



## LETTER OF AGREEMENT

Between

**The Howard Group Inc.**  
**(The COMPANY)**

And

**Permex Petroleum Corporation**  
**(The CLIENT)**

### **I. INVESTOR AND FINANCIAL RELATIONS PROGRAM**

The **COMPANY** agrees to provide investor and financial relations services for a twelve-month period beginning on the date of completion of the **CLIENT's** initial public offering of common shares (the "**IPO**") and ending on the date that is twelve months following the date of completion of the **IPO**, subject to earlier termination as set forth in Article X (the "**Term**").

#### **During the Term, the COMPANY shall:**

- A.** Expand the following and involvement of the retail investing community and investment firms by marketing of the **CLIENT's** company through online financial and social media sites as well as through traditional investor relations programs.
- B.** Further expand the following and involvement of the investment community and general investing community through investor presentations and one-on-one meetings. Target groups for the initiatives are comprised of:
  - Retail investors
  - Retail brokers
  - Analysts (when appropriate)
  - Small Cap fund managers (when appropriate)
  - Boutiques (small independent brokerage firms)
  - Editors of online investment advisory services and newsletters
- C.** Assist in writing and preparation of corporate materials, including the following:
  - 1) Profile
  - 2) Fact sheet
  - 3) Presentation
- D.** Assist in the editing, preparation and distribution (if required) of news releases, and responding to inquiries arising therefrom.
- E.** Co-ordinate the electronic distribution of corporate materials.

- F. Co-ordinate and assist with road show activities, including the following:
  - 1) Pre-qualify members of the investment community
  - 2) Prepare presentation
  - 3) Attend meeting
  - 4) Provide follow-up to evaluate effectiveness of meeting
- G. Assist in the co-ordination of the **CLIENT's** annual shareholders' meeting – particularly assisting in the development of the presentation.
- H. Maintain a database on behalf of the **CLIENT** covering the investment community and various investing communities.
- I. Organize conference calls with the investment community when advantageous.
- J. Advise on the **CLIENT'S** website and internet presence.
- K. Include the **CLIENT** in the **COMPANY'S** electronic blog commentary "*Insight LIVE*". NOTE: Editorial control of *Insight* rests solely with the **COMPANY**. The **CLIENT's** pre-publication review shall be restricted solely to review of facts. Opinions expressed remain under the control of the **COMPANY**. M.E. **(initial)**
- L. Note: The **COMPANY** will receive written authorization by the **CLIENT** prior to the release of information including news releases, fact sheets, profiles, presentations and similar printed material.
- M. Road Shows: A member of the **COMPANY** will accompany the **CLIENT** on trips and presentations when arrangements have been made by the **COMPANY** on behalf of the **CLIENT**. Expenses related to travel are the responsibility of the **CLIENT**. M.E. **(initial)**
- N. Board meetings: **The COMPANY** will be provided a maximum of 30 minutes per quarterly meeting of the **CLIENT'S** Board of Directors to review the past quarter's activities and to answer questions on market initiatives. M.E. **(initial)**

**During the Term, the CLIENT shall:**

- A. Ensure the **COMPANY** is apprised on a timely and expeditious basis of all developments (current and pending) affecting operations of the **CLIENT**, including those which may be of a material nature (subject to compliance with all applicable securities laws, rules, regulations, policies and requirements).
- B. Advise the **COMPANY** of insider trading activity on an expeditious basis.
- C. Provide the **COMPANY** on a regular basis all names and firms of members of the investment community who have contacted the **CLIENT**.
- D. Co-ordinate meetings with members of the investment community with the **COMPANY**.
- E. Agree the **COMPANY** shall be the coordinator and manager in respect of all investor relations activities even as it relates to other firms which may be retained by the **CLIENT**.
- F. Include the **COMPANY's** contact information for investor inquiries on the **CLIENT's** web site and news releases.

G. Ensure payments for fees and disbursements are, at all times, made in accordance with the terms of this Agreement.

#### IV. ACKNOWLEDGEMENT

The CLIENT understands the COMPANY will design a specific strategy to expand the following aspects of the CLIENT's company with a variety of audiences and position the CLIENT for future financings should it be required. From the outset of this Agreement, the direction and targets of the COMPANY's strategy will be designed around the CLIENT's results, meeting financial projections and anticipated business developments over the period of this Agreement.

**Should the CLIENT's progress, financial results and anticipated time-frame for business developments differ significantly from those presented to the COMPANY at the outset of this agreement, the CLIENT understands the COMPANY's success in attracting investor attention may be severely hampered.**

**The CLIENT's business plan at the date hereof, including milestones, objectives and projections are as set forth in the final prospectus in respect of the IPO.**

#### V. FEES

The COMPANY shall be paid a fee of \$7,500 (Seventy-Five Hundred Dollars) per month during the Term, which is subject to early termination as set forth herein.

First payment is due upon the signing of this Agreement and will be pro-rated based on the number of days remaining in the month on which this Agreement is entered into, and thereafter by the 15<sup>th</sup> (Fifteenth) day of each subsequent month during the Term (which is subject to early termination as set forth herein), provided that the COMPANY provides the CLIENT with a written invoice on the 1<sup>st</sup> (first) day of each month in which payment hereunder is due.

**PLEASE NOTE: should fees not be received within 30 days of the invoice due date, all work will cease.**

Fees do not include G.S.T.

In addition, the COMPANY will receive options to purchase common shares in an amount equal to 1% (one percent) of the number of issued and outstanding common shares of the CLIENT at the time of closing of the IPO, with an exercise price of equal to the offering price per common share under the IPO and a three-year term expiring on the date that is three (3) years following the date of issuance of the options. All options issued to the COMPANY pursuant to this Agreement will be subject to the terms of the CLIENT's stock option plan in effect from time to time and shall be non-assignable and non-transferable (other than as set forth under the terms of the CLIENT's stock option plan) and shall vest over a twelve (12) month period from the date of issuance in equal quarterly intervals at the rate of 25% per quarter.

Should the CLIENT be acquired or merge with another corporate entity during the course of this agreement, all options will be treated in accordance with the terms of the CLIENT's stock option plan in effect at such time.

Notwithstanding the foregoing, the issuance of options to the COMPANY pursuant to this Agreement and the terms thereof are subject to any required approval of the Canadian Securities

Exchange. The **CLIENT** will make all necessary applications to the Canadian Securities Exchange for the granting of the options to the **COMPANY** and the listing of the common shares issuable upon the exercise thereof.

## **VI. MONTHLY DISBURSEMENTS**

Normal course of business costs incurred in connection with services similar in nature to those provided by the **COMPANY** under the terms of this Agreement, including long distance, general supplies & materials, client page maintenance & design, have historically ranged between \$150 and \$200 per month. The monthly disbursements associated with the services provided under this Agreement will be billed separately from the monthly investor relations fee.

## **VII. SPECIAL PROJECTS**

Should the **CLIENT** request special project work that is outside of the services to be provided by the **COMPANY** hereunder, such as website design, marketing material – creative & production or video productions, those projects will be quoted on a stand-alone basis.

## **VIII. WARRANTY**

The **COMPANY** warrants that it is knowledgeable in all securities requirements in all jurisdictions in which it carries on business, including all services carried out pursuant to the terms of this Agreement, and will comply with all securities laws, rules, regulations, policies and requirements, in all such jurisdictions and indemnifies and holds harmless the **CLIENT** from losses, damages or claims which may arise from a breach of this warranty. The **COMPANY's** obligations under this Article VIII shall survive the termination of this Agreement.

## **IX. CONFIDENTIALITY**

The **COMPANY** 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 **CLIENT** or its affiliates provided to it by or on behalf of the **CLIENT** in connection herewith (the "**CLIENT's Information**") strictly confidential and shall not disclose any of the same except (a) to those officers, employees, agents and advisors of the **COMPANY** 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 the **COMPANY** becomes legally compelled to disclose any of the **CLIENT's Information**, the **COMPANY** will provide the **CLIENT** with prompt written notice before the **CLIENT's Information** is disclosed so that the **CLIENT** 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 **CLIENT** waives compliance with the provisions of this Agreement, the **COMPANY** will furnish only that portion of the **CLIENT'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 **CLIENT's Information**. The **COMPANY** undertakes to not use any of the **CLIENT's Information** for any purpose other than as contemplated by this Agreement. The **COMPANY's** obligations under this Article IX shall survive the termination of this Agreement.

## X. INDEMNITY

### Indemnification of the COMPANY:

- A) Except as involves a breach by the **COMPANY** of a representation, warranty or covenant set out in this Agreement, the **CLIENT** hereby agrees to indemnify and holds harmless:
- i. the **COMPANY**,
  - ii. Any entity directly or indirectly controlling, controlled by, or under common control with, the **COMPANY** (collectively the “**COMPANY Affiliates**”), and
  - iii. The respective directors, officers, employees, shareholders and agents of the **COMPANY** and the **COMPANY Affiliates** (individually, a “**COMPANY Indemnified Person**” and, collectively, the “**COMPANY Indemnified Persons**”), from and against all claims, liabilities, losses, damages, and expenses as incurred (including reasonable legal fees and disbursements of counsel) (collectively, “**Losses**”) relating to or arising out of a breach of this Agreement by the **CLIENT**.

The **CLIENT** also agrees that no **COMPANY Indemnified Person** shall have any liability (whether direct or indirect, in contract or in tort or otherwise) to the **CLIENT** or any person claiming through the **CLIENT**, including, without limitation, its owners, parents, affiliates, security holders, or creditors, for any Losses suffered by any such other person, relating to or arising out of a breach of this Agreement by the **CLIENT**, and further agrees that the **COMPANY** shall be reimbursed for any expenses as incurred by any **COMPANY Indemnified Persons** relating to the foregoing; provided, however, that the foregoing indemnity and other obligations of the **CLIENT** shall exclude such Losses as may arise from the gross negligence, willful misconduct or fraudulent act of the **COMPANY Indemnified Persons**;

- B) The **CLIENT** acknowledges and agrees that any obligations hereunder shall be in addition to any rights that any **COMPANY Indemnified Person** may have at law or otherwise; and
- C) The foregoing indemnification provisions of this Article IX shall survive the termination of this Agreement.

### Indemnification of the CLIENT:

- A) Except as involves a breach by the **CLIENT** of a representation, warranty or covenant set out in this Agreement, the **COMPANY** hereby agrees to indemnify and holds harmless:
- i. The **CLIENT**,
  - ii. Any entity directly or indirectly controlling, controlled by, or under common control with, the **CLIENT** (collectively the “**CLIENT Affiliates**”), and
  - iii. The respective directors, officers, employees, shareholders and agents of the **CLIENT** and the **CLIENT Affiliates** (individually, a “**CLIENT Indemnified Person**” and, collectively, the “**CLIENT Indemnified Persons**”), from and against all Losses relating to or arising out of a breach of this Agreement by the **COMPANY**.

The **COMPANY** also agrees that no **CLIENT** Indemnified Person shall have any liability (whether direct or indirect, in contract or in tort or otherwise) to the **COMPANY** or any person claiming through the **COMPANY**, including, without limitation, its owners, parents, affiliates, security holders, or creditors, for any Losses suffered by any such other person, relating to or arising out of a breach of this Agreement by the **COMPANY**, and further agrees that the **CLIENT** shall be reimbursed for any expenses as incurred by any **CLIENT** Indemnified Persons relating to the foregoing; provided, however, that the foregoing indemnity and other obligations of the **COMPANY** shall exclude such Losses as may arise from the gross negligence, willful misconduct or fraudulent act of the **CLIENT** Indemnified Persons;

- B) The **COMPANY** acknowledges and agrees that any obligations hereunder shall be in addition to any rights that any **CLIENT** Indemnified Person may have at law or otherwise; and
- C) The foregoing indemnification provisions of this Article IX shall survive the termination of this Agreement.

## **XI. TERMINATION**

This Agreement may be terminated by mutual agreement of the parties hereto, or by either the **COMPANY** or the **CLIENT** if the other party hereto has breached or is in default of a material term of this Agreement and fails to cure such breach or default within 30 days after receiving written notice of same from the terminating party.

## **XII. OTHER PROVISIONS**

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.

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.

[Remainder of page intentionally left blank]

Signed this 16<sup>th</sup> day of May, 2018

*"Grant Howard"*  
(Grant Howard - The Howard Group)

Signed this 16<sup>th</sup> day of May, 2018

*"Mehran Ehsan"*  
(Authorized Signatory - Permex Petroleum Corporation)