



PRIVATE AND CONFIDENTIAL

August 22, 2017

Permex Petroleum Corporation
625 Howe Street – Suite 1290
Vancouver, B.C.
V6C 2T6
Attention: Mehran Ehsan, President, CEO and Director

Re: Financial Advisory Services

We understand that Permex Petroleum Corporation (the “Corporation”) wishes to retain Gravitas Securities Inc. (“GSI” or the “Advisor”) as a strategic advisor to assist the Corporation in assessing future business opportunities and developing a capital markets strategy, the details of which are outlined in this agreement (this “Advisory Agreement” or this “Agreement”).

The Corporation will pay to GSI the following fees in consideration for GSI providing the services set forth in this Agreement:

- i. A monthly advisory retainer fee of \$12,500 + HST to accrue monthly and to be paid on a quarterly basis, which will be payable in common shares issued from the treasury of the Corporation at a deemed price equal to \$0.40 per common share upon receipt by the Corporation of an invoice for services provided in each full calendar month for a period of twelve (12) months following the signing of this Advisory Agreement and with the initial payment due in November 2017.
- ii. The Corporation will upon signing of this Agreement issue to GSI options (the “Options”) representing the right of GSI to purchase common shares in the capital of the Corporation which will equal 2.5% of the total fully diluted, Pre-IPO shares outstanding in the capital of the Corporation. The Options will be granted at an exercise price equal to \$0.40 per share of the Corporation and will have an equal quarterly vesting schedule over 12 months from the date of the successful completion of the Corporation’s initial public offering led by GSI, as agent (a “Liquidity Event”). The options will expire 5 years after a Liquidity Event.

The Corporation also shall pay to GSI, as when invoiced from time to time, the reasonable out-of-pocket expenses, including travel, as incurred by GSI in connection with the services to be provided by GSI hereunder, such expenses to be approved in advance by the Corporation.

GSI's Mandate

Broadly:

- (i) Improve shareholder value for the Corporation.

Specifically:

- (i) **Financial and operational analysis of the Corporation:** this may include but is not limited to: auditing and editing of financial models, establishing and stress-testing management assumptions in said financial models and projections, considering comparable companies for benchmarking purposes, and advising the company on their financial and operational strengths/weaknesses for the purposes of raising capital;
- (ii) **Review strategic opportunities and synergies:** this may include but is not limited to: leveraging GSI's wide network to make strategic introductions with potential clients/customers/commercial business partners and/or other synergistic partnerships;
- (iii) **Provide capital markets guidance:** this may include but is not limited to: tailoring investor presentations, teasers and other marketing materials to specific investor audiences and providing input on overall capital markets approach;
- (iv) **Examine sources of funding:** this may include but is not limited to: traditional sources of capital, non-traditional capital (high net worth, family office, CEO/founder/entrepreneur, etc.), debt financings, and lines of credit;
- (v) **Recommend future capital requirements:** this may include but is not limited to: strategically advising on stages of financings, providing input and guidance on accessibility of equity and debt markets.

Representations & Covenants of the Corporation

1. The Corporation shall provide GSI with copies of or access to all pertinent data and information relating to the Corporation that would reasonably be required for GSI to perform its services hereunder. In addition, the Corporation will make available to GSI such members of management of the Corporation as GSI may deem necessary so that GSI can perform its services hereunder.
2. GSI shall be entitled to rely upon and shall not be under any obligation to verify independently the accuracy of any information concerning the Corporation, or any of its affiliates, or any of its representatives (oral or written), data or information furnished or given by the Corporation or by any of its directors, officers, employees, agents or consultants, or by the auditors of the Corporation, to GSI hereunder.
3. No oral or written advice which is provided to the Corporation or its affiliates by GSI hereunder shall, in whole or in part, be quoted, excerpted, referred to or attributed to GSI in any document or in any communication with any person except with the prior express permission in writing of GSI such permission not to be unreasonably withheld. GSI will not have any responsibility or liability for any loss occasioned to the Corporation, its affiliates, their respective boards of directors, employees, creditors or shareholders or to any other person as a result of the publication, reproduction or use of any such advice contrary to the provisions of this paragraph.
4. GSI and each of its directors, officers, employees, consultants and agents will keep strictly confidential GSI's engagement hereunder, the existence of this Agreement, the terms of this Agreement and any matters in connection with the services provided under this Agreement and will not disclose same without prior written consent of the Corporation. GSI shall keep and shall cause its directors, officers,

employees, consultants and agents to keep, all non-public information, data, documents and other materials relating to the Corporation or its affiliates provided to it by or on behalf of the Corporation in connection herewith (the "Corporation's Information") strictly confidential and shall not disclose any of the same except (a) to those officers, employees, agents and advisors of GSI who require access thereto for any purpose in connection with this Agreement, or (b) as may be required by law or in connection with any legal or regulatory proceedings, provided that in the event that GSI becomes legally compelled to disclose any of the Corporation's Information, GSI will provide the Corporation with prompt written notice before the Corporation's Information is disclosed so that the Corporation may seek an appropriate remedy or waive compliance with the provisions of this Agreement. In the event that such remedy is not obtained, or that the Corporation waives compliance with the provisions of this Agreement, GSI will furnish only that portion of the Corporation's Information which it is advised by written opinion of counsel is legally required and will exercise its best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the Corporation's Information. GSI undertakes to not use any of the Corporation's Information for any purpose other than as contemplated by this Agreement. GSI's obligations under this Section 4 shall survive the termination of this Agreement.

5. The Corporation shall be entitled, in its sole discretion, to terminate this Agreement (excluding, for clarity, any provisions of this Agreement that survive in accordance with their terms) after the date that is 6 months from the date of this Agreement, by providing GSI 30 days' notice in writing.
6. The Corporation acknowledges that GSI and its affiliates may act as principal and agent in the financial, banking and investment industries in major financial markets throughout the world and, in such capacity, may hold positions in the securities of companies similar to the Corporation or its affiliates.
7. Except as otherwise provided in this Agreement, neither this Agreement nor any rights or obligations hereunder shall be assigned by either party, in whole or in part, except with the prior written consent of the other party. The agreement set forth herein is solely for the benefit of the Corporation and GSI and shall be binding upon and ensure to the benefit of their respective successors and permitted assigns.
8. This Agreement incorporates the entire agreement and understanding between the parties hereto with respect to the subject matter of this Agreement, and may not be amended or modified except in writing and signed by the parties hereto.
9. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia.
10. Investment referral disclosure & acknowledgement: GSI may refer the Corporation to Gravitas Financial Inc. or any of its subsidiaries (the "Investor"), for the purpose of the Investor making an investment in the Corporation. The Corporation acknowledges that GSI has disclosed to the Corporation that GSI is not arm's length to the Investor as follows: The Investor is a related party of GSI as a subsidiary of the Investor owns ██████████% of GSI. Furthermore, Robert Carbonaro serves as managing partner and head of GSI's investment banking division is a director and principal shareholder of GSI, and is also a director of the Investor and related to a principal shareholder of the Investor. GSI acts in an advisory capacity on behalf of the Investor in many transactions and GSI also acts as a portfolio manager for various mutual funds including products offered by GSI and the Investor. Any conflicts of interest which arise involving the Investor and GSI, shall be dealt with honestly, in good faith and in compliance with applicable securities laws. The Investor has an interest in GSI and is working on a business plan to make a direct investment in GSI in the near future.

If the foregoing satisfactory reflects the arrangements agreed to between the Corporation and GSI, please indicate your acceptance of the terms of this Agreement by executing the enclosed copy of this letter in the place indicated below whereupon this letter and your acceptance shall represent a binding agreement between GSI and the Corporation.

SIGNATURE PAGE TO FOLLOW

GRAVITAS SECURITIES INC.

Per: “Robert Carbonaro”
Name: Robert Carbonaro
Title: Managing Partner & Head of Investment Banking

I have authority to bind the Corporation

Accepted as of the 22nd day of August, 2017

PERMEX PETROLEUM CORPORATION

Per: “Mehran Ehsan”
Name: Mehran Ehsan, President, CEO and Director

I have authority to bind the Corporation.