAPEX Group Ltd (NSX: SAA) ("**SAPEX**" or "**Company**") is pleased to announce that it has been awarded a 14-month contract validity extension, through its wholly owned subsidiary PT. SAPEX Servis Indonesia and agent PT. SAS International, of its Contract ("**Contract**") with SAKA Indonesia Pangkah Limited ("**SAKA**").

This Contract extension is effective immediately as the current contract validity had been due to expire at the end of November 2019. Operations in the field have already commenced and will be expected to reach full operational levels (and targeted revenues), by March 2020. This provision of 1,300 Dura-Base® Composite Mats and comprehensive field services, in line with the current SAKA Indonesia Pangkah Limited Contract, has seen operational delays outside the control of SAPEX in 2019. Full operational revenues for the project are expected to be realised commencing March 2020.

This validity extension is key for Management's revenue planning for 2020 and beyond; with SAKA, the split between rental and purchase of mats demonstrates their long-term commitment to developing six production wells in Eastern Indonesia, as they now embark on the next stage of an approximate USD \$100m development.

This contract represents one of several that SAPEX successfully targeted to secure in 2019; which is now operational and is a clear indication of renewed growth and commitment in the Indonesian Oil & Gas market as SAKA expands into an area of onshore Eastern Java that is a newly tapped, long-term drill site.

CEO Kyle Larson said: "We are very proud to have worked with our valued client, SAKA Indonesia Pangkah Limited over the last 12 months to assist them in addressing operational delays in the field, while still preparing for the large-scale roll out of the Dura-Base® Composite Mat System SAPEX was confident would commence. This contract extension assures our shareholders that SAPEX's provision of the Dura-Base® Composite Mat System in Indonesia will continue to be a major revenue generator for the foreseeable future in the Oil & Gas industry."

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