

# Permex Petroleum Corporation Reports Production Increase from its Two Re-completed Wells and Results of its First Waterflood EOR

Vancouver, British Columbia--(Newsfile Corp. - August 28, 2018) - Permex Petroleum Corporation (CSE: OIL) ("**Permex**" or the "**Company**") is pleased to announce the successful results obtained from its first two ("Test well re-entries") and waterflood EOR on one of its properties located in Stonewall County, Texas.

In July 2018 Permex began its first round of two pilot re-entry wells out of the 37 it now owns. The re-entry and re-stimulation involved the Bullard property targeting the Tannehill formation at depth of 3,200 feet and the West Henshaw property targeting the Grayburg formation at a depth of 2,850 feet.

Both of the recompletions were successful and came online at an initial rate of 10 barrels of oil per day ("bopd") each and now have stabilized at 5 barrels of oil per day ("bopd"). Management believes the production rates from these mature, long-life wells to continue with less than 5% decline year on year ("YOY"). The remaining 35 shut-in wells that the company plans to re-enter have potential to yield an additional 175 Net barrels in added daily production increasing the company's total daily production to 385 Gross barrels of oil equivalent per day ("boepd"), solely by re-entering shut-in wells. On the Bullard property, Permex also reactivated associated facilities as planned, increasing and importantly, re-commissioning important infrastructure which will be critical once a Waterflood EOR is started on this property.

In addition to the re-entry and stimulation of the two initial shut in wells, management started its Waterflood EOR on its Pittcock property located in Stonewall County in July 2018. The initial signs of success were realized through the pressurization of the reservoir, followed by an increased communication between the injectors and receiving wells. The waterflood has begun increasing the fields production by a rate of 20%. Management expects to continue increasing the production through added injection while targeting to reach 200 barrels of oil per day ("bopd") from the field.

Permex's team will now move on to the next shut-in wells as well as activating the next waterflood EOR which fall under (Phase One) of Permex's developmental plans tiered towards sustainable growth. As for Permex's (Phase Two) the scale growth program, management has begun its permitting of vertical drilling locations as well as review of the San Andres Horizontal drilling candidates to scale the companies production to its expected targets.

"The results obtained through the initial two well test program are in line with our strategy to add sustainable marginal production through low risk, low cost recompletions. Our plan has always been to take a methodical approach to our operations. As such bringing online the 35 additional shut-in wells even at the low production rate per well, is a strong position to take when combined with waterfloods, vertical drilling and horizontal programs. At oil prices \$55/WTI, these two re-entered wells have a pay-out of less than 6 months, making them quite economic. We will continue to execute on our reactivation, drilling and EOR programs; we feel these will lead to creation of significant value through increased reserves, production and of course cashflow. We are setting realistic operational goals and are meeting our targets", said Mehran Ehsan, President and CEO of Permex.

## **About Permex Petroleum Corporation - [www.permexpetroleum.com](http://www.permexpetroleum.com)**

Permex Petroleum is a uniquely positioned junior Oil & Gas company with assets and operations across the Permian Basin of west Texas and the Delaware Sub-Basin of south east New Mexico. Permex has a current focus on identifying, evaluating and acquiring oil and natural gas assets in North America and enhancing and developing its currently held oil and natural gas assets in Texas and New Mexico. Permex owns and operates on Private, State and Federal land.

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*No securities regulatory authority has either approved or disapproved of the contents of this press release.*

## *Forward-Looking Statements*

*This press release contains forward-looking statements and information within the meaning of applicable securities laws*

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*Actual results could differ materially from those projected in any forward-looking statements due to numerous risks, uncertainties and other factors. Such factors include, among others, risks inherent in the oil and gas industry as well as the risks normally encountered in a newly established business, including but not limited to: negative cash flow; lack of adequate capital; title to property; reliance on operators; reliance on partners; liquidity concerns and future financing requirements to sustain operations; dilution; limited history of operations and revenues and no history of earnings or dividends; competition; economic changes; changes to expectations resulting from independent reserves evaluations, drilling programs and other activities related to the Company's properties; and uninsured risks.*

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