



***Avila Energy Corporation announces its election to  
assume 100% of the interests and activities of its  
Joint Venture in Northeast British Columbia in Fiscal Year 2022.***

**Calgary, Alberta, July 26, 2022 – Avila Energy Corporation (“Avila” or the “Company”),** trading symbol “VIK”, announces its election to assume 100% of the interests and activities of its Joint Venture in northeast British Columbia (the “NEBC Property”) in, and for, the fiscal year ended December 31 2022.

Pursuant to this election, the Company has (i) agreed to assume, effective July 1, 2022, 100% of the interests and obligations of the Joint Venture in the NEBC Property and (ii) engaged the Company’s independent Qualified Reserves Evaluators (“QRE”); Deloitte LLP, to complete an evaluation of 100% of the interests in the NEBC Property consisting of 89,825 (net) acres and 97,743 (gross) acres, 73.6 wells (net) and 78 wells (gross), and 2 facilities.

Concurrently, the Company has received its independent evaluation in accordance with the COGE Handbook from the QRE, as of July 25<sup>th</sup>, 2022, for the acquisition of the NEBC Property, resulting in the acquisition of proven and probable ( “2P” ) reserves of 27.004 million boe, currently producing 1,200 boe/d (net) prior to the advancement and completion of a facilities upgrade and remediation plan at the 100% owned and operated facility. Upon the completion of the aforesaid facilities upgrade and remediation the shut-in proven developed assets are anticipated to produce an additional 3,800 boe/d (net) of natural gas and liquids.

Management projects that, on or about September 30 2022, the Company’s Alberta assets combined with the NEBC Property assets are anticipated to be producing 2,000 boe/d comprised of approximately 10% oil; 200 bbls/d(net) and 90% natural gas and liquids; 10,200 mcf/d (net) or 1,800 boe/d (net) with further growth to occur as a result of a combination of development drilling in Alberta and the aforesaid completion of the upgrades and remediation work to the NEBC Property, all production numbers provided are based on a 6:1 gas/oil ratio (1bbl = 6 mcf) per ‘boe’.

Following the acquisition of the NEBC Property, the Company’s book value is estimated by management to be a net \$25,343,280 including fulfillment of asset retirement obligations (“ARO”), less the assumption of current obligations estimated to be \$3,493,780 (to be paid in cash) and long term decommissioning liabilities of \$21,849,500.

In 2022 and 2023 the capital programs budgeted for the NEBC Property are estimated to be approximately \$13,000,000 plus future obligations of approximately up to \$5,000,000, to be funded from cash on hand and future cash-flow.

The Evaluation\*\* completed by the QRE for the assets acquired by the acquisition of the NEBC Property (requested by the Company) has resulted in the following reserves and before tax values being assigned to the NEBC Property by the QRE:

<b>PDP</b>	<b>- 3,622,200 boe with a 10% discounted NPV of</b>	<b>\$ 34,598,400</b>
<b>PD</b>	<b>- 19,385,300 boe with a 10% discounted NPV of</b>	<b>\$ 140,610,100</b>
<b>TP</b>	<b>- 19,385,300 boe with a 10% discounted NPV of</b>	<b>\$ 140,610,100</b>
<b>2P</b>	<b>- 27,004,100 boe with a 10% discounted NPV of</b>	<b>\$ 171,539,300</b>

\*\*Based on the QRE (Deloitte LLP) published Price Deck dated June 30, 2022, a summary of which is as follows:

- (i) The QRE prepared an independent evaluation of reserves and future net revenues derived from, the Petroleum and Natural Gas assets interests of Avila according to the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"); and
- (ii) As required, these reserves and future net revenues were estimated using forecast prices and costs (before and after income taxes) according to the requirements of National Instrument 51-101 ("NI 51-101"). The effective date of this evaluation is July 1, 2022.

The Canadian Securities Exchange ("CSE") has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

### **About, Avila Energy Corporation**

The Company is an emerging CSE listed corporation trading under the symbol ('VIK'), and in combination with an expanding portfolio of 100% Owned and Operated oil and natural gas production, pipelines and facilities is a licensed producer, explorer, and developer of Energy in Canada. The Company through the implementation of a closed system of carbon capture and sequestration and an established path underway towards the material reduction of Tier 1, Tier 2 *and* Tier 3 emissions continues to work towards becoming an integrated low cost **Carbon Neutral Energy Producer**. The Company continues to grow and achieve its results by focusing on the application of a combination of proven geological, geophysical, engineering, and production techniques.

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### **ON BEHALF OF THE BOARD**

Leonard B. Van Betuw  
*President & CEO*

Certain information in this news release, including the operations at the Company's properties, constitute forward-looking statements under applicable securities laws. Although Avila Energy Corporation believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because Avila Energy Corporation can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. It should not be assumed that the estimates of net present value of future net revenue attributable to the Company's reserves presented above represent the fair market value of the reserves. The recovery and reserve estimates of the Company's oil, NGL, and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Further, there is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Barrel ("bbl") of oil equivalent ("boe") amounts may be misleading particularly if used in isolation. All boe conversions in this report are calculated using a conversion of six thousand cubic feet of natural gas to one equivalent barrel of oil (6 mcf=1 bbl) and is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. This news release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Trading in the securities of Avila Energy Corporation should be considered highly speculative. Neither the Canadian Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Stock Exchange) accepts responsibility for the adequacy or accuracy of this release. For more information on the Company, Investors should review the Company's registered filings which are available at [www.sedar.com](http://www.sedar.com).