



Avila Energy Corporation, previously known as Petro Viking Energy Inc., is pleased to provide a Corporate Update to the Acquisition and Name Change

Calgary, Alberta, June 27, 2022 – Avila Energy Corporation (“Avila” or the “Company”) upon receiving Shareholder Approval at the AGM October 15, 2021, the Company formally filed the change of its name to Avila Energy Corporation effective December 3, 2021.

On November 24, 2021, the Company received conditional approval from the CSE for the Lifting of the Temporary Halt (the “Halt”) and the resumption trading of the Company’s shares prior to the closing of the proposed acquisition of 53,835 Acres, 43,935 Acres (Net) of mineral rights, associated wells, pipelines and facilities from 611890 Alberta Inc. Furthermore, prior to obtaining final approval from the CSE, the Alberta Securities Commission (the “ASC”) has conducted a continuous disclosure review of the CSE Listing Statement – Form 2A and the information circular for the special meeting of shareholders of the Company under section 60.2 of the *Securities Act* (Alberta). The ASC has closed its review on June 22, 2022, as it had no further comments to make. Avila does not make any representations, written or oral, that the ASC has in any way expressed an opinion or passed judgment on the merits of the disclosure provided by Avila.

Independent Qualified Reserves Evaluators and Auditors of Calgary, Alberta, Canada being Deloitte LLP prepared an independent evaluation of reserves and future net revenues derived therefrom, of the Petroleum and Natural Gas assets of the interests of Avila according to the Canadian Oil and Gas Evaluation Handbook (“**COGE Handbook**”). 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 December 31, 2021.

Avila upon comparing its work to the COGE Handbook and prior to engaging the Company’s QRE, reduced the number of locations to 18 from 147 which reduced its Capital Budget. The evaluation completed has incorporated a budget of \$14.3 million (net) for the development of the assets in 2022 being acquired. Based on this decision the Company is pleased to report that the evaluation of the acquisition on a 10% discounted Net Present Value (NPV10%) basis was determined to be \$26.7 million.

The Total Proven Plus Probable (2P) results of the evaluation are summarized as follows:

Remaining Reserves					
		<u>Gross</u>	<u>WI</u>	<u>RI</u>	<u>Net</u>
Oil	Mbbl	697.2	661.4	-	613.3
Gas	MMcf	19,614.8	14,171.3	-	12,550.0
Condensate	Mbbl	-	-	-	-
Liquids	Mbbl	352.9	253.0	-	212.5
NGL	Mbbl	-	-	-	-
C2	Mbbl	-	-	-	-
C3	Mbbl	174.8	123.7	-	102.6
C4	Mbbl	113.1	81.1	-	69.3
C5+	Mbbl	65.0	48.3	-	40.6
Other Equiv.	MBOE	-	-	-	-
Total	MBOE	4,319.2	3,276.3	-	2,917.5

Net Revenue NPV (M\$C)							Price
	<u>0.00 %</u>	<u>5.00 %</u>	<u>8.00 %</u>	<u>10.00 %</u>	<u>15.00 %</u>	<u>20.00 %</u>	<u>Average</u>
Oil	40,053.6	32,635.5	29,475.2	27,725.0	24,239.7	21,641.3	65.29
Gas	47,679.0	31,545.8	26,518.3	24,085.2	19,834.7	17,076.8	3.81
Condensate	-	-	-	-	-	-	-
Liquids	9,726.2	6,795.1	5,840.4	5,366.7	4,516.2	3,946.3	46.01
NGL	-	-	-	-	-	-	-
C2	-	-	-	-	-	-	-
C3	3,354.3	2,331.4	2,004.3	1,843.2	1,556.0	1,364.6	33.30
C4	3,122.7	2,176.2	1,869.8	1,718.1	1,446.6	1,265.1	45.57
C5+	3,249.2	2,287.5	1,966.4	1,805.4	1,513.7	1,316.6	80.98
Other Equiv.	-	-	-	-	-	-	-
Other	26.8	21.5	19.3	18.1	15.7	13.9	-
Total	97,485.7	70,998.0	61,853.3	57,195.0	48,606.3	42,678.2	-

Cash Flow NPV (M\$C)						
BT Cash Flow	45,562.3	33,759.4	29,150.5	26,686.8	21,935.8	18,505.8

Cautionary Statement: These are estimates of Future Net Revenue and are not a measurement of Current Fair Market Value.

As estimated effective January 1, 2022, the value of the life of the estimated reserves for the Company are based on projected average Oil Price of CDN \$65.29 per barrel, and an average price of \$3.81/mcf for natural gas. The Company anticipates that upon reaching its initial goals and gaining greater visibility on future commodity prices that it will be reviewing its capital plans in the second half of 2022. Upon closing of the transaction the estimated oil and natural gas production is estimated to be 700 boe/d, 20% oil and liquids, 80% natural gas.

Leonard Van Betuw, President, and CEO of Avila commented, "We continue to concentrate on engaging with regulators and working towards satisfying all requirements as we work to the resumption of trading and the closing the proposed Acquisition. Avila and its contractors remain focused on the future and its long term goals.

About, Avila Energy Corporation

The Company is an Emerging CSE listed corporation ('VIK'), and in combination with 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 continues to work towards becoming a 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.

For further information, please contact: Lars Glimhagen, CFO Peter Nesveda, Vice President of Corporate Affairs and Investor relations, or Leonard B. Van Betuw, of Avila Energy Corporation.

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ON BEHALF OF THE BOARD

Leonard B. Van Betuw

President & CEO

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.

BOE presentation:

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.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.