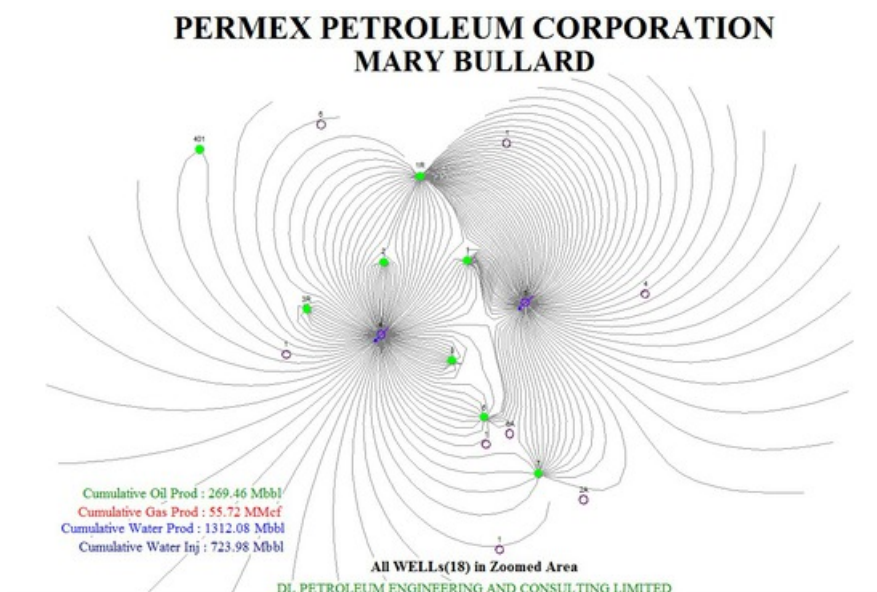


Permex Petroleum Corporation Announces Successful Completion of the Bullard Property Enhanced Oil Recovery Waterflood Modelling

Vancouver, British Columbia--(Newsfile Corp. - September 6, 2018) - Permex Petroleum Corporation (CSE: OIL) ("**Permex**" or the "**Company**") announced today that it has completed Phase One of the Bullard Property Enhanced Oil Recovery ("**EOR**") Waterflood Modelling Project. The purpose of this report is to study the available production, injection and petrophysical data to determine how to optimize and restart this underperforming waterflood with the aim to rejuvenate and yield increased oil production.

A study of the production and existing injector showed that water injection had a **significant positive affect on oil production in the past** with production of in excess of 100 barrels of oil per day within the Bullard field. The current injection in the reservoir is not employing efficient reservoir sweep nor is the Water Supply Well ("**WSW**") being utilized. The reservoir could benefit with new injection patterns perpendicular to existing flow trends. Re-directing injection will result with increased oil production provided injection patterns are properly managed with voidage replacement strategies. The reason is that the current injection channels have already created direct paths of least resistance to the various producing wells.



**FIGURE 1.
PERMEX PETROLEUM CORPORATION
MARY BULLARD**

To view an enhanced version of Figure 1, please visit:

http://orders.newsfilecorp.com/files/5999/38506_a1536187905701_4.jpg

The solution obtained from the phase one modelling project will change the injection patterns and 3 possible injector conversions are suggested for consideration. Through controlled injection planning, the data suggests that it is possible to change the swept patterns and increase overall oil production by maintaining balanced voidage replacement. The gathering and interpretation of these data points by the company's reservoir engineers will play a key role in implementation of the Enhanced Oil Recovery ("**EOR**") waterflood on this field.

Permex President and CEO, Mehran Ehsan commented, "One of the criteria's we have for acquiring any mature, proven, producing asset is that there needs to be ample room to create secondary and tertiary recoveries such as waterflooding and in some cases CO₂ injection for remaining oil in place. Given the fact that this field already has a proven and established oil reservoir associated with its past production, we are encouraged and reaffirmed by this extensive phase one engineering report and we are ready to start the implementation of the waterflood to achieve increased oil production."

About Permex Petroleum Corporation - 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 (collectively, "forward-looking statements"), which reflect the Company's current expectations regarding future events. Statements in this press release which are not purely historical are forward-looking statements and include any statements that express or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases including, but not limited to, and including grammatical tense variations of such words as: "may", "anticipates", "is expected to", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Such forward-looking statements include, among others, the anticipated among others, the anticipated production of the field through an EOR, fluid recovery volume and oil conversion ratio.

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.

There can be no assurance that forward-looking statements will prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements. Any forward-looking statement included in this press release is based only on information currently available to the Company and speaks only as of the date on which it is made. Except as otherwise required by law, the Company undertakes no obligation to update any of the forward-looking statements in this press release to reflect new circumstances or events.