AGENCY AGREEMENT

March 7, 2018

Permex Petroleum Corporation
1290 – 625 Howe Street
Vancouver, BC V6C 2T6

Attention: Mehran Ehsan
President and Chief Executive Officer

Dear Sir:

Canaccord Genuity Corp. (the "**Lead Agent**"), together with Gravitas Securities Inc. ("**Gravitas**") (collectively with the Lead Agent, the "**Agents**", and each individually, an "**Agent**"), understand that Permex Petroleum Corporation (the "**Company**") proposes to make an initial public offering of a minimum of 5,000,000 and a maximum of 20,000,000 common shares in the capital of the Company (the "**Base Shares**"), for minimum aggregate gross proceeds of $2,500,000 and maximum aggregate gross proceeds of $10,000,000.

Based on the foregoing, and subject to the terms and conditions contained in this Agreement, the Agents hereby severally and not jointly nor jointly and severally, agree to act as, and the Company appoints the Agents as, the sole and exclusive Agents of the Company to offer the Base Shares for purchase and sale at the Closing Time (as defined below) on a commercially reasonable efforts agency basis at a price of $0.50 per Base Share (the "**Offering Price**").

In addition, the Company hereby grants to the Agents an option (the "**Over-Allotment Option**") for the purpose of satisfying over-allocations, if any, and for market stabilization purposes by the Agents. The Over-Allotment Option shall entitle the Agents to offer for purchase and sale, in the Agents' sole discretion and on the basis set forth below, additional common shares in the capital of the Company in an amount that is equal to up to 15 percent of the Base Shares issued pursuant to the Offering (the "**Additional Shares**") from the Company at the Option Closing Time (as defined below) at a price per share equal to the Offering Price and otherwise on the same basis as the offer for purchase and sale of the Base Shares. The Over-Allotment Option shall be exercisable, in whole or in part, and at any time and from time to time, until 5:00 p.m. (Vancouver time) (the "**Option Expiry Time**") on the 60th day following the Closing Date (as defined below). If the Lead Agent, on behalf of the Agents, elects to exercise the Over-Allotment Option, the Lead Agent shall provide written notice (the "**Exercise Notice**") to the Company prior to the Option Expiry Time, which Exercise Notice shall specify the number of Additional Shares to be offered by the Agents and the date on which such Additional Shares are to be offered (the "**Option Closing Date**"). The Option Closing Date may be the same as the Closing Date, but not earlier than the Closing Date, and shall be at least two (2) Business Days (as defined below), but not more than five (5) Business Days, after the date on which the Exercise Notice is delivered to the Company. The Company acknowledges and agrees that the Agents are under no obligation to purchase any of the Additional Shares.

The Base Shares and the Additional Shares are hereinafter collectively referred to as the "**Offered Shares**" and unless the context otherwise requires, all references to the "Offered Shares" shall assume the exercise of the Over-Allotment Option. The offering of the Offered Shares is hereby referred to as the "**Offering**".

In consideration for the Agents' services hereunder, the Company agrees to pay the Agents:

(a) a fee ("**Agents' Fee**") of 8% of the gross proceeds from the sale of the Offered Shares, payable in cash or common shares in the capital of the Company issued at the Offering Price (the "**Agents' Fee Option Shares**"), or any combination of cash or Agents' Fee Option Shares, at the

option of the Agents. The option granted to the Agents to receive Agents' Fee Option Shares is referred to herein as the "**Agents' Fee Option**". The Agents shall have the right to direct the Company to deliver Agents' Fee Option Shares to specified Selling Firms (as herein defined);

(b) warrants (the "**Agents' Warrants**") entitling the Agents to subscribe for that number of common shares in the capital of the Company (each an "**Agents' Warrant Share**") as is equal to 8% of the aggregate number of Offered Shares sold pursuant to the Offering. Each Agents' Warrant is exercisable to purchase one Agents' Warrant Share at the Offering Price for a period of 36 months following the Closing. The Agents shall have the right to direct the Company to deliver Agents Warrants to specified Selling Firms (as herein defined); and

(c) a corporate finance fee (the "**Agents' Corporate Finance Fee**") equal to: (i) 2.5% of the gross proceeds from the sale of the Offered Shares that are less than or equal to $5,000,000; plus (ii) 5.0% of the gross proceeds from the sale of the Offered Shares that exceed $5,000,000, payable in common shares in the capital of the Company issued at the Offering Price (the "**Agents' Corporate Finance Fee Shares**"). The Agents shall have the right to direct the Company to deliver Agents' Corporate Finance Fee Shares to specified Selling Firms (as herein defined);

provided, that the Agents will not direct the Company to deliver any Agents' Fee Option Shares, the Agents' Warrants or the Agents' Corporate Finance Fee Shares, nor will they offer or sell any such securities or solicit offers to acquire such securities pursuant to the foregoing provisions, to or from any person except a Selling Firm outside the United States that is able to, and does, make in writing (with a copy thereof provided to the Company) the representations, warranties and agreements set forth in the final paragraph of Section 15 of this Agreement.

Notwithstanding anything to the contrary contained herein and subject to the terms and conditions hereof, the Agents, acting through their respective U.S. Affiliates, in accordance with Schedule A hereto, may offer and sell the Offered Shares in the United States to "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act), provided such sales are made in accordance with the registration exemptions provided by Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws, all in the manner contemplated by this Agreement (including Schedule A hereto, the terms and conditions of which are incorporated herein by reference and form a part of this Agreement), in accordance with applicable state securities laws in the United States, or outside the United States in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

The terms and conditions among the Company and the Agents are set forth below.

1. **Definitions**

In this Agreement:

"**Acquired Assets**" means the former business, assets and liabilities of the Partnership that were transferred to the Company in exchange for common shares of the Company prior to the closing of the Arrangement, which include the Pittcock North Property, the Pittcock South Property, the McMurtry and Loving Properties, the Peavy Property and the Windy Jones Property;

"**Additional Shares**" has the meaning given to it above;

"**affiliate**" and "**subsidiary**" have the respective meanings given to them in National Instrument 45-106 — *Prospectus and Registration Exemptions* of the Canadian Securities Administrators;

"**Agents**" has the meaning described above;

"**Agents' Compensation**" means, collectively, the Agents' Fee, the Agents' Warrants and the Agents' Corporate Finance Fee;

"**Agents' Corporate Finance Fee**" has the meaning described above;

"**Agents' Corporate Finance Fee Shares**" has the meaning described above;

"**Agents' Fee**" has the meaning described above;

"**Agents' Fee Option**" has the meaning described above;

"**Agents' Fee Option Shares**" has the meaning described above;

"**Agents' Information**" has the meaning given to it in subsection 7(a);

"**Agents' Warrants**" has the meaning described above;

"**Agents' Warrant Certificate**" means the certificate representing and setting out the terms and conditions of the Agents Warrants, in form and content satisfactory to the Agent;

"**Agents' Warrant Share**" has the meaning described above;

"**Agreement**" means this Agency Agreement, as amended from time to time;

"**Annual Acquisition Statements**" means the audited financial statements in respect of the Acquired Assets for the financial years ended December 31, 2016 and 2015, together with the notes thereto and the report thereon, and which are appended to the Prospectus;

"**Applicable Canadian Securities Laws**" means all applicable corporate and securities laws in each of the Qualifying Jurisdictions and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Administrators;

"**Arrangement**" means the statutory plan of arrangement attached to the Arrangement Agreement;

"**Arrangement Agreement**" means the arrangement agreement dated June 12, 2017, between the Company and N.A. Energy Resources Investment Corporation;

"**Base Shares**" has the meaning given to it above;

"**Business Day**" means any day, other than a Saturday or Sunday, on which commercial banks in Vancouver, British Columbia are open for commercial banking business during normal banking hours;

"**Change of Control**" shall mean the transfer (whether by tender offer, amalgamation, arrangement, consolidation or other similar transaction), after the closing of the Offering, to a person or group of affiliated persons, of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold shares having more than 50% of the voting power of all outstanding voting shares of the Company (or the surviving entity);

"**Claim**" has the meaning given to it in subsection 20(c);

"**Closing**" means the completion of the issue and sale by the Company, and the sale by the Agents, of the Offered Shares (or any portion thereof) pursuant to this Agreement;

"**Closing Date**" means April 6, 2018 or such other date as the Company and the Lead Agent, on behalf of the Agents, may agree upon in writing, or as may be changed pursuant to this Agreement, but in any event shall not be later than June 5, 2018;

"**Closing Time**" means 6:00 a.m. (Vancouver time) on the Closing Date and, if applicable, on each Option Closing Date;

"**Common Shares**" means the common shares in the capital of the Company;

"**Company**" has the meaning given to it above;

"**Company Assets**" means the Acquired Assets, the Mary Bullard Property, the West Henshaw Property and the Oxy Yates Property;

"**Company Financial Statements**" means, collectively, the Permex Financial Statements, the Annual Acquisition Statements, the Interim Acquisition Statements and the MD&A;

"**Company Reserves Report**" means the independent engineering report dated effective December 11, 2017 with an effective date of September 30, 2017 prepared by and containing the evaluation of MKM Engineering of the oil, natural gas liquids and natural gas reserves attributable to the Company Assets;

"**CSE**" means the Canadian Securities Exchange;

"**Due Diligence Sessions**" has the meaning given to it in subsection 4(b);

"**Environmental Laws**" has the meaning given to it in subsection 8(ee)(i);

"**Exercise Notice**" has the meaning given to it above;

"**Final Prospectus**" means the (final) prospectus dated March 7, 2018 relating to the distribution of the Offered Shares;

"**Forward-looking Statements**" has the meaning ascribed thereto in subsection 8(jj);

"**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:

(a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographical or political subdivision of any them; or

(b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Hazardous Materials or Conditions**" means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) or condition that is regulated by or may give rise to liability under any Environmental Laws;

"**Indemnified Party**" has the meaning given to it in Subsection 20(c);

"**Intellectual Property**" has the meaning given to it in subsection 8(aa);

"**Interim Acquisition Statements**" means the unaudited carve-out, condensed interim financial statements in respect of the Acquired Assets for the eight months ended August 31, 2017, together with the notes thereto, and which are appended to the Prospectus;

"**Lead Agent**" has the meaning given to it above;

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;

"**Material Adverse Effect**" or "**Material Adverse Change**" means any fact, effect, change, event, occurrence or development that, alone or in conjunction with any other fact, effect, change, event, occurrence or development: (i) is or is reasonably likely to be materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flows, income, prospects or business operations of the Company, or (ii) would result in the Preliminary Prospectus, the Prospectus or any Prospectus Amendment containing a misrepresentation;

"**Mary Bullard Property**" means the properties located in Stonewall County, Texas, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**McMurtry and Loving Properties**" means the properties located in Stonewall County, Texas, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**MD&A**" means:

(a) means the management's discussion and analysis of the financial condition and results of operations in respect of the Acquired Assets for the eight months ended August 31, 2017 and the financial year ended December 31, 2016, and which is appended to the Prospectus; and

(b) means the management's discussion and analysis of the financial condition and results of operations of the Company for the period ended September 30, 2017, and for the three months ended December 31, 2017, and which are appended to the Prospectus;

"**MKM Engineering**" means MKM Engineering Inc., an independent qualified reserve evaluator;

"**notice**" has the meaning given to it in Section 27;

"**NP 11-202**" means National Policy 11-202 — *Process for Prospectus Reviews in Multiple Jurisdictions* of the Canadian Securities Administrators;

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 51-102**" means National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"**NI 52-109**" means National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators;

"**Offered Shares**" has the meaning given to it above;

"**Offering Price**" has the meaning given to it above;

"**Offering**" has the meaning given to it above;

"**Option Closing**" means the completion of the sale by the Company to the Agents of the Additional Shares;

"**Option Closing Date**" has the meaning given to it above;

"**Option Closing Time**" means 6:00 a.m. (Vancouver time) on the Option Closing Date;

"**Option Expiry Time**" has the meaning given to it above;

"**Over-Allotment Option**" has the meaning given to it above;

"**Oxy Yates Property**" means the properties located in Eddy County, New Mexico, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**Partnership**" means Permex Petroleum Limited Partnership;

"**Peavy Property**" means the properties located in Young County, Texas, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**Permex Financial Statements**" means, collectively, the audited financial statements of the Company for the period from incorporation on April 24, 2017 and ended September 30, 2017, together with the notes thereto, and the reviewed interim financial statements of the Company for the three months ended December 31, 2017, together with the notes thereto, and which are appended to the Prospectus;

"**person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, company, limited liability company, unlimited liability company or Governmental Authority and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

"**Pittcock North Property**" means the properties located in Stonewall County, Texas, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**Pittcock South Property**" means the properties located in Stonewall County, Texas, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**Preliminary Prospectus**" means the preliminary prospectus relating to the distribution of the Offered Shares dated December 22, 2017;

"**Prospectus**" means, collectively, the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendment;

"**Prospectus Amendment**" means any amendment to the Preliminary Prospectus or the Final Prospectus;

"**Qualifying Jurisdictions**" means each of the provinces of British Columbia, Alberta, Saskatchewan and Ontario;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Responses**" means the written and verbal responses provided by the Company at the Due Diligence Sessions;

"**SEC**" means the United States Securities and Exchange Commission;

"**Selling Jurisdictions**" means: (i) the Qualifying Jurisdictions; (ii) the United States (with respect to such offers and sales made in compliance with Schedule A hereof); and (iii) such other foreign jurisdictions as the Lead Agent, on behalf of the Agents, and the Company may mutually agree in writing;

"**Securities Commissions**" means, collectively, the securities commission or securities regulatory authority in each of the Qualifying Jurisdictions, and "Securities Commission" means any one of them;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Selling Firm**" has the meaning given to it in subsection 5(a);

"**Stock Option Plan**" means the share option plan of the Company;

"**Supplementary Material**" means, collectively, any ancillary material, information, evidence, return, report, application, statement or document which may be filed by or on behalf of the Company under the Applicable Canadian Securities Laws;

"**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

"**template version**" has the meaning given to it in NI 41-101;

"**United States**" or "**U.S**." means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"**U.S. Affiliate**" means a United States registered broker-dealer affiliate of an Agent;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

"**U.S. Person**" has the meaning given to it in Regulation S;

"**U.S. Placement Memorandum**" means the final U.S. placement memorandum (which includes the Final Prospectus) prepared for use in connection with the offer and sale of the Offered Shares in the United States, in the form agreed to by the Company and the Agents;

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder;

"**West Henshaw Property**" means the properties located in the West Henshaw Unit in Eddy County, New Mexico, in which the Company holds a Working Interest and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**Windy Jones Property**" means the lease in which the Company holds a Working Interest located in Stonewall County, Texas, covering forty acres, of which the Company is using to create waterflood secondary recovery on its adjacent Pittcock leases and which are further described in the Prospectus under "*Description of the Business – General Description of the Business – Properties*";

"**Working Interest**" means the percentage of undivided interest held in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to "work" the property (lease) to explore for, develop, produce and market the leased substances; and

"**misrepresentation**", "**material change**", "**marketing materials**" and "**material fact**" shall have the meanings ascribed thereto under the Applicable Canadian Securities Laws of the Qualifying Jurisdictions; "**distribution**" means "**distribution**" or "**distribution to the public**", as the case may be, as defined under the Applicable Canadian Securities Laws of the Qualifying Jurisdictions; and "**distribute**" has a corresponding meaning, and "knowledge" means the knowledge, information and awareness of Mehran Ehsan, Scott Kelly and Barry Whelan, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by officers of exploration and production companies of similar size to the Company in the discharge of their duties.

Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender, include all genders. References to "**Sections**", "**subsection**", "**paragraphs**" and "**clauses**" are to the appropriate section, subsection, paragraph or clause of this Agreement.

All references to dollars or "**$**" are to Canadian dollars unless otherwise expressed.

2. Appointment of Agent

(a) The Company appoints the Agents as its exclusive agents in respect of the Offering and the Agents accept the appointment and agree to act as the exclusive agents of the Company in respect of the Offering to use their commercially reasonable efforts to sell the Offered Shares in the Selling Jurisdictions. The Agents agree to use their commercially reasonable efforts to sell the Offered Shares, but it is hereby understood and agreed that the Agents shall act as agents only and are under no obligation to purchase any of the Offered Shares, although the Agents may subscribe for the Offered Shares if they so desire.

(b) The Offering is subject to a minimum subscription of proceeds not less than $2,500,000. All subscription funds received by the Agents will be held by the Agents until the minimum subscription has been attained. Notwithstanding any other term of this Agreement, all subscription funds received by the Agents will be returned to the purchasers without interest or deduction if the minimum subscription for the Offering is not attained by the Closing Date.

(c) The minimum Offering of $2,500,000 must be received by the Agents no later than 90 days from the date of issuance by the British Columbia Securities Commission, as principal regulator, of a receipt for the Final Prospectus in respect of the Offering. If the initial Closing is completed but the maximum Offering of $10,000,000 has not been achieved, one or more additional Closings may occur until such date as applicable securities legislation allows.

(d) Notwithstanding anything to the contrary contained herein, the obligations of the Agents under this Agreement, including Schedule A, are several and not joint nor joint and several, and an Agent will not be liable for any breach under this Agreement, including Schedule A, by another Agent or a Selling Firm appointed by another Agent or any act, omission, default or conduct by any other Agent or Selling Firm appointed by any other Agent.

3. Compliance with Securities Laws

(a) The Company represents and warrants to the Agents that: (a) the Company has prepared and filed the Preliminary Prospectus and other related documents required by Applicable Canadian Securities Laws with the Securities Commissions and has obtained a receipt from the British Columbia Securities Commission for the Preliminary Prospectus, which receipt also evidences that the Ontario Securities Commission has issued a receipt for the Preliminary Prospectus; and

(b) pursuant to NP 11-202, a receipt for the Preliminary Prospectus is deemed to have been issued by the Securities Commission in each of the Qualifying Jurisdictions other than the Provinces of British Columbia and Ontario. The Company will, forthwith after any comments of the Securities Commissions in respect of the Preliminary Prospectus have been addressed to the satisfaction of the Securities Commissions, prepare and file the Final Prospectus, in form and substance satisfactory to the Agents, acting reasonably, together with other related documents required by Applicable Canadian Securities Laws (including, without limitation, the template version of any marketing materials, as applicable), with the Securities Commissions and obtain a receipt from the British Columbia Securities Commission for the Final Prospectus as soon as possible after such filing, but in any event no later than 5:00 p.m. (Vancouver time) on March 13, 2018. Such receipt will also evidence that the Ontario Securities Commission has issued a receipt for the Final Prospectus. Pursuant to NP 11-202, a receipt for the Final Prospectus will be deemed to have been issued by the Securities Commission in each of the Qualifying Jurisdictions other than the Provinces of British Columbia and Ontario.

(b) The Company will promptly fulfil and comply with, to the satisfaction of the Agents, acting reasonably: (i) Applicable Canadian Securities Laws required to be fulfilled or complied with by the Company to enable the Offered Shares to be lawfully distributed to the public in the Qualifying Jurisdictions through the Agents or any other investment dealers or brokers registered as such in the Qualifying Jurisdictions; and (ii) Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws to enable the Offered Shares to be lawfully offered and sold on a private placement basis in the United States in accordance with the provisions of Schedule A to this Agreement.

(c) Until the date on which the distribution of the Offered Shares is completed, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required or desirable under Applicable Canadian Securities Laws to continue to qualify the distribution of the Offered Shares in the Qualifying Jurisdictions. The Agents agree to assist the Company in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering.

4. **Due Diligence**

(a) Prior to the filing of the Final Prospectus, the Company shall permit the Agents to review and participate in the preparation of the Prospectus and the U.S. Placement Memorandum and shall allow each of the Agents to conduct any due diligence investigations which it requires in order to fulfil its obligations as an agent under Applicable Canadian Securities Laws and in order to enable it to responsibly execute the certificate in the Prospectus required to be executed by it. Following the execution and delivery of this Agreement up to the later of the Closing Date and the date of completion of the distribution of the Offered Shares, the Company shall permit the Agents to review and participate in the preparation of the U.S. Placement Memorandum and allow each of the Agents to conduct any due diligence investigations which it requires in order to fulfill its obligations as an agent under Applicable Canadian Securities Laws.

(b) Without limiting the generality of the foregoing, the Company shall make available its directors, senior management and audit committee, and shall use its commercially reasonable efforts to cause its auditors, independent engineers and legal counsel and other experts to be available, to answer any questions which the Agents may have and to participate in one or more due diligence sessions to be held prior to the completion of the distribution of the Offered Shares (collectively, the "**Due Diligence Sessions**"). The Agents shall distribute the list of written questions to be answered in advance of each such Due Diligence Session and the Company shall provide written responses to such questions and shall use its commercially reasonable efforts to have its auditors, independent engineers and legal counsel and other experts provide written responses to such questions in advance of each of the Due Diligence Sessions.

5. **Restrictions on Sale and Certain Other Obligations**

(a) The Agents will be permitted to appoint, at their sole expense, other registered dealers or brokers as their agents to assist in the distribution of the Offered Shares. The Agents shall comply, and shall require any such dealer or broker, other than the Agents, with which the Agents have a contractual relationship in respect of the distribution of the Offered Shares (a "**Selling Firm**"), to comply with Applicable Canadian Securities Laws in connection with the distribution of the Offered Shares and to offer the Offered Shares for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Final Prospectus and this Agreement. The Agents shall, and shall require any Selling Firm to agree to, offer for sale to the public and sell the Offered Shares only in those jurisdictions where they may be lawfully offered for sale or sold.

(b) The Agents shall, and shall require any Selling Firm to agree to, observe and distribute the Offered Shares in a manner that complies with all applicable laws and regulations (including, in connection with offers and sales in the United States, Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities) in each jurisdiction into and from which they may offer to sell the Offered Shares or distribute the Prospectus, the U.S. Placement Memorandum or any amendment, supplement or ancillary documents thereto in connection with the distribution of the Offered Shares and will not, directly or indirectly, offer, sell or deliver any Offered Shares or deliver the Prospectus or the U.S. Placement Memorandum or any other document to any person in any jurisdiction, except in a manner which will not require the Company to comply with the registration, prospectus, continuous disclosure, filing or other similar requirements under the applicable securities laws of any jurisdiction other than the Qualifying Jurisdictions.

(c) From the date hereof until the later of the Closing Date or the Option Closing Date, the Company, and the Agents, on a several basis (not joint, and not joint and several), covenant and agree:

(i) not to provide any potential investor of Offered Shares with any marketing materials unless a template version of such marketing materials has been: (i) approved in writing by the Company and the Lead Agent, each acting reasonably, and (ii) filed by the Company with the Securities Commissions on or before the day such marketing materials are first provided to any potential investor of Offered Shares; and

(ii) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Company other than: (i) such marketing materials that have been approved and filed in accordance with this subsection 5(c) and that are otherwise in compliance with Applicable Canadian Securities Laws; (ii) the Prospectus; and (iii) any standard term sheets approved in writing by the Company, such approval not to be unreasonably withheld.

(d) The Agents shall be entitled to assume that the Offered Shares are qualified for distribution in each of the Qualifying Jurisdictions unless otherwise notified in writing by the Company prior to the Closing Time.

(e) The Company and the Agents hereby acknowledge that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities or "blue sky" laws, and may not be offered or sold except: (A) to "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act), provided such sales are made in accordance with the registration exemptions provided by Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws; and (B) outside the United States, in accordance with Rule 903 of Regulation S. Accordingly, the Company and each of the Agents hereby agree that offers and sales of the Offered Shares in the United States shall be conducted only in the manner specified in Schedule A hereto, which terms and conditions are hereby incorporated by reference in and form a part of this Agreement. The Agents further agree that they will require each Selling Firm who offers and sells any of the Offered Shares to agree to comply with the requirements hereof.

6. **Delivery of Documents**

(a) On or prior to the time of filing of the Final Prospectus, the Company shall deliver to each of the Agents (except to the extent such documents have been previously delivered to the Agents or are available on SEDAR):

(i) a copy of each of the Preliminary Prospectus and the Final Prospectus signed and certified by the Company as required by Applicable Canadian Securities Laws in the Qualifying Jurisdictions;

(ii) a copy of any other document required to be filed by the Company under Applicable Canadian Securities Laws;

(iii) a "long-form" comfort letter of Davidson & Company LLP, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditors no earlier than two (2) Business Days prior to the date of the Final Prospectus), addressed to the Agents, the Company and the directors of the Company, in form and substance satisfactory to the Agents, acting reasonably, with respect to certain financial and numerical information relating to the Company contained in the Final Prospectus, which letter shall be in addition to the auditors' report contained in the Final Prospectus and any auditors' comfort letter addressed to the Securities Commissions;

(iv) if required, a "long-form" comfort letter of Smythe LLP, dated the date of the Final Prospectus (with the requisite procedures to be completed by such auditors no earlier than two (2) Business Days prior to the date of the Final Prospectus), addressed to the Agents, the Company and the directors of the Company, in form and substance satisfactory to the Agents, acting reasonably, with respect to certain financial and numerical information relating to the Company contained in the Final Prospectus, which letter shall be in addition to the auditors' report contained in the Final Prospectus and any auditors' comfort letter addressed to the Securities Commissions;

(v) a letter from MKM Engineering, dated the date of the Final Prospectus, addressed to the Agents, the Agents' counsel and the Company, in form and substance satisfactory to the Agents, acting reasonably, confirming: (i) the independence of MKM Engineering in preparing the Company Reserves Report; (ii) that the estimates of reserves, future net income and net present value contained in the Final Prospectus correctly reflect the estimates of those quantities in the Company Reserves Report; and (iii) that MKM Engineering does not have information which would cause it to revise downward any of the estimates contained in the Company Reserves Report; and

(vi) a copy of the letter from the CSE advising the Company that conditional approval of the listing of the Common Shares (including the Offered Shares, Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, and, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option) has been granted by the CSE, subject to the satisfaction of the customary conditions set out therein.

(b) In the event that the Company is required by Applicable Canadian Securities Laws to prepare and file a Prospectus Amendment (including in the circumstances referred to in Section 13), the Company shall prepare and deliver promptly to the Agents signed and certified copies of such Prospectus Amendment. Any Prospectus Amendments shall be in form and substance satisfactory to the Agents, acting reasonably. Concurrently with the delivery of any Prospectus Amendment, the Company shall deliver to the Agents, with respect to such Prospectus Amendment, documents similar to those referred to in subsections 6(a)(ii), (iii) and (iv).

7. Representations as to Prospectus and Prospectus Amendments

Filing of the Preliminary Prospectus, the Final Prospectus, and any Prospectus Amendment shall constitute a representation and warranty by the Company to the Agents that, as at their respective dates:

(a) the information and statements (except information and statements relating solely to the Agents which have been provided by the Agents to the Company in writing specifically for use in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment (collectively, "**Agents' Information**")) contained in the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum and any Prospectus Amendment are true and correct and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company, the Offered Shares and the Offering;

(b) no material fact or information has been omitted from such disclosure (except for Agents' Information) that is required to be stated in such disclosure or that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made;

(c) the U.S. Placement Memorandum (except for Agents' Information) does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, within the meaning of the U.S. Exchange Act; and

(d) except with respect to any Agents' Information, such documents comply in all material respects with the requirements of Applicable Canadian Securities Laws and the applicable securities laws in the United States.

Such filings shall also constitute the Company's consent to the Agents' use of the Preliminary Prospectus, the Final Prospectus, and any Prospectus Amendment in connection with the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with this Agreement and Applicable Canadian Securities Laws and the use of the U.S. Placement Memorandum for offers and sales of the Offered Shares in the United States pursuant to the registration exemptions provided by Rule 506(b) of Regulation D under the U.S. Securities Act and applicable U.S. state securities laws.

8. Additional Representations and Warranties of the Company

In this section 8, references to the "Company" unless the context requires otherwise, includes the Company's wholly-owned subsidiary, Permex Petroleum US Corporation, a corporation incorporated under the laws of the State of New Mexico, U.S.A.

The Company represents and warrants to the Agents, and acknowledges that the Agents are relying upon such representations and warranties in the offer and sale of the Offered Shares, that:

(a) the Company and Permex Petroleum US Corporation have been duly incorporated or organized and are validly existing and in good standing under the laws of the jurisdiction of their incorporation and have all requisite corporate capacity, power and authority to carry on their business, as now conducted and as presently proposed to be conducted by them, and to own their properties and assets and conduct their business (and to own their proposed properties and proposed assets and conduct their proposed business) as described in the Prospectus;

(b) all of the issued and outstanding shares of, or other equity interests in, Permex Petroleum US Corporation are owned directly or indirectly by the Company, have been duly and validly authorized and issued, are fully paid and non-assessable, and are owned by the Company free and clear of any Liens or other adverse claims whatsoever and there are no contracts, agreements or other arrangements pursuant to which any person has, or to the knowledge of the

Company could have, the right to acquire any ownership interest in Permex Petroleum US Corporation;

(c) immediately prior to the Closing, other than as described in the Prospectus, the Company will have no subsidiaries, nor will it be affiliated with or a "holding corporation" of any other body corporate (within the meaning of such term in the *Securities Act* (British Columbia)), nor will it be a partner of any partnerships (other than participating in industry partnerships in the ordinary course of business) or limited partnerships, and the Company will have no shareholdings in any other Company or business organization;

(d) except where non-compliance does not have and would not reasonably be expected to have a Material Adverse Effect, the Company has conducted, is conducting and will conduct its business in compliance with all applicable laws, rules and regulations of each jurisdiction in which it carries on and will carry on its business and the Company has not received any notice of any alleged violation of any such laws, rules and regulations;

(e) except as disclosed in the Final Prospectus, since September 30, 2017: (i) there has been no Material Adverse Change (actual, anticipated, contemplated or threatened, financial or otherwise); (ii) there has been no transaction entered into by the Company which is material to the Company; (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its shares; (iv) there has not been any material change in the share capital, long-term debt, short-term debt, net current assets, net assets, financial condition or operations of the Company or any of the Subsidiaries other than changes in the ordinary course of business; and (v) none of the Company or any of its subsidiaries has cancelled any debts or entitlements;

(f) all operations of the Company and, to the knowledge of the Company, all operations by third parties in respect of oil and gas properties in which the Company has an interest, have been conducted in accordance with good oil and gas exploration and development industry practices and in compliance with all applicable laws, rules and regulations, orders and directions of governmental and other competent authorities, and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies applicable to the Company, of each jurisdiction in which it carries on business (except where the failure to so conduct business would not or is not likely to have a Material Adverse Effect), and the Company holds all licenses, permits, approvals, registrations, authorizations and qualifications in all jurisdictions in which it carries on business, which are necessary or desirable to operate the assets and properties of the Company, and to carry on the business of the Company, as now conducted and as presently proposed to be conducted (except where the failure to hold such licenses, permits, approvals, registrations, authorizations and qualifications, in the aggregate, would not or is not likely to have a Material Adverse Effect), and to the knowledge of the Company all such licenses, permits, approvals, registrations, authorizations and qualifications are valid and existing and in good standing (except where the lack of such valid, existing and good standing licenses, permits, approvals, registrations, authorizations and qualifications, in the aggregate, would not or is not likely to have a Material Adverse Effect), and none of such licenses, permits, approvals, registrations, authorizations and qualifications contains any burdensome term, provision, condition or limitation, which has or is likely to have any Material Adverse Effect, and the Company has not received any notice of proceedings relating to the revocation or modification of any license, permit, approval, registration, authorization or qualification which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, and the Company is not aware of any legislation, regulation or rule presently in force or proposed to be brought into force with which the Company anticipates it will be unable to comply without having a Material Adverse Effect;

(g) the minute books and corporate records of the Company and its subsidiary made available in connection with the Agents' due diligence investigations are true and complete copies thereof and contain copies of all material proceedings of the shareholders, the directors, all committees of the

directors of each that have been minuted or resolved, as applicable, and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committee thereof, other than meetings, resolutions or proceedings of the directors or committees thereof for which the minutes are in draft form (copies of the drafts of which have been provided to counsel for the Agent, if applicable), to the date of review of such minute books and corporate records, other than those which are not material in the context of such entities, as applicable;

(h) the books of account and other records of the Company, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices that are customary in the business in which the Company is engaged;

(i) (a) the contractors and other service providers to the Company who conduct material operations on the Company's properties (the "**Service Providers**") are insured by insurers who are, to the knowledge of the Company, of recognized financial responsibility, against such losses and risks in such amounts that are appropriate to the operations, properties and assets of the Company and, in respect of the operation of the Oxy Yates and West Henshaw Property, Permex Petroleum Company LLC, as they will exist on the Closing Date, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets; all policies of insurance (including those of the Service Providers) and fidelity or surety bonds insuring the Company, and, in respect of the operation of the Oxy Yates and West Henshaw Property, Permex Petroleum Company LLC, and their business, assets, employees, officers and directors are in full force and effect; the Company, Permex Petroleum Company, LLC and, to the knowledge of the Company, the Service Providers, are in compliance with the terms of such policies and instruments, as applicable, in all material respects; there are no claims by the Company or Permex Petroleum Company, LLC (or any Service Provider with respect to claims relating to the Company's properties) under any such policies or instruments as to which any insurance company is denying liabilities or defending under a reservation of rights clause; and the Company has no reason to believe that it (or any Service Provider with respect to insurance coverage applying to the Company's properties) will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect; and (b) the Company is not insured by any insurers of recognized financial responsibility against any losses or risks, and such failure to hold such insurance is appropriate to the operations, properties and assets of the Company, as they will exist on the Closing Date, as such insurance is not customarily carried, and such losses and risks are not customarily insured against, by owners of comparable businesses, properties and assets;

(j) the Company has all requisite corporate power, capacity and authority to enter into and deliver this Agreement and to perform its obligations hereunder (including the execution and delivery of the Preliminary Prospectus, the Final Prospectus and any Prospectus Amendments and the filing of each of them with the Securities Commissions, and the preparation and distribution of the U.S. Placement Memorandum in accordance with this Agreement) and thereunder, and this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the general qualifications that: (i) enforcement may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) the equitable or statutory powers of the courts in Canada having jurisdiction to stay proceedings before them and the execution of judgments; (iv) rights to indemnity and contribution hereunder may be limited under applicable law; (v) enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under applicable law without affecting the enforceability or validity of the remainder of such document would be determined only in the discretion of the court; and (vi) enforceability of the provisions exculpating a party from liability or duty otherwise owed by it may be limited under applicable law;

(k) the Company is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of, this Agreement and the performance of any of the transactions contemplated hereby by the Company, do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under, any term or provision of the articles, by-laws or resolutions of the directors or shareholders of the Company, or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Company is a party or by which it is bound, or any judgment, decree, law, order, statute, rule or regulation applicable to the Company, which default or breach might reasonably be expected to result in a Material Adverse Effect;

(l) the Company Financial Statements (other than the MD&A) have been prepared in conformity with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods involved and present fairly, in all material respects:

(i) the financial position and condition of the Company at the dates thereof, the results of operations of the Company for the periods then ended, and all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company; and

(ii) the revenue, royalties, operating expenses, and operating income of the Company Assets,

as the case may be;

(m) the financial data under the heading "*Summary of Selected Financial Information*" contained in the summary of the Final Prospectus has been compiled on a basis consistent with that of the Permex Financial Statements, the Annual Acquisition Statements and the Interim Acquisition Statements, as applicable;

(n) the Company will, following the Closing, maintain a system of internal control over financial reporting that complies with the requirements of NI 52-109 and has been designed by the Company's Chief Executive Officer and Chief Financial Officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. Other than as disclosed in the Responses, the Company is not aware of any material weaknesses in its internal control over financial reporting. The Company will, following the Closing, maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information required to be disclosed by the Company under Applicable Canadian Securities Laws is recorded, processed, summarized and reported within the time periods specified under Applicable Canadian Securities Laws and to ensure that information required to be disclosed by the Company under Applicable Canadian Securities Laws is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure;

(o) the Company has made available to MKM Engineering, prior to the issuance of the Company Reserves Report for the purpose of preparing such Company Reserves Report, all information requested by MKM Engineering, which information did not contain any material misrepresentation at the time such information was provided. Except with respect to changes in commodity prices and production, the Company has no knowledge of a material adverse change in any costs, reserves or other relevant information provided to MKM Engineering since the dates that such information was so provided. The Company believes that the Company Reserves Report reasonably presents the quantity and pre-tax present worth values of the oil and gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in such report as of September 30, 2017, based upon information available at the time the Company Reserves Report was prepared and given the assumptions contained therein and, except with

respect to changes in commodity prices, the Company has no knowledge of any material adverse change to such oil and gas reserves from that disclosed in the Company Reserves Report since the effective date of the Company Reserves Report;

(p) other than with respect to title to either the Oxy Yates Property or the West Henshaw Property which is the subject of Section 8(q), the Company is not aware of any defects, failures or impairments in the title of the Company to its oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party;

(q) (A) if title to either the Oxy Yates Property or the West Henshaw Property has been officially confirmed by the applicable Governmental Authority as having been transferred to the Company from Permex Petroleum Company, LLC as of the date hereof, to the knowledge of the Company, there are no defects, failures or impairments in the title of Permex Petroleum US Corporation to such transferred property, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party; and (B) if title to either the Oxy Yates Property or the West Henshaw Property has not been officially confirmed by the applicable Governmental Authority as having been transferred to the Company from Permex Petroleum Company, LLC as of the date hereof, to the knowledge of the Company, there are no defects, failures or impairments in the title of Permex Petroleum Company, LLC to any such property that is pending such official confirmation of transfer, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party;

(r) the properties and assets of the Company are free and clear of all mortgages, pledges, Liens, charges and encumbrances other than those encumbrances that are standard in the oil and gas industry, royalties, or which do not and will not have a material adverse effect on the ownership or operation of such assets and properties ("**Permitted Encumbrances**"), and other than Permitted Encumbrances, the Company has not done any act or suffered or permitted any action to be done whereby any person has acquired or may acquire an interest in or to the material properties and assets of the Company, nor has it done any act, omitted to do any act or permitted any act to be done that would reasonably be expected to have a Material Adverse Effect;

(s) (A) if title to the Oxy Yates Property and the West Henshaw Property has been officially confirmed by the applicable Governmental Authority as having been transferred to the Company from Permex Petroleum Company, LLC as of the date hereof, although it does not warrant title, the Company does not have reason to believe that the Company does not have title to, or the right to produce and sell, its petroleum, natural gas and related hydrocarbons in the Company Assets (for the purpose of this subsection, the foregoing are, collectively, referred to as the "**Company Interest**"), and represents and warrants that the Company Interest of the Company is free and clear of adverse claims created by, through or under the Company, except for Permitted Encumbrances, and that, to its knowledge, the Company holds its Company Interest under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold its Company Interest would not have a Material Adverse Effect; and (B) if title to either the Oxy Yates Property or the West Henshaw Property has not been officially confirmed by the applicable Governmental Authority as having been transferred to the Company from Permex Petroleum Company, LLC as of the date hereof, although it does not warrant title, the Company does not have reason to believe that Permex Petroleum Company, LLC does not have title to, or the right to produce and sell, Permex Petroleum Company, LLC's petroleum, natural gas and related hydrocarbons in the Oxy Yates Property or the West Henshaw Property (for the purpose of this subsection, the foregoing are, collectively, referred to as the "**LLC Interest**"), and represents and warrants that the LLC Interest of Permex Petroleum Company, LLC is free and clear of adverse claims created by, through or under Permex Petroleum Company, LLC, except for Permitted Encumbrances, and that, to its knowledge, Permex Petroleum Company, LLC holds its LLC Interest under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases,

reservations or other agreements, except where the failure to so hold its LLC Interest would not have a Material Adverse Effect;

(t) no proposed acquisition by the Company has progressed to a state where a reasonable person would believe that the likelihood of the Company completing the acquisition is high and that, if completed by the Company at the date of the Final Prospectus, would be a significant acquisition for the purposes of Applicable Canadian Securities Laws, in each case, that would require the prescribed disclosure in the Final Prospectus pursuant to such laws;

(u) there are no actions, suits, proceedings or inquiries pending or, to the knowledge of the Company, threatened against or affecting the Company at law or in equity or before or by any Governmental Authority, domestic or foreign, which in any way has or would reasonably be expected to have a Material Adverse Effect, nor are there any matters under discussion with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority, and, to the Company's knowledge, there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments, which, in each case, if determined adversely to the Company, would individually or in the aggregate have a Material Adverse Effect, or which adversely affects or may adversely affect the distribution of the Offered Shares or which would impair the ability of the Company to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained herein;

(v) the authorized capital of the Company consists of an unlimited number of Common Shares, of which 27,322,361 Common Shares are currently issued and outstanding;

(w) the Offered Shares, the Agents' Warrants, the Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, the Agents' Fee Option and the Agents' Fee Option Shares underlying the Agents' Fee Option and all outstanding securities of the Company have been duly and validly authorized and reserved for issuance; all outstanding shares of the Company are, and, when the Offered Shares, Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, and, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option have been delivered and paid for in accordance with this Agreement or, if applicable, the Agents' Warrant Certificate on the applicable Closing Date or date of exercise, as applicable, such Common Shares will be, validly issued as fully paid and non-assessable shares of the Company and will not have been issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Company;

(x) at or prior to the Closing Time, the form and the terms of the certificates for the Common Shares (including the Offered Shares, if any physical certificates are issued in respect thereof) will have been approved by the Company and will comply with all legal and stock exchange requirements and will not conflict with the Company's by-laws or constating documents;

(y) the provisions of the Common Shares conform, in all material respects, with the description thereof contained in the Final Prospectus;

(z) no person, firm, corporation or other entity holds any securities convertible into or exchangeable for securities of the Company or now has any agreement, warrant, option, right or privilege (whether pre-emptive, contractual or otherwise) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Company (or any subsidiary) or for the purchase of any assets of the Company, except the following, the details of which are fully disclosed in the Prospectus:

(i) options to acquire an aggregate of 2,275,000 Common Shares held by current and former directors, officers, employees and consultants of the Company issued in accordance with the provisions of the Stock Option Plan;

(ii) options ("**Howard Group Investor Relations Options**") to acquire an aggregate of 1 percent of the then number of issued and outstanding Common Shares following the Offering held by The Howard Group Inc. ("**Howard Group**") to be issued in accordance with the provisions of the investor relations agreement (the "**Investor Relations Agreement**") between the Company and Howard Group to be dated effective the Closing Date, whereby the Company will retain Howard Group to provide investor relations services;

(iii) options ("**Gravitas Advisory Agreement Options**") to acquire an aggregate of 700,573 Common Shares held by Gravitas pursuant to a financial advisory services agreement between the Company and Gravitas dated August 22, 2017 (the "**Gravitas Advisory Agreement**");

(iv) pursuant to the Gravitas Advisory Agreement, the Company agreed to pay $12,500 per month for services provided by Gravitas for a period of twelve months ending August 22, 2018 (unless the Gravitas Advisory Agreement is terminated earlier in accordance with its terms), which fee is payable in Common Shares (at a deemed price of $0.40 per Common Share) on a quarterly basis (such Common Shares, the "**Gravitas Advisory Agreement Shares**");

(v) the Agents' Warrants and, if applicable, the underlying Agents' Warrant Shares issuable pursuant to this Agreement;

(vi) the Agents' Fee Option and, if applicable, the underlying Agents' Fee Option Shares issuable pursuant to this Agreement; and

(vii) the Agents' Corporate Finance Fee Shares issuable pursuant to this Agreement;

(aa) other than pursuant to this Agreement or as disclosed in the Company Financial Statements or obligations arising in the ordinary course of operating as an oil and gas exploration and development company, the Company does not have any material debts, liabilities or obligations (absolute, contingent or otherwise) and the Company does not have any material assets other than certain rights and interests in oil and gas properties and assets located in the State of Texas and the State of New Mexico;

(bb) the Company is not a party to any Swaps or arrangements for Swaps;

(cc) neither the Company nor any of its subsidiaries is a party to any agreement restricting the Company or its subsidiary's freedom to operate within a particular area;

(dd) other than this Agreement or agreements entered into in the ordinary course of business, including, without limitation, agreements for financial advisory services in respect of the arrangement of debt or equity funding (copies of which have been provided to counsel for the Agents), the Company is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its by-laws and indemnity agreements entered into among the Company and its directors and officers) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;

(ee) except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect:

(i) neither the Company nor, with respect to the Oxy Yates Property and the West Henshaw Property, Permex Petroleum Company, LLC are in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");

(ii) the Company and, with respect to the Oxy Yates Property and the West Henshaw Property, Permex Petroleum Company, LLC, has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Company or, with respect to the Oxy Yates Property and the West Henshaw Property, Permex Petroleum Company, LLC, that have not been remedied;

(iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Company;

(v) neither the Company, nor with respect to the Oxy Yates Property and the West Henshaw Property, Permex Petroleum Company, LLC, have failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Laws; and

(vi) the Company and, with respect to the Oxy Yates Property and the West Henshaw Property, Permex Petroleum Company, LLC, holds all licences, permits, authorizations and approvals required to be held by it under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of the type owned by the Company and notifications relating to reclamation obligations (copies of which have been provided to counsel for the Agents), the Company has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;

(ff) no Securities Commission or any other securities commission or similar regulatory authority has issued any order: (i) preventing or suspending trading of any securities of the Company, (ii) preventing or suspending the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or (iii) preventing the distribution of the Offered Shares in any Qualifying Jurisdiction or the United States, and, in each case, no such proceeding is, to the knowledge of the Company, pending, contemplated or threatened, and the Company is not in default of any requirement of Applicable Canadian Securities Laws or the applicable securities laws of the United States that would have a Material Adverse Effect on the transactions contemplated by this Agreement or the offering of Offered Shares;

(gg) to the knowledge of the Company, none of its directors or officers, is subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;

(hh) TSX Trust Company, at its principal offices in the city of Vancouver, British Columbia will, on the Closing Date, be duly appointed as registrar and transfer agent for the Common Shares;

(ii) to the knowledge of the Company, no insider (as such term is defined in the Applicable Canadian Securities Laws) of the Company has a present intention to sell any securities of the Company held by it;

(jj) the Responses are true and correct in all material respects where they relate to matters of fact, and, to the knowledge of the Company, such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Company and its officers have responded in as thorough and complete fashion as possible. Where the Responses reflect the opinion or view of the Company or its officers (including, as regards to the Responses or portions of such Responses, which are forward-looking or otherwise relate to projections, forecasts or estimates of future performance or results, operating, financial or otherwise ("**Forward-looking Statements**")), such opinions or views are subject to the qualifications and provisos set forth in the Responses and were honestly held and believed to be reasonable at the time they were given; provided, however, it shall not constitute a breach of this subsection 8(jj) solely if the actual results vary or differ from those contained in Forward-looking Statements;

(kk) the Company has duly and on a timely basis, on or prior to the date hereof, filed all tax returns required to be filed by it; has paid all taxes due and payable by it and has paid all assessments and reassessments and all other taxes, governmental charges, penalties, interest and other fines due and payable by it and which are claimed by any governmental authority to be due and owing and adequate provision has been made for taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers, or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by the Company; there is no tax deficiency which has been asserted against the Company which would have a Material Adverse Effect; all material tax liabilities of the Company are adequately provided for in accordance with Canadian generally accepted accounting principles within the Company Financial Statements of the Company for all periods up to December 31, 2017; and, to the Company's knowledge, there are no actions, suits, proceedings, investigations or claims threatened or pending against the Company in respect of any taxes, governmental charges or assessments or any other matters under discussion with any governmental authority relating to taxes, governmental charges or assessments asserted by any such authority;

(ll) the Company does not have any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with it;

(mm) other than as disclosed in the Prospectus, no officer, director, employee or any other person not dealing at arm's length with the Company or, to the knowledge of the Company, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits, interest, carried interest or any other encumbrances or claim of any nature whatsoever, which are based on production from the Company's properties or assets (or the Company's proposed properties or assets) or any revenue or rights attributed thereto;

(nn) other than as disclosed in the Prospectus, no director or officer, former director or officer, or shareholder or employee of, or any other person not dealing at arm's length with the Company will continue after the Closing to be engaged in any transaction or arrangement with or to be a party to a contract with, or has any indebtedness, liability or obligation to, the Company, except for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Company as described in the Final Prospectus and for indemnity agreements to which the Company or a subsidiary and current or former officers or directors are party, copies of which have been previously provided to the Agents' legal counsel;

(oo) to the knowledge of the Company, no officer, director, employee of or consultant to the Company is subject to any limitations or restrictions on their activities or investments, including any non-

competition provisions, that would materially limit or restrict their involvement with the Company or the business and affairs of the Company;

(pp) except as provided to the Agents' legal counsel, the Company is not a party to any contracts of employment which may not be terminated on one month or less notice or which provide for payments occurring on the Change of Control of the Company;

(qq) all material bonuses, commissions, salaries and other amounts owing to employees are reflected and have been accrued in the books of account of the Company;

(rr) there are no unanimous shareholder agreements and, to the knowledge of the Company, there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Company or the operations or affairs of the Company, and there are no persons with registration rights or other similar rights granted by the Company to have any securities of the Company registered or qualified for distribution pursuant to any Applicable Canadian Securities Laws, the U.S. Securities Act or the laws, rules or regulations of any other country;

(ss) other than the approval of the CSE, no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Company in connection with the execution and delivery of this Agreement or the performance by the Company of its obligations hereunder, or with the consummation of the transactions contemplated by this Agreement except as has been obtained or made and are in full force and effect or as required by Applicable Canadian Securities Laws with regard to the distribution of the Offered Shares, if any, in the Selling Jurisdictions or under Regulation D under the U.S. Securities Act, or except where the failure to obtain or make, as the case may be, such approval, authorization, consent, order, filing, registration or recording would not individually or in the aggregate have a Material Adverse Effect;

(tt) except for required filings with the CSE, there are no reports or information that, in accordance with the requirements of Applicable Canadian Securities Laws, must be made publicly available in connection with the Offering that have not been made publicly available as required; there are no documents required to be filed with any Securities Commission in connection with the Offering that have not been filed as required by Applicable Canadian Securities Laws (other than any material contracts described in the Final Prospectus that will be entered into after the date hereof); there are no material contracts or material documents which are required to be described in the Final Prospectus which have not been so described;

(uu) the Company does not have knowledge of any applicable law or regulation or governmental position, or any announced, pending or contemplated change thereto or any announced, pending or contemplated new law or regulation or governmental position (including without limitation any law, regulation or governmental position regarding greenhouse gas emissions or the oil and gas exploration and production business) that, in any of these cases, would have a Material Adverse Effect;

(vv) the CSE has conditionally approved the listing and posting for trading of the Offered Shares, subject to the satisfaction of customary conditions required by such exchange;

(ww) (i) Davidson & Company LLP has advised the Company that it is independent with respect to the Company within the meaning of the rules of professional conduct applicable to auditors in the Province of British Columbia; (ii) Smythe LLP has advised the Company that it is independent with respect to the Company within the meaning of the rules of professional conduct applicable to auditors in the Province of British Columbia; (iii) and there has not been any reportable event (within the meaning of NI 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators) with such firm or any other prior auditor of the Company;

(xx) except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Company is not in default or breach of any agreement which is material to the Company to which it is a party or by which it is bound; and (ii) no event has occurred which, with notice or lapse of time or both, would constitute such a default or breach;

(yy) the Company does not have outstanding any debentures, notes or mortgages that are material to the Company;

(zz) except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Company will own all rights in or have obtained valid and enforceable licenses or other rights to use any intellectual property which is used for the conduct of the Company's business as described in the Final Prospectus (collectively, "**Intellectual Property**"), free and clear of any Liens or other adverse claims or interest of any kind or nature affecting the assets of the Company as described in the Final Prospectus; and (ii) to the knowledge of the Company after due inquiry, there is no infringement by third parties of any Intellectual Property owned, licensed or commercialized by the Company;

(aaa) to the knowledge of the Company , there are no outstanding judgments, writs of execution, seizures, injunctions or directives against, nor any work orders or directives or notices of deficiency capable of resulting in work orders or directives with respect to any of the properties or facilities owned or operated by the Company;

(bbb) the audit committee of the board of directors of the Company (the "**Audit Committee**") is not reviewing or investigating, and neither the Company's auditors nor its internal accountants have recommended that the Audit Committee review or investigate, (i) adding to, deleting, changing the application of, or changing the Company's disclosure with respect to, any of the Company's material accounting policies; or (ii) any matter which could result in a restatement of the Company's financial statements comprising the Company Financial Statements;

(ccc) the operations of the Company are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is, to the knowledge of the Company, pending or threatened;

(ddd) the Company has not taken, and will not take, directly or indirectly, any action which constitutes stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Shares;

(eee) the Company is not currently prohibited, directly or indirectly, from paying any dividends, from making any other distribution on its capital stock, or other securities, or from paying any interest or repaying any loans, advances or other indebtedness of the Company, except as otherwise described in the Final Prospectus or as limited by applicable laws;

(fff) any statistical and market-related data included in the Final Prospectus is based on or derived from sources that the Company believes are reliable and accurate, and the Company has obtained the consent to the use of such data from such sources to the extent required;

(ggg) neither the Company, nor any director, officer, agent or employee of the Company, nor, to the knowledge of the Company, any other person acting on behalf of the Company, has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or

domestic governmental official from corporate funds; (iii) violated or is in violation of any provision of the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act* (Canada) or any other law, rule or regulation of similar purpose and scope; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(hhh) other than as contemplated hereby, there is no person acting at the request of the Company who is entitled to any brokerage or agency fee in connection with Offering;

(iii) Permex Petroleum US Corporation satisfies all of the legal requirements to enable the applicable regulatory bodies in New Mexico to effect the transfer of all operating rights and licenses with respect to ownership and operatorship of the Oxy Yates Property and West Henshaw Property from Permex Petroleum, LLC to Permex Petroleum US Corporation;

(jjj) the assignment, bill of sale, and conveyance agreement dated effective December 1, 2017, between Permex Petroleum US Corporation and Permex Petroleum, LLC regarding the Oxy Yates Property (a copy of which has been provided to counsel for the Agents) constitutes the entire agreement among the parties thereto relating to the offer, purchase and sale, and conveyance of such property (the "**Oxy Yates Acquisition Agreement**");

(kkk) the assignment, bill of sale, and conveyance agreement dated effective December 1, 2017, between Permex Petroleum US Corporation and Permex Petroleum, LLC regarding the West Henshaw Property (a copy of which has been provided to counsel for the Agents) constitutes the entire agreement among the parties thereto relating to the offer, purchase and sale, and conveyance of such property (the "**West Henshaw Acquisition Agreement**");

(lll) (A) the Company fully expects that Permex Petroleum, LLC will transfer US$95,000 to Permex Petroleum US Corporation upon Permex Petroleum US Corporation becoming operator of both the West Henshaw Property and the Oxy Yates Property, in order for Permex Petroleum US Corporation to purchase the required reclamation bonds; and (B) there is no written agreement between the Company and Permex Petroleum, LLC (or between Permex Petroleum US Corporation and Permex Petroleum, LLC) related to the initial transfer of such funds to Permex Petroleum, LLC (to effect the purchase of reclamation bonds by Permex Petroleum, LLC in connection with its interim operation of the West Henshaw Property and the Oxy Yates Property) or the anticipated transfer to Permex Petroleum US Corporation of such funds used and held by Permex Petroleum, LLC, however, there is a verbal agreement (such verbal agreement, together with the Oxy Yates Acquisition Agreement and the West Henshaw Acquisition Agreement, the "**LLC Agreements**").

9. Covenants of the Company

The Company covenants with the Agents that:

(a) it will advise the Agents, promptly after receiving notice thereof, of the time when the Final Prospectus or any Prospectus Amendment has been filed and when the receipt(s) in respect thereof, if any, have been obtained and will provide evidence satisfactory to the Agents of each filing and the issuance or deemed issuance of receipts from all of the Securities Commissions;

(b) it will advise the Agents, promptly after receiving notice thereof, any state securities administrator of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment; (ii) the suspension of the qualification of the Offered Shares for distribution or sale in any of the Qualifying Jurisdictions or the United States; (iii) the institution or threatening of any proceeding for any of those purposes; or (iv) any requests made by any Canadian securities regulator or the SEC for amending or supplementing the Final Prospectus, or for additional information, and will use its reasonable best efforts to prevent the issuance of any such order and, if any such order is

issued, shall take all reasonable steps that it is able to take to obtain the withdrawal of the order promptly;

(c) it will use its commercially reasonable efforts to promptly do, make, execute, deliver or cause to be done, made executed or delivered, all such acts, documents and things as the Agents may reasonably require from time to time for the purpose of giving effect to this Agreement and take all such steps as may be reasonably within their power to implement to their full extent the provisions of this Agreement;

(d) the Company will apply the net proceeds from the issue and sale of the Offered Shares substantially in accordance with the disclosure under the heading "*Use of Proceeds*" in the Final Prospectus;

(e) it shall use its reasonable commercial efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Canadian Securities Laws to the date which is two years following the Closing Date;

(f) it shall use its reasonable commercial efforts to maintain the listing of the Common Shares on the CSE or such other recognized stock exchange or quotation system as the Agents may approve, acting reasonably, to the date that is two years following the Closing Date; and

(g) during the period of distribution of the Offered Shares, the Company will promptly advise the Lead Agent, on behalf of the Agents: (i) of any amendment or proposed amendment to the LLC Agreements or waiver or proposed waiver of any term, provision or condition thereof and shall not materially amend any LLC Agreement or waive any material term, provision or condition thereof without the prior approval of the Lead Agent, on behalf of the Agents, acting reasonably; (ii) if it becomes aware that any of the representations and warranties of any party to an LLC Agreement ceases to be true and correct in any material respect or if the Company becomes aware that there is any change of any material fact or event which is, or may become of such a nature as to, render any such representations and warranties, or any information provided to the Agents in respect of the acquisition of either the Oxy Yates or West Henshaw Property, untrue, false or misleading in any material respect; and (iii) if any LLC Agreement is terminated.

10. **Commercial Copies**

The Company shall cause commercial copies of the Final Prospectus and the U.S. Placement Memorandum to be delivered to the Agents without charge, in such quantities and in such cities as the Agents may reasonably request by written or oral instructions to the printer of such documents. Such delivery of the Final Prospectus and the Final U.S. Placement Memorandum, if applicable, shall be effected as soon as possible after filing thereof with the Securities Commissions, in electronic and printed form, but in any event on or before 5:00 p.m. (Vancouver time) on March 12, 2018 (for the electronic form and for deliveries in Vancouver) and on or before noon (local time) on March 13, 2018 (for deliveries other than in Vancouver). If the Final U.S. Placement Memorandum is finalized after the date of filing the Final Prospectus, the Company shall cause commercial copies of the U.S. Placement Memorandum to be delivered to the Agents forthwith without charge, in such quantities and in such cities as the Agents may reasonably request by written or oral instructions to the printer of such documents. Such deliveries shall constitute the consent of the Company to the Agents' use of the Final Prospectus for the distribution of the Offered Shares in the Qualifying Jurisdictions in compliance with the provisions of this Agreement and Applicable Canadian Securities Laws and the use of the U.S. Placement Memorandum for delivery to purchasers of Offered Shares pursuant to Rule 506(b) under the U.S. Securities Act. The Company shall similarly cause to be delivered commercial copies of any Prospectus Amendments or amendments to the U.S. Placement Memorandum. The Agents agree with the Company, subject to receipt of the same from the Company, to send a copy of the Final Prospectus to purchasers of Offered Shares in Canada and the U.S. Placement Memorandum to offerees and purchasers of Offered Shares pursuant to Rule 506(b) under the U.S. Securities Act, promptly following receipt thereof, and to send a copy of any Prospectus

Amendment to all persons to whom copies of the Final Prospectus or U.S. Placement Memorandum are sent promptly following receipt thereof.

11. **Change of Closing Date**

Subject to the termination provisions contained in Section 19, if a material change or a change in a material fact occurs prior to the Closing Date or the Option Closing Date, if the Over-Allotment Option is exercised, the Closing Date or the Option Closing Date, as applicable, shall be, unless the Company and the Agents otherwise agree in writing or unless otherwise required under Applicable Canadian Securities Laws, the sixth Business Day following the later of:

(a) the date on which all applicable filings or other requirements of Applicable Canadian Securities Laws with respect to such material change or change in a material fact have been complied with in all Qualifying Jurisdictions and any appropriate receipt(s) obtained for such filings and notice of such filings from the Company or its counsel have been received by the Agents; and

(b) the date upon which the commercial copies of any Prospectus Amendments have been delivered in accordance with Section 10.

12. **Completion of Distribution**

The Agents shall: (i) use their commercially reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Offered Shares as soon as reasonably practicable after the Closing Time; (ii) promptly notify the Company when, in the opinion of the Agents, the Agents and the Selling Firms have completed distribution of the Offered Shares, including notice of the total proceeds realized or number of Offered Shares sold in each of the Selling Jurisdictions, and provide all such other notices and documents as may be required by the Securities Commissions or the CSE in connection with the sale of the Offered Shares pursuant to the Prospectus and this Agreement; (iii) use their reasonable commercial efforts to ensure that the float and distribution requirements set forth in section 1.2 of Policy 2 – *Qualifications for Listing* of the CSE are satisfied at Closing; and (iv) offer and sell the Offered Shares only in the Selling Jurisdictions and shall require each Selling Firm to agree with the Agents to offer and sell the Offered Shares only in the same manner.

13. **Material Change or Change in Material Fact During Distribution**

(a) During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Shares under the Final Prospectus and the U.S. Placement Memorandum, the Company shall promptly notify the Agents in writing of:

(i) any of the representations or warranties made by the Company in this Agreement no longer being true and correct in all material respects at any particular time (but following the Closing Time, after giving effect to the transactions contemplated by this Agreement), except in respect of any representations and warranties that are to be true and correct as of a specified date (in which case the Company shall notify the Agents if the representations or warranties are no longer true and correct as of that date), and except in respect of any representations and warranties that are subject to a materiality qualification, in which case they will be true and correct in all respects;

(ii) any filing made by the Company of information relating to the offering of the Offered Shares with any securities exchange or Governmental Authority in Canada or the United States or any other jurisdiction;

(iii) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or prospects of the Company;

(iv) any material fact, within the meaning of Applicable Canadian Securities Laws, which has arisen or has been discovered and would have been required to have been stated in the Final Prospectus had the fact arisen or been discovered on, or prior to, the date of such document; and

(v) any change in any material fact within the meaning of Applicable Canadian Securities Laws (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Final Prospectus, or any Prospectus Amendment which fact or change is, or may be, of such a nature as to render any statement in the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment misleading or untrue in any material respect or which would result in a misrepresentation (within the meaning of Applicable Canadian Securities Laws) in the Final Prospectus or any Prospectus Amendment, or which would result in the U.S. Placement Memorandum containing any untrue statement of a material fact or omitting any statement that is necessary to make a statement contained in such disclosure not misleading in the light of the circumstances under which it was made or which would result in the Final Prospectus or any Prospectus Amendment not complying (to the extent that such compliance is required) with Applicable Canadian Securities Laws, in each case, as at any time up to and including the later of the Closing Date and the date of completion of the distribution of the Offered Shares.

(b) The Company shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Agents, acting reasonably, with all applicable filings and other requirements under Applicable Canadian Securities Laws as a result of a fact or change referred to in subsection 13(a), provided that the Company shall not file any Prospectus Amendment or other document without first obtaining from the Agents the approval of the Agents, after consultation with the Agents with respect to the form and content thereof, which approval will not be unreasonably withheld. The Company shall in good faith discuss with the Lead Agent any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 13.

14. Change in Applicable Canadian Securities Laws

If during the period of distribution of the Offered Shares there shall be any change in Applicable Canadian Securities Laws which requires the filing of a Prospectus Amendment, the Company shall, to the satisfaction of the Agents, acting reasonably, promptly prepare and file such Prospectus Amendment with the appropriate securities regulatory authority in each of the Qualifying Jurisdictions where such filing is required.

15. Agents' Compensation and Tax Matters

In consideration of the Agents' agreement to sell the Offered Shares, the Company agrees to pay the Agents' Compensation to the Agents at the Closing Time.

The portion of the Agents' Compensation represented by the Agents' Fee shall be paid pursuant to the following terms:

(a) the Agents' Fee Option shall be exercisable, in whole or in part, and at any time and from time to time, until 5:00 p.m. (Vancouver time) (the "**Agents' Fee Option Expiry Time**") on the day that is 2 days before the Closing Date. If the Lead Agent, on behalf of the Agents, elects to exercise the Agents' Fee Option, the Lead Agent shall provide written notice ("**Agents' Fee Option Exercise Notice**") to the Company prior to the Agents' Fee Option Expiry Time, which Agents' Fee Option Exercise Notice shall specify:

(i) the number of Agents' Fee Option Shares to be delivered by the Company to the Agents (or at the direction of the Agents) at the Closing Time; and

(ii) if applicable, the amount of the remaining Agents' Fee to be payable in cash in Canadian dollars by wire transfer of immediately available funds (subject to the right of the Agents' to net such funds as set out below), net of any withholding, stamp, value added or other taxes ("**Agents' Fee Option Cash**"), at the Closing Time; and

(b) if the Lead Agent fails to deliver the Agents' Fee Option Exercise Notice prior to the Agents' Fee Option Expiry Time, the Agents shall be deemed to have elected to receive the entire Agents' Fee in Agents' Fee Option Cash at the Closing Time.

Fees and other amounts payable under this Agreement may be subject to goods and services tax, harmonized sales tax, value added tax, sales tax or other similar tax ("**Sales Tax**"). If Sales Tax is applicable, an additional amount equal to the Sales Tax will be charged to and will be payable by the Company. Where the Agents claim reimbursement of out-of-pocket expenses the Sales Tax component of such expenses (if any) will be recharged to the Company only to the extent the Agents are unable to obtain an input tax credit or refund in relation to that Sales Tax component. If any fee or other amount payable under this Agreement is deemed by the *Excise Tax Act* (Canada) or similar federal or provincial legislation to include Sales Tax, the fee or other amount payable shall be increased accordingly. For purposes of calculating any amounts payable under this Agreement, if the applicable amount is denominated in a currency other than Canadian dollars, then the Canadian dollar equivalent of any such amount shall be calculated by the Agent by reference to the exchange rate between the Canadian dollar and the relevant currency on the date the applicable amount is due under this Agreement, as quoted by a reputable published source. The Company also agrees to pay the Agents' expenses as set forth in Section 21. The Company acknowledges that the Agents' Fee Option Cash and the Agents' expenses may, at the option of the Lead Agent, on behalf of the Agents, be deducted from the amount paid by the Agents to the Company in respect of the gross proceeds from the sale of the Offered Shares to be delivered pursuant to Section 16.

Each Agent hereby represents and warrants that (i) it is not a U.S. Person, (ii) it was not offered the Agents' Warrants, Agents' Warrant Shares, Agents' Fee Option, Agents' Fee Option Shares or Agents' Corporate Finance Fee Shares within the United States, (iii) it did not execute this Agreement or otherwise place its order to acquire the Agents' Warrants, Agents' Warrant Shares, Agents' Fee Option, Agents' Fee Option Shares or Agents' Corporate Finance Fee Shares from within the United States and (iv) the Agents' Warrants and Agents' Fee Option may not be exercised in the United States or by or on behalf of a U.S. Person, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable securities laws.

16. Delivery of Offering Price, Offered Shares and Agents' Compensation

The purchase and sale of the Offered Shares shall be completed at the Closing Time (and, if applicable, at each Option Closing Time) at the offices of DuMoulin Black LLP in Vancouver, British Columbia or at such other place as the Agents and the Company may agree upon.

At the applicable Closing Time, the Company shall duly and validly cause the deposit of the Offered Shares, in uncertificated form to the CDS account of the Agents, or in the manner directed by the Agents in writing, registered in the name of "**CDS & Co.**" or in such other name or names as the Lead Agent may direct the Company in writing not less than 24 hours prior to the Closing Time. Alternatively, if requested by the Lead Agent, at the applicable Closing Time, the Company shall duly and validly deliver to the Agents one or more definitive share certificate(s) representing the Offered Shares registered in the name of "**CDS & Co.**" or in such other name or names as the Lead Agent may direct the Company in writing not less than 24 hours prior to the Closing Time or the Option Closing Time, as the case may be. Notwithstanding the foregoing, any Offered Shares sold pursuant to Rule 506(b) under the U.S. Securities Act will be certificated in the names of the purchasers, or as directed by the Lead Agent not less than 24 hours prior to the Closing Time or the Option Closing Time, as the case may be.

In either case, delivery by the Company of the Offered Shares and payment of the applicable Agents' Compensation (as set out below) shall be against payment by the Agents to the Company of the aggregate Offering Price for the Offered Shares (which, for greater certainty, shall be net of both the Agents' Expenses described in section 21 and, if applicable, the aggregate amount of Agents' Fee Option Cash payable pursuant to Section 15) by wire transfer of immediately available funds together with a receipt signed by the Lead Agent for such Offered Shares and acknowledging receipt of payment of the Agents' Compensation.

In addition, at the applicable Closing Time, the Company shall deliver to the Agents or as otherwise directed by the Agents:

(a) Agents' Warrant Certificates representing the aggregate number of Agents' Warrants deliverable pursuant to this Agreement;

(b) Agents' Corporate Finance Fee Shares representing the aggregate number of Agents' Corporate Finance Fee Shares deliverable pursuant to this Agreement;

(c) if applicable, Agents' Fee Option Shares representing the aggregate number of Agents' Fee Option Shares deliverable pursuant to Section 15; and

(d) if applicable, Agents' Fee Option Cash representing the aggregate amount of Agents' Fee Option Cash payable pursuant to Section 15;

17. Delivery of Offered Shares

The Company shall, prior to each Closing Date, make all necessary arrangements for the preparation and electronic deposit (and, in the case of definitive certificates, execution and delivery of such definitive certificate(s) representing the Offered Shares) of the Offered Shares on the Closing Date in the City of Vancouver.

The Company shall pay all fees and expenses payable to its registrar and transfer agent in connection with the preparation and electronic deposit (and, in the case of definitive certificates, execution and delivery of such definitive certificate(s) representing the Offered Shares) of the Offered Shares contemplated by this Section 17 and the fees and expenses payable to such transfer agent and registrar as may be required in the course of the distribution of the Offered Shares.

All transfer, documentary, sales, use, stamp, registration and other such taxes and fees (including any penalties, additions to tax and interest) incurred in connection with the delivery of the Offered Shares shall be paid by the Company, and the Company shall indemnify and hold harmless the Agents in the event that the payment of any such taxes, or the receipt of indemnification payments under this Section 17, results in any tax incurred by the Agents.

18. Conditions to Agents' Obligation to Purchase

The Agents' obligation hereunder shall be subject to the representations and warranties of the Company contained in this Agreement being accurate as of the date of this Agreement and as of the Closing Date, to the Company having performed all of its obligations under this Agreement and to the following additional conditions:

(a) Delivery of Opinions

(i) The Agents shall have received at the Closing Time a legal opinion dated the Closing Date, subject to customary qualifications, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and Canadian counsel to the Agents from DuMoulin Black LLP, Canadian counsel to the Company, as to the laws of Canada

and the Qualifying Jurisdictions, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper as to the laws other than those of Canada and the Province of British Columbia and upon the opinions of tax counsel where it deems such reliance proper, and all of such counsel may rely as to matters of fact, on certificates of Governmental Authorities and officers of the Company and letters from stock exchange representatives and transfer agents, with respect to the following matters and substantially in the following form:

(A) the Company has been duly incorporated and is validly subsisting under the laws of the jurisdiction of its incorporation and has all the requisite corporate capacity, power and authority to carry on its business as conducted by it and as proposed to be conducted by it in each case as described in the Final Prospectus;

(B) the Company has the corporate capacity, power and authority to enter into this Agreement and to perform its obligations set out herein (including to file the Prospectus and to issue and deliver to the Agents the Offered Shares) and this Agreement has been duly authorized, executed and delivered by the Company and constitutes legal, valid and binding obligations of the Company enforceable against the Company in accordance with their terms;

(C) the execution and delivery of this Agreement and the fulfillment of the terms hereof by the Company do not and will not result in a breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under:

(I) any applicable laws of the Province of British Columbia or the federal laws of Canada applicable therein;

(II) any term or provision of the articles or notice of articles of the Company or, of which counsel is aware, any resolutions of the shareholders or directors (or any committee thereof) of the Company;

(III) of which counsel is aware, any written agreement or other document to which the Company is a party on the Closing Date; or

(IV) of which counsel is aware, any judgment, decree or order of any court, governmental agency or body or regulatory authority, in each case in British Columbia, having jurisdiction over the Company or its properties or assets;

(D) (i) the Offered Shares, the Agents' Warrants, the Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, the Agents' Fee Option and the Agents' Fee Option Shares underlying the Agents' Fee Option have been duly and validly authorized and, if applicable, reserved for issuance; and (ii) when the Offered Shares, Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, and, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option have been delivered and paid for in accordance with this Agreement or the Agents' Warrant Certificate on the applicable Closing Date or date of exercise, as applicable, such shares will be, validly issued as fully paid and non-assessable Common Shares;

(E) the rights, privileges, restrictions and conditions attaching to the Common Shares are accurately summarized in all material respects in the Prospectus;

(F) the form and terms of any definitive certificates representing the Offered Shares, Agents' Warrant Shares, Agents' Corporate Finance Fee Shares and Agents' Fee Option Shares and the Agents' Warrant Certificate have been duly approved by the Company's board of directors and comply in all material respects with the provisions of the Business Corporations Act (*British Columbia*) and the written policies of the CSE, as applicable;

(G) all necessary corporate action has been taken by the Company to authorize the execution of each of the Preliminary Prospectus, the Final Prospectus and, if applicable, any Prospectus Amendments and the filing of such documents under Applicable Canadian Securities Laws in each of the Qualifying Jurisdictions, and to authorize the use and delivery of the U.S. Placement Memorandum, including any amendments thereto;

(H) the Offered Shares are eligible investments as set out under the heading "Eligibility for Investment";

(I) TSX Trust Company at its principal offices in the city of Vancouver, British Columbia has been duly appointed as the transfer agent and registrar for the Common Shares;

(J) all documents have been filed by the Company, all requisite proceedings have been taken by the Company and all approvals, permits and consents of the appropriate regulatory authorities in the Qualifying Jurisdictions have been obtained by the Company under Applicable Canadian Securities Laws to qualify the Offered Shares for distribution and sale to the public in each of the Qualifying Jurisdictions through registrants properly registered under the applicable laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such Applicable Canadian Securities Laws as well as the distribution of the Agents' Warrants and the portion of the Agents' Corporate Finance Fee Shares that are qualified for distribution by the Prospectus;

(K) the Offered Shares, the Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, and, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option have been conditionally approved for listing by the CSE, subject to the fulfilment of the terms set forth in the CSE's letter dated March 6, 2018; and

(L) as to all other legal matters, including compliance by the Company with Applicable Canadian Securities Laws in the Qualifying Jurisdictions in any way connected with the creation, issuance, sale and delivery of the Offered Shares, the Agents' Warrants, the Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, the Agents' Fee Option, and, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option, as the Agents or the Agents' counsel may reasonably request.

(ii) The Agents shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and Canadian counsel to the Agents from local counsel in the State of New Mexico, as to the laws of New Mexico, with respect to the following matters:

(A) Permex Petroleum US Corporation has been duly incorporated and is validly subsisting under the laws of New Mexico; and

(B) Permex Petroleum US Corporation has all the requisite corporate capacity, power and authority to carry on its business as conducted by it currently;

(iii) If any Offered Shares are sold in the United States, the Agents shall have received at the Closing Time an opinion of U.S. counsel to the Company, Dorsey & Whitney LLP, in form and substance reasonably satisfactory to the Agents, to the effect that in connection with the offer, sale and delivery of such Offered Shares, no registration of the Offered Shares is required under the U.S. Securities Act.

(b) Delivery of Comfort Letters at Closing

(i) The Agents shall have received at the Closing Time a letter dated the Closing Date, in form and substance satisfactory to the Agents, addressed to the Agents, the Company and the directors of the Company, from Davidson & Company LLP, confirming the continued accuracy of the comfort letter to be delivered to the Agents pursuant to subsection 6(a)(iii) with such changes as may be necessary to bring the information in such letter forward to a date not more than two (2) Business Days prior to the Closing Date, provided such changes are acceptable to the Agents, acting reasonably.

(ii) If required, the Agents shall have received at the Closing Time a letter dated the Closing Date, in form and substance satisfactory to the Agents, addressed to the Agents, the Company and the directors of the Company, from Smythe LLP, confirming the continued accuracy of the comfort letter to be delivered to the Agents pursuant to subsection 6(a)(iv) with such changes as may be necessary to bring the information in such letter forward to a date not more than two (2) Business Days prior to the Closing Date, provided such changes are acceptable to the Agents, acting reasonably.

(c) Delivery of Certificates

(i) The Agents shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Agents and signed by an appropriate officer of the Company acceptable to the Agents, acting reasonably, with respect to the constating documents of the Company, all resolutions of the board of directors of the Company relating to this Agreement and the incumbency and specimen signatures of signing officers of the Company and such other matters as the Agents may reasonably request.

(ii) The Agents shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Agents and signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer, certifying for and on behalf of the Company and without personal liability, after having made due enquiry and after having read the Final Prospectus, the U.S. Placement Memorandum and any Prospectus Amendments:

(A) that since the respective dates as of which information is given in the Final Prospectus, as amended by any Prospectus Amendments, and the U.S. Placement Memorandum: (i) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, prospects, operations, assets, liabilities (contingent or otherwise) or capital of the Company; and (ii) no transaction has been entered into by either the Company which is material to the Company, other than as disclosed in the Final Prospectus and the U.S. Placement Memorandum or the Prospectus Amendments, as the case may be;

(B) that the Prospectus does not contain a misrepresentation and contains full, true and plain disclosure of all material facts relating to the Offered Shares (other than any Agents' Information) and that the U.S. Placement Memorandum as of its date

and as of the Closing Date or the Option Closing Date, as the case may be, did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading within the meaning of the U.S. Exchange Act;

(C) that no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares or any other securities of the Company has been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any of Applicable Canadian Securities Laws or by any other Governmental Authority;

(D) that the Company has complied with the terms and conditions of this Agreement on its part to be complied with at or prior to the Closing Time; and

(E) that the representations and warranties of the Company contained in this Agreement and in any certificates or other documents delivered by the Company pursuant to or in connection with this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only and in respect of any representations and warranties that are subject to a materiality qualification, in which case they will be true and correct in all respects,

and each of such statements shall be true.

(d) Listing Approval

The Common Shares, the Offered Shares, the Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, and, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option shall have been approved for listing on the CSE on or before the Business Day immediately preceding the Closing Date, subject only to the satisfaction by the Company of customary post-closing conditions imposed by the CSE in similar circumstances.

(e) Additional Shares Closing Documents

The several obligations of the Agents to purchase the Additional Shares, if any, hereunder are subject to the delivery to the Lead Agent on the Option Closing Date of opinions, letters and certificates dated the Option Closing Date substantially similar to the opinions, letters and certificates referred to in subsections 18(a), (b) and (c) and such other customary closing certificates and documents as the Lead Agent may reasonably request with respect to the good standing of the Company and other matters related to the sale and issuance of the Additional Shares.

19. **Rights of Termination**

(a) Regulatory Proceedings Out

If, after the date hereof and prior to the Closing Time, any inquiry, action, suit, investigation or other proceeding, whether formal or informal, is instituted, announced or threatened or any order is made by any federal, provincial or other Governmental Authority in relation to the Company, or

there is any change of law, or interpretation or administration thereof, or there is a suspension or material limitation, imposed by law or securities regulators, in trading in securities generally on the CSE or a general moratorium on commercial banking activities declared by Canadian or U.S. federal authorities or a material disruption in commercial banking or securities settlement or clearance services in Canada or the United States, which in any of such cases, in the reasonable opinion of the Agents, operates to prevent or restrict the distribution or trading of the Offered Shares or which, in the reasonable opinion of the Agents, might be expected to have a significant adverse effect on the market price or value of the Offered Shares, then the Agents shall be entitled, at their option and in accordance with subsection 19(e), to terminate their obligations under this Agreement by notice to that effect given to the Company any time at or prior to the Closing Time.

(b) Disaster Out

If, after the date hereof and prior to the Closing Time, there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, any outbreak or escalation of war, hostilities or terrorism, or national emergency or similar event) or any governmental action, change of applicable law or regulation (or in the judicial interpretation thereof), inquiry or other occurrence of any nature whatsoever which, in the opinion of the Agents, acting reasonably, seriously adversely affects, or involves, or may seriously adversely affect, or involve the Canadian or U.S. financial markets or the business, operations or affairs of the Company, then the Agents shall be entitled, at their option and in accordance with subsection 19(e), to terminate their obligations under this Agreement by written notice to that effect given to the Company at any time at or prior to the Closing Time.

(c) Market Out

If, after the date hereof and prior to the Closing Time, the state of financial markets in Canada or the United States is such that, in the opinion of the Agents, acting reasonably, the Offered Shares cannot be marketed profitably, then the Agents shall be entitled, at their option and in accordance with subsection 19(e), to terminate their obligations under this Agreement by written notice to that effect given to the Company at any time at or prior to the Closing Time.

(d) Material Change or Change in Material Fact Out

If, after the date hereof and prior to the Closing Time, there shall occur, be discovered by the Agents or be announced by the Company any change, event, fact or circumstance (actual, contemplated or threatened) of the nature referred to in Section 13(a) hereof or any development that could result in such a change, event fact or circumstance, any of which, in the opinion of the Agents, acting reasonably, could be expected to have a material adverse effect on the business, operations, capital condition (financial or otherwise), properties, assets, liabilities, obligations or affairs of the Company or the market price or value or the marketability of the Offered Shares, then the Agents shall be entitled, at their option and in accordance with subsection 19(e), to terminate their obligations under this Agreement by written notice to that effect given to the Company any time at or prior to the Closing Time.

(e) Exercise of Termination Rights

The rights of termination contained in subsections 19(a), (b), (c) and (d) and Section 22 are in addition to any other rights or remedies any of the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there shall be no further liability on the part of the Agents to the Company or on the part of the Company to the Agents, except in respect of any liability which may have arisen prior to or may arise after such termination under Sections 20 and 21.

20. **Indemnity**

(a) Rights of Indemnity

The Company agrees to indemnify and save harmless each of the Agents and each of their respective subsidiaries and affiliates, and each of their respective directors, officers, partners, employees, agents and controlling persons (if any), and each shareholder of the Agents, and the successors and assigns of all the foregoing persons, from and against all liabilities (joint and several), claims (including, without limitation, securityholder or derivative actions, arbitration proceedings or otherwise), losses (other than losses of profit), costs, damages, expenses, proceedings, suits or actions (and to reimburse such parties for any legal and other expenses reasonably incurred by such parties in connection with investigating or defending any such action or claim as such expenses are incurred), in any way caused by, or arising directly or indirectly from, or in consequence of the engagement and activities of the Agents and the U.S. Affiliates under this Agreement, including without limitation:

(i) any information or statement (except any Agents' Information) contained in the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or in any certificates of the Company, delivered pursuant to this Agreement which at the time and in light of the circumstances under which it was made contains or is alleged to contain a misrepresentation within the meaning of Applicable Canadian Securities Laws, or an untrue statement of a material fact within the meaning of the U.S. Exchange Act;

(ii) any omission or alleged omission to state in the Prospectus, the U.S. Placement Memorandum, any Prospectus Amendment or any certificates of the Company delivered pursuant to this Agreement, any material fact (other than a material fact relating solely to any Agents' Information) required to be stated in such document or necessary to make any statement in such document not misleading in light of the circumstances under which it was made (within the meaning of the U.S. Exchange Act, and also including an omission or alleged omission that would be a misrepresentation within the meaning of Applicable Canadian Securities Laws);

(iii) any misrepresentation or alleged misrepresentation (except a misrepresentation or alleged misrepresentation which is based upon information relating solely to the Agents and furnished in writing to the Company by the Agents or the Agents' counsel, as the case may be, expressly for inclusion in the Preliminary Prospectus, the Final Prospectus or the U.S. Placement Memorandum) contained in or incorporated by reference into the Preliminary Prospectus, the Final Prospectus, the U.S. Placement Memorandum or any Prospectus Amendment or Supplementary Material or in any other document or material filed or delivered by or on behalf of the Company pursuant hereto or any other information filed with the Securities Commissions in compliance, or intended compliance, with any Applicable Canadian Securities Laws;

(iv) any order made, prohibition or restriction in trading made, or enquiry, investigation or proceedings commenced or threatened by any court, securities commission, stock exchange or other competent authority based upon any actual or alleged untrue statement of a material fact or omission or alleged omission to state a material fact necessary to make any statement not misleading in the light of the circumstances under which it was made (within the meaning of the U.S. Exchange Act) or any misrepresentation or alleged misrepresentation within the meaning of Applicable Canadian Securities Laws (in each case, other than relating solely to any Agents' Information) contained in or omitted from the Prospectus, the U.S. Placement Memorandum or any Prospectus Amendments or based upon any failure to comply with Applicable Canadian Securities Laws (other than any failure or alleged failure to comply by the Agents), or any change of law or the interpretation or administration thereof which

operates to prevent or restrict the trading in or the sale or distribution of the Offered Shares in any of the Qualifying Jurisdictions or the United States;

(v) the non-compliance or alleged non-compliance by the Company with any of Applicable Canadian Securities Laws or the U.S. Securities Act in connection with the transactions contemplated by this Agreement, including the Company's non-compliance with any statutory requirement to make any document available for inspection; or

(vi) any breach by the Company of its representations, warranties, covenants or obligations to be complied with under this Agreement or any other document to be delivered pursuant to this Agreement,

provided, however, that in the case of subsections 20(a)(i), (v) or (vi) only, no party shall be entitled, to the extent that a court of competent jurisdiction in a final judgement from which no appeal can be made has determined that the liabilities, claims, losses, costs, damages, expenses, proceedings, suits or actions were primarily caused by such party's breach of agreement, gross negligence, fraud or willful misconduct, to indemnification from any person who has not engaged in such breach of agreement, gross negligence, fraud or willful misconduct (provided that for greater certainty, the foregoing shall not disentitle an Agent from claiming indemnification hereunder to the extent that the negligence, if any, relates to the Agent's failure to conduct adequate "due diligence"), and in such case the indemnity provided for in this Section 20 shall cease to apply and the Indemnified Party (as defined herein) shall promptly reimburse the Company for any funds advanced to the Indemnified Party in respect of such liabilities, claims, losses, costs, damages, expenses, proceedings, suits or actions.

(b) Limitations of Indemnity

An Indemnified Party shall cease to be entitled to the rights of indemnity and contribution contained in Section 20: (i) if the Company has complied with the provisions of Section 6 and the person asserting the Claim for which indemnity would otherwise be available was not delivered a copy of the Final Prospectus or the U.S. Placement Memorandum, as applicable, or was not provided with a copy of an amendment which corrects any misrepresentation contained in the Final Prospectus or the U.S. Placement Memorandum, as applicable, which is the basis for such Claim and which Final Prospectus, U.S. Placement Memorandum or Prospectus Amendment, as applicable, is required under Applicable Canadian Securities Laws, the U.S. Securities Act or the terms of this Agreement to be delivered to such person by the Agents or members of any Selling Firm; and (ii) if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made determines that a Claim to which such Indemnified Party is subject was caused by or resulted from the breach of agreement, gross negligence, fraud or willful misconduct of such Indemnified Party.

(c) Notification of Claims

If any matter or thing contemplated by subsection 20(a) (any such matter or thing being referred to as a "**Claim**") is asserted against any person or company in respect of which indemnification is or might reasonably be considered to be provided, such person or company (the "**Indemnified Party**") will notify the Company in writing as soon as possible of the particulars of such Claim (but the omission so to notify the Company of any potential Claim shall not relieve the Company from any liability which it may have to any Indemnified Party and any omission so to notify the Company of any actual Claim shall affect the Company's liability only to the extent that such omission prejudices the defence of such Claim or results in any material increase in the liability of the Company hereunder).

(d) Retaining Counsel

The Company shall be entitled to assume the defence of any such action or proceeding brought to enforce such Claim, provided, however, that:

(i) the defence shall be conducted through legal counsel reasonably satisfactory to the Indemnified Party, and

(ii) the Company shall not, without the written consent of the Indemnified Party, acting reasonably, effect the settlement or compromise of, or consent to the entry of any judgement with respect to, any pending or threatened Claim in respect of which indemnification or contribution may be sought under this Agreement (whether or not the Indemnified Party is an actual or potential party to such Claim) unless such settlement, compromise or judgement: (i) includes an unconditional release of the Indemnified Party from all liability arising out of such Claim; and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any Indemnified Party.

In any Claim, the Indemnified Party shall have the right to retain other counsel to act on his, her or its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party, unless:

(iii) the Company and the Indemnified Party shall have mutually agreed to the retention of the other counsel;

(iv) the Company shall have failed to retain counsel within fourteen days following receipt by the Company of notice of any such Claim from the Indemnified Party; or

(v) the Indemnified Party is advised by counsel that there is an actual or potential conflict in the Company's and its interests or additional defences are available to the Indemnified Party, which makes representation by the same counsel inappropriate,

in each of which cases, the Company shall not have the right to assume the defense of such proceedings on the Indemnified Party's behalf, and, in any such case, the reasonable fees and expenses of such Indemnified Party's counsel (on a solicitor and his client basis) shall be paid by the Company, provided that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Parties.

(e) Reimbursement

The Company agrees to reimburse the Agents monthly for the reasonable time spent by the Agents' personnel in connection with any Claim at their normal per diem rates together with such reasonable disbursements and out-of-pocket expenses incurred by such personnel in connection therewith. The Company also agrees that if any Claim is brought against, or an investigation commenced in respect of, the Company or the Company and an Indemnified Party, and personnel of the Agents will be required to testify, participate or respond in respect of or in connection with this Agreement, the Agents will have the right to retain their own counsel (provided such counsel is acceptable to the Company, acting reasonably) in connection therewith and the Company will reimburse the Agents monthly for the reasonable time spent by their personnel in connection therewith at their normal per diem rates together with such reasonable disbursements and out-of-pocket expenses as may be incurred, including reasonable fees and disbursements of the Agents' counsel.

(f) Contribution

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided for above would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Indemnified Party or enforceable otherwise than in accordance with its terms, the Company and the Indemnified Party shall contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits and other consequential damages relating to the offer by the Agents of the Offered Shares pursuant to this Agreement) in such proportion as is appropriate to reflect: (i) the relative benefits of the Company on the one hand and the Agents on the other hand from the offering of Offered Shares as contemplated by this Agreement; or (ii) if the allocation provided by (i) above is not permitted by applicable law, not only the relative benefits of the Company on the one hand and the Agents on the other hand from the offering of Offered Shares as contemplated by this Agreement, but also the relative fault of the Company and the Agents with respect to such Claim, whether or not the Company has been sued together with the Agents or sued separately from the Agents, provided, however, that:

(i) the Agents shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate fees actually received by the Agents from the Company under this Agreement (exclusive of amounts paid for reimbursement of expenses under this Agreement or amounts paid to an Indemnified Party under this Agreement);

(ii) each Agent shall not in any event be liable to contribute, individually, any amount in excess of such Agent's portion of the aggregate fees actually received from the Company under this Agreement (exclusive of amounts paid for reimbursement of expenses under this Agreement or amounts paid to an Indemnified Party under this Agreement); and

(iii) no party who has been determined by a court of competent jurisdiction in a final judgement from which no appeal can be made to have engaged in any fraud, fraudulent misrepresentation or gross negligence shall be entitled to claim contribution from any other person who has not been so determined to have engaged in such fraud, fraudulent misrepresentation or gross negligence.

The relative benefits received by the Company, on the one hand, and the Agents, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Company (net of fees actually received by the Agents but before deducting expenses) bear to the fees actually received by the Agents. The amount paid or payable by an Indemnified Party as a result of such losses, claims, damages, liabilities, costs or expenses (or Claims in respect thereof) referred to above, shall be deemed to include any reasonable legal or other expenses incurred by such Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, costs or reasonable expenses (or Claims in respect thereof), whether or not resulting in any such Claim.

The Company hereby waives its rights to recover contribution from the Agents with respect to any liability of the Company by reason of or arising out of any misrepresentation in the Prospectus, the U.S. Placement Memorandum, any Prospectus Amendment or any certificates of the Company delivered pursuant to this Agreement; provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based solely upon any Agents' Information.

Each of the Company and the Agents agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above.

(g) Right in Favour of Others

It is the intention of the Company to constitute the Agents as trustees for each of their respective subsidiaries and affiliates, and each of their respective directors, officers, partners, employees, agents and controlling persons (if any), and each shareholder of the Agents, and the successors and assigns of all the foregoing persons, of the covenants of the Company under this Section 20 and the Agents agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

(h) Waiver

The Company waives any right it may have of first requiring an Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Party to incur expense or make payment before enforcing such indemnity.

(i) No Derogation of Other Rights

The Agents shall be indemnified by the Company to the extent and manner as set out herein. Such indemnity shall be in addition to, and not in derogation or substitution for, any other liability that any party may have, or any right that any Indemnified Party may have, apart from that indemnity and shall be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of the Company, the Agents or any other Indemnified Party. The rights of contribution are in addition to and not in derogation or substitution of any other right to contribution which any Indemnified Party may have by statute or otherwise at law.

21. **Expenses**

Whether or not the transactions contemplated by this Agreement shall be completed, all expenses of or incidental to the sale and delivery of the Offered Shares and all expenses of or incidental to all other matters in connection with the offering of the Offered Shares pursuant to the Prospectus shall be borne by the Company including, without limitation, all fees and disbursements of all legal counsel to the Company (including U.S., foreign and local counsel), all fees and disbursements of the Company's accountants, engineers and auditors, all expenses related to roadshows, meetings and marketing activities, all printing costs incurred in connection with the offering of the Offered Shares, including preparation and printing of the Prospectus, the U.S. Placement Memorandum, Prospectus Amendments, meeting presentations, greensheets, certificates, if any, representing the Offered Shares, all prospectus filing and other filing fees, all fees and expenses relating to listing the Offered Shares on any exchanges, all fees and expenses of the Company's roadshow consultants, all transfer agent fees and expenses, and all fees and expenses in connection with sale and delivery of any Additional Shares. In addition, whether or not the transactions contemplated by this Agreement shall be completed, the Company shall reimburse each of the Agents for all reasonable out-of-pocket expenses of the Agents incurred in connection with the offering of the Offered Shares, provided that such expenses are pre-approved by the Company, including without limitation, reasonable advertising, marketing, roadshow, printing, courier, telecommunications, data searches, presentations, travel, entertainment and other reasonable expenses incurred by them in connection with the offering of the Offered Shares, including the reasonable legal fees and disbursements of the Agents' counsel (which disbursements shall include the reasonable fees, disbursements and taxes of U.S. counsel to the Agents), together with all related taxes on all of the foregoing (including, without limitation, provincial sales taxes and GST). The parties hereto agree that such pre-approved expenses may be netted off of the aggregated Offering Price delivered pursuant to Section 16 hereto. The remaining Agents' expenses shall be payable by the Company if required pursuant to this Section 21 whether or not the Offering is completed immediately upon receiving an invoice therefor from the Agents: (i) at the Closing Time; (ii) upon the issuance of an invoice from the Agents; or (iii) upon the termination of the Offering.

22. Conditions

All of the terms, covenants and conditions contained in this Agreement to be satisfied by the Company prior to the Closing Time or the Option Closing Time, as applicable, shall be construed as conditions, and any breach or failure by the Company to comply with any of such terms and conditions at any time prior to the Closing Time or the Option Closing Time, as applicable, shall entitle any Agent to terminate its obligations hereunder by written notice to that effect given to the Company prior to the Closing Time or the Option Closing Time, as applicable. It is understood and agreed that the Agents may waive in whole or in part, or extend the time for compliance with, any of such terms, covenants and conditions without prejudice to their rights in respect of any such terms and conditions or any other or subsequent breach or non-compliance; provided, however, that to be binding, any such waiver or extension must be in writing and signed by all the Agents. If an Agent elects to terminate its obligations hereunder, the obligations of the Company hereunder shall be limited to the indemnity and contribution referred to in Section 20 and the payment of expenses referred to in Section 21 hereof.

23. Restrictions on Further Issues or Sales

During the period beginning on the Closing Date and ending on the date that is 120 days after the Closing Date, the Company shall not, directly or indirectly, without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, issue, offer or grant any option, warrant or other right to purchase or agree to issue or sell, in a public offering or by way of private placement or otherwise, any equity securities of the Company or other securities convertible into, exchangeable for, or otherwise exercisable into Common Shares or other equity securities of the Company, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing, other than:

(a) the Offered Shares;

(b) the Agents' Warrants;

(c) the Agents' Warrant Shares underlying the Agents' Warrants;

(d) the Agents' Corporate Finance Fee Shares;

(e) the Agents' Fee Option;

(f) the Agents' Fee Option Shares underlying the Agents' Fee Option;

(g) options granted under the Stock Option Plan and in compliance with the requirements of the CSE, and Common Shares issuable upon exercise of such options;

(h) Common Shares upon the exercise of stock options and share awards granted subsequent to the date of this Agreement;

(i) Gravitas Advisory Agreement Options;

(j) Common Shares upon the exercise of Gravitas Advisory Agreement Options;

(k) Gravitas Advisory Agreement Shares;

(l) Howard Group Investor Relations Options;

(m) Common Shares upon the exercise of Howard Group Investor Relations Options; and

(n) the issuance of securities in connection with property or share acquisitions in the normal course of business.

24. **Survival of Representations and Warranties**

The representations, warranties, obligations and agreements of the Company contained in this Agreement (including, for greater certainty, the obligations and agreements of the Company contained in Section 20) and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Shares shall survive the purchase of the Offered Shares and shall continue in full force and effect and shall remain unaffected by any subsequent disposition by the Agents of the Agents' Warrant Shares underlying the Agents' Warrants, the Agents' Corporate Finance Fee Shares, or, if applicable, the Agents' Fee Option Shares underlying the Agents' Fee Option, or the termination of the Agents' obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Agents in connection with the preparation of the Prospectus or the distribution of the Offered Shares; provided that, the representations and warranties of the Company shall continue in full force and effect for such maximum period of time as that during which a purchaser under the Offering may be entitled to commence an action, or exercise a right of rescission, with respect to a misrepresentation contained in the Prospectus, pursuant to Applicable Canadian Securities Laws in any Qualifying Jurisdiction. Notwithstanding the foregoing, in the case of any fraud or fraudulent misrepresentation of the Company, the representations, warranties, obligations and agreements of the Company contained in this Agreement or in agreements, certificates or other documents referred to in this Agreement or delivered pursuant to this Agreement shall survive the purchase and sale of the Offered Shares and the termination of this Agreement and shall continue in full force and effect indefinitely.

25. **Time**

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

26. **Governing Law**

The Company and the Agents agree that any legal suit or proceeding arising with respect to this Agreement will be tried exclusively in the courts of the Province of British Columbia in Vancouver and the Company and the Agents agree to submit to the jurisdiction of, and to venue in, such courts. This Agreement shall be governed and construed in accordance with the laws of the Province of British Columbia and federal laws of Canada applicable therein, without regard to principles of conflicts of laws. Any right to trial by jury with respect to any action or proceeding arising in connection with or as a result of either our engagement or any matter referred to in this Agreement is hereby waived by the parties hereto.

27. **Notice**

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Company, addressed and sent to:

Permex Petroleum Corporation
1290 – 625 Howe Street
Vancouver, BC V6C 2T6
Attention: Mehran Ehsan
E-mail: mehsan@permexpetroleum.com

with a copy to:

DuMoulin Black LLP
10th Floor, 595 Howe Street
Vancouver, British Columbia V6C 2T5
Attention: Justin Kates
E-mail: jkates@dumoulinblack.com

If to Canaccord Genuity Corp., addressed and sent to:

Canaccord Genuity Corp.
Suite 2400, 520 – 3rd Ave. S.W.
Calgary, Alberta T2P 0R3
Attention: Jeff German
E-mail: jgerman@canaccordgenuity.com

If to Gravitas Securities Inc., addressed and sent to:

Gravitas Securities Inc.
505 Burrard Street, Suite 1640
Vancouver, BC V7X 1M6
Attention: Robert Carbonaro
E-mail: RCarbonaro@gravitassecurities.com

with a copy in each case to:

DLA Piper (Canada LLP)
Suite 1000, 250 – 2nd Street S.W.
Calgary, Alberta T2P 0C1
Attention: Trevor Wong-Chor
E-mail: trevor.wong-chor@dlapiper.com

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 27. Each notice shall be personally delivered to the addressee or sent by fax or e-mail to the addressee. A notice which is personally delivered or delivered by fax or e-mail shall, if delivered prior to 5:00 p.m. (Vancouver time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

28. **Action by Agents**

All steps which must or may be taken by the Agents in connection with this Agreement, with the exception of the matters contemplated by Sections 20, or 22, shall be taken by the Lead Agent, on their own behalf and on behalf of the other Agents, and the execution of this Agreement shall constitute the Company's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Offered Shares to, or to the account of, the Lead Agent.

29. **Publicity**

Neither the Company nor the Agents shall make any public announcement concerning the appointment of the Agents or the Offering without the consent of the other parties, acting reasonably, and any public announcements shall be made in compliance with Applicable Canadian Securities Laws. After completion of the Offering, the Agents shall be entitled (for greater certainty, without the consent of the Company) to place advertisements in financial and other newspapers and journals at their own expense describing their services hereunder.

30. **Agents' Activities**

The Company acknowledges that the Agents and their respective affiliates carry on a range of businesses, including providing institutional and retail brokerage, investment advisory, research, investment management, securities lending and custodial services to clients and trading in financial products as agent or principal. It is possible that the Agents and other entities in their respective groups that carry on those businesses may hold long or short positions in securities of companies or other entities, which are or may be involved in the transactions contemplated in this Agreement and effect transactions in those securities for their own account or for the account of their respective clients. The Company agrees that these divisions and entities may hold such positions and effect such transactions without regard to the Company's interest under this Agreement.

31. **Future Financings and Business**

(a) Other than with respect to transactions or services contemplated by the terms and conditions set out (as of the date hereof) in either the Investor Relations Agreement, Gravitas Advisory Agreement, or the professional services agreement between the Company and Grosvenor Square Limited dated October 23, 2017, if at any time from the date hereof until the date that is one (1) year from the Closing Date, the Company (a) proposes to obtain additional debt or equity financing through a brokered financing, (b) decides to hedge, lock-in or swap any currency or interest rate exposure relating to its business, (c) proposes a material corporate transaction, such as an amalgamation, recapitalization, merger, take-over bid, joint venture, plan of arrangement or reorganization, or (d) receives an unsolicited take-over bid, and the Company requires the services of a lead manager, underwriter, private placement agent and/or exclusive financial advisor, or other professional services, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer, the Company agrees to engage the Agents as its co-lead managers, underwriters, private placement agents and/or exclusive financial advisors (as the case may be, depending on the nature of the transaction) in connection with such transaction, subject to agreeing on mutually acceptable fee arrangements. The terms and conditions relating to any such services will be outlined in a separate engagement letter, underwriting agreement or agency agreement and the fees for such services will be in addition to the fees payable pursuant to this Agreement, will be negotiated separately and in good faith and will be consistent with fees paid to North American investment bankers for similar services to similar companies.

(b) Notwithstanding Section 31(a), if the Company receives an unsolicited offer to provide any such services from another lead manager, underwriter, private placement agent or exclusive financial advisor (as the case may be, depending on the nature of the transaction), professional services, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer, the Company shall provide written notice to the Agents of the terms of the proposed transaction and the Agents will have the option to accept the mandate on substantially the same terms as set out in the notice within 48 hours of receiving the notice. Failure to respond within 48 hours shall deem the Agents to have declined their option under this Agreement. If the Agents decline to accept the terms of the offer from the Company, the Company may engage any other person as manager, underwriter, private placement agent and/or financial advisor, provided that such terms and conditions or any such engagement shall be no more favourable to such other person as the terms and conditions offered by the Company to the Agents. Where the Agents decline to accept the terms of the offer, the right shall be waived for that particular engagement only. If the Agents decline, in writing, or fail to respond within 48 hours of such notice, the Company may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter (it being acknowledged and agreed by the Agents that if the Company issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of securities pursuant to the Offering).

(c) If the Company does not complete the Offering, but the Company or any affiliate or subsidiary thereof completes any debt or equity financing transaction (excluding a bank loan from commercial bank lenders) prior to the date that is 180 days from the date hereof (any such transaction, an "**Alternative Transaction**") in respect of which the Agents are not the sole underwriter, placement agent, arranger or initial purchaser, or in respect of which the Agents do not receive at least the same amount of compensation pursuant to the Alternative Transaction as to which they would have been entitled under the Offering, the Agents shall be entitled to receive immediately upon the completion of such Alternative Transaction the lesser of: (i) the amount of compensation assuming completion of the maximum Offering, and (ii) the commissions (including the Agents' Fee and the Agents' Corporate Finance Fee) and the Agents' Warrants calculated based on the amount raised pursuant to the Alternative Transaction.

32. **No Advisory or Fiduciary Responsibility**

The Company acknowledges and agrees that: (i) the offering and sale of the Offered Shares pursuant to this Agreement, including the determination of the Offering Price, is an arm's-length commercial transaction between the Company, on the one hand, and the several Agents, on the other; (ii) in connection therewith and with the process leading to such transaction each Agent is acting solely as a principal and not the agent or fiduciary of the Company; (iii) the engagement by the Company of each of the Agents in connection with the Offering and the process leading thereto is as independent contractors and not in any other capacity; (iv) the Agents and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company; (v) no Agent has assumed an advisory or fiduciary responsibility in favour of the Company with respect to the Offering or the process leading thereto (irrespective of whether such Agent has advised or is concurrently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement; and (vi) the Company has consulted its own legal, regulatory, accounting, tax and financial advisors to the extent it deemed appropriate. The Company agrees that it will not claim that the Agents, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company in connection with such transaction or the process leading thereto.

33. **Severability**

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

34. **Entire Agreement**

This Agreement constitutes the entire agreement among the parties hereto relating to the offer by, and sale of the Offered Shares by the Agents on behalf of the Company and the process leading thereto and supersedes all prior agreements between any of those parties with respect to their respective rights and obligations in respect of such transaction and the process leading thereto, including, without limitation, the engagement letter between the Company and the Lead Agent dated effective November 13, 2017.

35. **Counterparts**

This Agreement may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

36. **U.S. Offers**

The Agents make the representations, warranties, covenants and agreements applicable to them in Schedule A hereto, which is incorporated by reference into and forms part of this Agreement, and agree,

on behalf of themselves and their U.S. Affiliates, for the benefit of the Company to comply with the U.S. selling restrictions imposed by the laws of the United States and set forth in Schedule A hereto. Notwithstanding the foregoing provisions of this Section 36, no Agent or its U.S. Affiliate will be liable to the Company under this Section 36 or Schedule A hereto with respect to a violation by another Agent or its U.S. Affiliate of the provisions of this Section 36 or Schedule A hereto if the former Agent or its U.S. Affiliate is not itself also in violation.

The Company makes the representations, warranties, covenants and agreements applicable to it in Schedule A hereto.

[The remainder of this page has been left blank intentionally.]

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to the Agents upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

CANACCORD GENUITY CORP.

By: *"Graham Saunders"*
Name: Graham Saunders
Title: Vice Chairman, Managing Director
Head of Capital Markets Origination

GRAVITAS SECURITIES INC.

By: *"Robert Carbonaro"*
Name: Robert Carbonaro
Title: Head of Investment Banking

The foregoing offer is accepted and agreed to as of the date first above written.

PERMEX PETROLEUM CORPORATION

By: *"Mehran Ehsan"*
Name: Mehran Ehsan
Title: President & Chief Executive Officer

SCHEDULE A
UNITED STATES OFFERS AND SALES

As used in this Schedule A, the following terms shall have the following meanings:

"**Accredited Investor**" has the meaning ascribed thereto in Rule 501(a) of Regulation D;

"**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Shares, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Shares;

"**Disqualification Event**" has the meaning set forth in Section A(9) below;

"**Foreign Issuer**" means a "foreign issuer" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer which is (a) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following; (i) the majority of the executive officers or a majority of the directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

"**General Solicitation or General Advertising**" means "general solicitation or general advertising", as used in Rule 502(c) of Regulation D, including any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"Issuer Covered Person" has the meaning set forth in Section A(9) below;

"**Offshore Transaction**" means "offshore transaction" as that term is defined in Regulation S; and

"**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Regulation S.

All other capitalized terms used but not otherwise defined in this Schedule A shall have the meanings assigned to them in the agency agreement to which this Schedule A is attached.

A. Representations, Warranties and Covenants of the Company

The Company represents and warrants to and covenants with the Agents that:

1. It is, and on the Closing Date, the Option Closing Date and the date of any other sale of Offered Shares pursuant to the Agency Agreement will be, a Foreign Issuer with no Substantial U.S. Market Interest with respect to any of its securities.

2. Except with respect to offers and sales made by the Agents through their U.S. Affiliates in accordance with this Schedule A (i) to Accredited Investors pursuant to Rule 506(b) of Regulation D and (ii) to persons outside the United States in an Offshore Transaction in reliance upon the exclusion from the registration requirements available pursuant to Rule 903 of Regulation S,

neither the Company nor any of its affiliates, nor any person acting on its or their behalf (other than the Agents, the U.S. Affiliate(s), their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty or covenant is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Offered Shares to a person in the United States; or (B) any sale of Offered Shares unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) the Company, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.

3. None of the Company, any of its affiliates or any persons acting on its or their behalf (other than the Agents, the U.S. Affiliate(s), their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty or covenant is made) has made or will make any Directed Selling Efforts or has engaged or will engage in any form of General Solicitation or General Advertising or has acted or will act in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in the United States with respect to the Offered Shares.

4. The Company is not, and as a result of the sales of the Offered Shares will not be, an investment company within the meaning of the United States Investment Company Act of 1940, as amended.

5. The Company has not sold, offered for sale or solicited any offer to buy and will not sell, offer for sale or solicit any offer to buy, during the period beginning six months prior to the start of the Offering of the Offered Shares and ending six months after the completion of the Offering of the Offered Shares, any of its securities in the United States in a manner that would be integrated with and would cause the exemption from registration provided by Rule 506(b) of Regulation D, or the exclusion from registration provided by Rule 903 of Regulation S, to be unavailable with respect to offers and sales of the Offered Shares pursuant to this Schedule A.

6. The Company will not take any action that would cause the exemptions or exclusions from registration provided by Rule 506(b) of Regulation D or Rule 903 of Regulation S to be unavailable with respect to offers and sales of the Offered Shares pursuant to the Agency Agreement including this Schedule A.

7. Neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment, or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

8. None of the Company, its affiliates or any person on behalf of any of them (other than the Agents, the U.S. Affiliate, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.

9. With respect to the Offered Shares to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D, none of the Company, any of its predecessors, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the U.S. Securities Act (a "**Disqualification Event**"). The Company has not paid and will not pay, nor is it aware of any person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons, as defined below) for solicitation of purchasers of Offered Shares pursuant to Rule 506(b) of Regulation D.

B. Representations, Warranties and Covenants of the Agents

Each Agent represents and warrants to and covenants and agrees with the Company that:

1. It acknowledges that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may not be offered or sold except pursuant to an exclusion or exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. It has offered and sold and will offer and sell the Offered Shares only (i) outside the United States in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (ii) in the United States to Accredited Investors pursuant to Rule 506(b) of Regulation D as provided in this Schedule A. Accordingly, neither the Agent, nor the U.S. Affiliate(s), nor any of their affiliates, nor any persons acting on its or their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule A, have made or will make (x) any offers to sell Offered Shares in the United States or to, or for the account or benefit of, U.S. Persons or (y) any sale of Offered Shares unless at the time the purchaser made its buy order therefor, the Agents, the U.S. Affiliate or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States.

2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Shares, except with the U.S. Affiliate(s), any Selling Firms, or with the prior written consent of the Company.

3. It shall require the U.S. Affiliate(s) and any Selling Firms to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that the U.S. Affiliate(s) and any Selling Firms comply with, the provisions of this Schedule A as if such provisions applied to such persons.

4. All offers and sales of the Offered Shares in the United States or to, or for the account or benefit of, U.S. Persons by the Agent or its U.S. Affiliate(s) will be effected by the U.S. Affiliate(s) in accordance with all applicable U.S. federal and state broker-dealer requirements. Such U.S. Affiliate(s) are, and will be on the date of each such offer or sale of Offered Shares, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and members of and in good standing with the Financial Industry Regulatory Authority, Inc.

5. Any offer, sale or solicitation of an offer to buy Offered Shares that has been made or will be made by the Agent or the U.S. Affiliate(s) in the United States or to, or for the account or benefit of, U.S. Persons, was or will be made only to (i) Accredited Investors pursuant to and in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and similar exemptions from the securities laws of the states of the United States, and (ii) persons outside the United States in Offshore Transactions that are exempt from registration pursuant to Rule 903 of Regulation S.

6. It will provide each offeree of Offered Shares pursuant to Rule 506(b) of Regulation D a copy of the U.S. Placement Memorandum. It will provide each purchaser of Offered Shares pursuant to Rule 506(b) of Regulation D the U.S. Placement Memorandum prior to the time of purchase of any Offered Shares.

7. Prior to any sale of Offered Shares pursuant to Rule 506(b) of Regulation D, it will require the purchaser to execute a U.S. Subscription Agreement in the form attached to the U.S. Placement Memorandum.

8. Offers and sales of Offered Shares in the United States or to, or for the account or benefit of, U.S. Persons, have not been and shall not be made by any form of General Solicitation or General

Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

9. At least one Business Day prior to any sale of Offered Shares pursuant to the Agency Agreement, it shall provide the Company with a list of all Rule 506(b) purchasers of the Offered Shares, together with their addresses (including state of residence), the number of Offered Shares purchased and the registration and delivery instructions for the Offered Shares.

10. Neither it nor any person acting on its behalf has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with this Offering.

11. None of it, its U.S. Affiliate(s), any of their respective general partners or managing members, any director or executive officer of any of the foregoing, any other officer of any of the foregoing participating in the offering of the Offered Shares pursuant to Rule 506(b) of Regulation D, or any other officer or employee of any of the foregoing that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers of Offered Shares pursuant to Rule 506(b) of Regulation D (each, a "**Dealer Covered Person**", and together with the Dealer Covered Persons associated with the other Agents, the "**Dealer Covered Persons**") is subject to any Disqualification Event. Neither it nor its U.S. Affiliate(s) has paid or will pay, nor is it aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Offered Shares pursuant to Rule 506(b) of Regulation D.

At each closing, the Agent, together with its U.S. Affiliate(s), will provide a certificate, substantially in the form of Exhibit A to this Schedule A, relating to the manner of the offer and sale of the Offered Shares in the United States and to, or for the account or benefit of, U.S. Persons, or will be deemed to have represented that neither it nor any of its affiliates offered or sold Offered Shares in the United States or to, or for the account or benefit of, U.S. Persons.

EXHIBIT A TO SCHEDULE A

AGENT'S CERTIFICATE

In connection with the purchase in the United States of common shares (the "**Securities**") of Permex Petroleum Corporation (the "**Company**") pursuant to the Agency Agreement dated March 7, 2018, among the Company and the Agents named therein (the "**Agency Agreement**"), the undersigned Agent and the placement agent in the United States for such Agent (the "**U.S. Affiliate**") do hereby certify to the Company as follows:

1. All offers and sales of the Securities in the United States or to or for the account or benefit of U.S. Persons by us were effected by or through the undersigned U.S. Affiliate.

2. The U.S. Affiliate is, and at all relevant times was, a duly registered broker or dealer with the United States Securities and Exchange Commission and under the laws of each applicable state of the United States (unless exempted from the respective state's broker-dealer registration requirements) and is a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and the date on which each offer was made by it in the United States, and all offers and sales of the Securities in the United States by us have been effected by the U.S. Affiliate in compliance with all U.S. federal and state securities (including broker-dealer) laws.

3. Immediately prior to our transmitting any U.S. Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each offeree was an Accredited Investor, and on the date hereof, we continue to believe that each offeree in the United States or to or for the account or benefit of U.S. Persons purchasing the Securities from or through us is an Accredited Investor.

4. Each such offeree was provided with a copy of the U.S. Placement Memorandum, and, prior to the sale of Securities to any purchaser, each such purchaser was provided with a copy of the U.S. Placement Memorandum.

5. No form of General Solicitation or General Advertising was used by us, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or the internet or any seminar or meeting whose attendees had been invited by General Solicitation or General Advertising, in connection with the offer or sale of the Securities in the United States or to, or for the account or benefit of, U.S. Persons.

6. Neither we nor the U.S. Affiliate, have taken or will take any action that would constitute a violation of Regulation M under the U.S. Exchange Act.

7. The offering of the Securities by us has been conducted by us in accordance with the terms of the Agency Agreement including Schedule A thereto.

8. Neither we, the U.S. Affiliate, nor any Persons acting on our or the U.S. Affiliate's behalf, have engaged in any Directed Selling Efforts.

9. Prior to any sale of Securities by us in the United States or to, or for the account or benefit of, a U.S. Person, we caused each such purchaser thereof to execute a U.S. Subscription Agreement in the form attached to the U.S. Final Private Placement Memorandum.

(Remainder of page intentionally left blank. Signature page to follow.)

Terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule A thereto, unless otherwise defined herein.

DATED this _____ day of _____, 2018.

[AGENT]

By: _____

Name:
Title

[AGENT'S U.S. AFFILIATE]

By: _____

Name:
Title