

Permex Petroleum Announces Strategic Divestiture of Central Basin Property

Vancouver, British Columbia--(Newsfile Corp. - December 10, 2020) - Permex Petroleum Corporation (CSE: OIL) (OTCQB: OILCF) ("Permex" or the "Corporation") is pleased to announce that it has entered into an agreement with an arm's-length Texas based, private oil and gas exploration and production company (the "**Purchaser**") to divest of the company's Central Basin property for an approximate gross transaction value of \$1.31M USD in cash, prior to customary closing adjustments (the "**Divestiture**").

Pursuant to the agreement, which has an effective date of October 1, 2020. The purchasers will conduct the customary due diligence and anticipate a closing of December 18, 2020. Post completion of the sale, Permex will be in a strong financial position with no external debt on the balance sheet while it continues its operations of the 6 remaining oil and gas properties that it holds across the Permian basin of west Texas and Delaware sub basin of southeast New Mexico.

"We are taking bold and decisive actions to better position the company over the long term," said Mehran Ehsan, President and CEO. "This divestiture does not only allow the company to remove, uninflated decommissioning obligations from its schedule of liabilities but to also strengthen our balance sheet. Furthermore, in alignment with our growth strategy, while continuing operating our other oil and gas properties we have begun short listing new possible discounted acquisitions in the Permian basin of Texas in order to increase returns, margins and profitability."

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Neither Canadian Securities Exchange, OTCMarkets nor their Regulation Services Providers (as that term is defined in their respective policies) accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document 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. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such. Neither CSE, OTC Markets nor their Regulation Services Providers (as that term is defined in the policies of either exchange) accepts responsibility for the adequacy or accuracy of this release.

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