

Permex Petroleum Announces \$500,000 Secured Convertible Debenture Financing

Vancouver, British Columbia--(Newsfile Corp. - September 23, 2019) - Permex Petroleum Corporation, (CSE: OIL), (the "**Corporation**") announces that it will conduct a non-brokered private placement (the "Private Placement") of a secured convertible debentures (the "Debentures") in the principal amount of up to \$500,000. The Debenture will mature on the second anniversary of the date of issuance (the "Maturity Date") of the Debentures and bear interest at a rate of 12% per annum, payable on the Maturity Date.

The Debentures will be convertible at the holder's option into units ("Units") of the Company at a conversion price of CDN\$0.15 per Unit. Each Unit will be comprised of one (1) common share (a "Common Share") in the Company and one (1) Common Share purchase warrant (a "Warrant"). Each Warrant will be exercisable to purchase a Common Share at a price of CDN\$0.20 for a period of three (3) years from the date of issuance.

The proceeds of the Offering will be used towards servicing of the company's accounts payable and for general working capital purposes.

The Debentures will be secured by a general security interest over all of the assets of the Company, and through guarantees and a general security interest from each of the Company's subsidiaries. Under the general security agreement, the Company will agree not to pledge, sell, lease or otherwise dispose of its assets, other than in the normal course, without prior written consent of the holders of Debentures.

All securities issued pursuant to the Private Placement will be subject to a statutory hold period expiring four months and one day from closing. Completion of the Private Placement is subject to a number of conditions, including, without limitation, approval of the CSE.

Certain directors and officers of the Company intend to participate in the Private Placement. The proposed issuance of Private Placement securities to non-arms' length parties constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101").

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 New Mexico. The company focuses on combining its low-cost development of Held by Production assets for sustainable growth with its current and future Blue-Sky projects for scale growth. The company through its wholly owned subsidiary Permex Petroleum US Corporation is a licensed operator in both states; and owns and operates on Private, State and Federal land.

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Forward-Looking Statements

This release includes certain statements and information that may constitute forward-looking information within the meaning of applicable Canadian securities laws or forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements in this news release, other than statements of historical facts, including statements regarding future estimates, plans, objectives, timing, assumptions or expectations of future performance, including information concerning the Offering and use of proceeds thereof, are forward-looking statements and contain forward-looking information. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. Forward-looking statements are based on certain material assumptions and analysis made by the Corporation and the opinions and estimates of management as of the date of this press release, including that regulatory approval of the Offering will be obtained in a timely manner; and the use of the proceeds of the Offering will not change. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate

and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Corporation's expectations include those relating to the ability to complete the Offering on the terms described above; that the Corporation will not obtain the requisite approvals or otherwise satisfy the necessary conditions precedent to complete the Offering; and other risks detailed from time to time in the filings made by the Corporation with securities regulations.

The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Corporation. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/48001>