



***Avila Energy Corporation announces initial closing of first \$2,512,000  
of a contemplated \$5,000,000 Private Placement  
of Convertible Debenture Units***

**Calgary, Alberta, May 11, 2022 – Avila Energy Corporation (“Avila” or the “Company”),** trading symbol “VIK”, announces the initial closing of a private placement (partially brokered) of in excess of \$2,512,000 of a contemplated issue of a total of \$5,000,000 in debenture financing (the “**Debenture Financing**”).

Each Unit (“**Unit**” or “**Units**”) of the Debenture Financing is comprised of an \$1,000 principal amount bearing interest at 4% per annum, which is convertible and unsecured, due on April 1, 2025.

Avila is continuing with closings of the Debenture Financing and anticipates subsequent closings to be complete on or before May 21, 2022.

Included in the Unit is a right held by the Holder (the “**Holder**”) of full (not partial) conversion of the entire principal (and accrued interest) of the Units into Class A common shares of Avila (the “**Shares**”) at \$0.50 per Share (the “**Conversion**”), as well as upon the Conversion to the issuance of one (1) additional share purchase warrant per Share issued on Conversion (the “**Conditional Warrants**”) to the Holder entitling the Holder to purchase one (1) Share per each Share received on the Conversion at a price of \$0.75 for a period of two (2) years following the date of the Conversion. The Conversion and the Warrants are subject to standard anti-dilution rights.

Avila may pay negotiated brokerage fees for the Debenture Financing. To date, Avila has paid some brokerage fees to Research Capital Corporation, being a percentage in money of their brokered financings raised for the Debenture Financing, as well as broker warrants associated therewith to purchase 187,200 Shares at \$0.75 per Share exercisable until May 12, 2024.

The Company intends to use the proceeds from this private placement of the Debenture Financing for general working capital and business development.

The Units issued by the Company pursuant to this Debenture Financing will have the required Canadian regulatory escrow, being a four- month plus one-day escrow period from issuance.

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**

Avila Energy Corporation is an emerging CSE listed issuer, currently halted as has been previously announced, pending the review and subsequent approval of Avila's fundamental change.

Upon regulatory and shareholder approval of the fundamental change, post-closing, the resulting issuer, with its then expanded portfolio of 100% owned and operated oil and natural gas production, pipelines and facilities, intends to continue to grow as a licensed producer, explorer, and developer of energy, primarily in Canada.

The Company, through the implementation of a closed system of carbon capture and sequestration, continues to work in 2022 towards its goal of being recognized as a low cost carbon neutral energy producer. The Company intends on achieving these results by focusing on the application of the combination of proven geological, geophysical, engineering, and production techniques.

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

Leonard B. Van Betuw

*President, Director & Chief Executive Officer*

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*All statements contained in this press release about anticipated future events constitute forward-looking statements. Forward looking statements are often, but not always, identified by the use of words such as "anticipate" and "expect". Forward-looking statements are subject to business risks and uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. The Company does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change except as required by applicable laws. Investors should not place undue reliance on forward-looking statements.*

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