

Permex Petroleum Corporation Executes Definitive Agreement to Acquire Transformational 7,800-Acre Oil & Gas Asset in the Core of Permian Basin of West Texas

Transaction Nearly Triples Permex's Footprint of Held by Production Assets to ~12,000 Acres

Vancouver, British Columbia--(Newsfile Corp. - October 4, 2021) - Permex Petroleum Corporation (CSE: OIL) (OTCQB: OILCF) ("**Permex**" or the "**Company**"), a leading junior oil and gas company, has entered into a definitive Purchase and Sale Agreement ("**PSA**") with Pratt Oil Company, LLC, Rockport Permian, LLC and Petro America Resources, LLC (the "**Seller**") for the purchase of all the Seller's rights, title and interest in the Mabee Breedlove Clearfork Unit, Mallard Breedlove lease, Carter Clearfork lease and Erwin Eoff lease (the "**Assets**") located in Martin County, Texas.

The properties are over 12 contiguous sections for a total of 7,870.23 Gross and 7,741.67 Net acres, of which 98% is held by production ("HBP") in the core of the Permian Basin. There is a total of 25 vertical wells of which 12 are producers, 4 are saltwater disposal wells ("SWD") and 9 that are shut-in opportunities.

"This acquisition is directly in line with our strategy of acquiring and developing high-quality assets with outstanding economics in the Permian Basin, one of the most vital energy producing regions in the U.S.," said Mehran Ehsan, President and CEO of Permex Petroleum. "With an average operating breakeven price of \$28.14 per barrel over the past 12 months, this acquisition has an extremely low production risk and high profitability margin associated with it. Given the fact that companies such as Diamondback Energy are continuously drilling and producing daily volumes in excess of 1,200 barrel of oil equivalent ("BOEPD") per well from the Spraberry formation directly adjacent to the lease, our technical team is quite excited to begin evaluation of that opportunity zone so that Permex can begin its drilling program. By nearly tripling our acreage footprint of oil and gas assets, we are closely reaching an inflection point in our operational strategy, ultimately positioning Permex for sustainable, long-term growth."

The field currently produces from the Clearfork formation at depths of approximately 7,000 feet, which carries the Upper, Middle and Lower Clearfork zones within the lease boundaries. Permex management believes significant additional up hole and down hole formations and zones exist in the field, including the San Andres formation across the entire acreage and the well sought-after Spraberry formation across a portion of the acreage. In addition to evaluation by Permex's internal engineers, Permex has retained an independent engineering firm to further evaluate the reserves attributable to the property beyond the Proved Developed Producing ("PDP") reserves tied to the Clearfork formation identified by the previous operators.

Permex will take over 100% Working Interest ("WI") and 81.75% Net Revenue Interest ("NRI") in the oil and gas assets. Under the terms of the PSA, the Company is acquiring the assets for USD \$2.0 million in an all-stock transaction priced CAD \$0.10 per share and ½ warrant exercisable at CAD \$0.20, for a total of 25,000,000 shares and 12,500,000 warrants. The warrants have an expiration date of October 1, 2031, subject to acceleration by the Company, on or after the third anniversary of the Issue Date.

The definitive PSA follows the initial execution of a non-binding letter of intent ("LOI") announced by the Company on September 13th, 2021.

About Permex Petroleum Corporation

Permex Petroleum (CSE: OIL) (OTCQB: OILCF) 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. For more information, please visit www.permexpetroleum.com.

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