

August 12, 2022

SYMBOLS:

(CSE:VIK.CN)

(WKN:A3DQNB

SYMBOL: 6HQ0)

Share Price

\$ 0.50

SHARE CAPITAL:

37,043,760

(Basic Outstanding)

81,483,760

(Post Acquisition)

Enterprise Value:

\$1.34 per Share

2P Reserves:

31,177,100 BOE

2P - NPV disc. 10%

\$201,307,700

Working Capital:

\$3,000,000

Debt to Equity:

(Including Decommissioning)

< 0.50 to 1.0

CONTACT:

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Leonard B. Van Betuw

President & CEO

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Avila Energy Corporation

General Information

Avila Energy ("**Avila**" or the "**Company**") with its head office located in Calgary, Alberta, was incorporated in 2010 pursuant to the provisions of the Alberta Business Corporations Act, Canada.

The Company is a reporting issuer, trading on the Canadian Stock Exchange. As an established licensed producer and developer of Energy in Canada, the Company is also working to become **A Leading low-cost Carbon Neutral Energy Producer in 2023** based on its plans, that have been under development since 2017.

The Company continues to achieve its goals by focusing on the application of a combination of established and proven geological, geophysical, engineering, and production techniques, to be enhanced with the future acquisition of, and consolidation with, complementary businesses.

On a consolidated basis (post-rollup) the Company consists of the following;

Owner and Operator (98.9% Net) of its Wells, Pipelines, 5 Facilities and Mineral Rights in Western Canada; the Company currently comprises of the following:

- Mineral rights of approximately 138,858 gross acres, 125,875 acres (net)

Reserves (Independently Evaluated Net Working Interest)

- Total Proven – 22.347 MMBOE, W.I. 99.04%, NPV10% : **\$ 160.8 M****
- Total Proven + Probable – 31.177 MMBOE, W.I. 99.04% NPV10% : **\$ 201.3 M****

Production Exit Rates (upgrades and remediation)

- June 2022 – 1,900 boe/d, 5% oil, 95% natural gas and liquids
- September 2022 – 2,000 boe/d, 10% oil, 90% natural gas and liquids
- December 2022 – 6,000 boe/d, 6.67% oil, 93.33 natural gas and liquids

An internally funded plan for Growth through Development Drilling and Completions is estimated to increase production further to 8,000 boe/d in 12 months:

- 8 oil locations; 600 boe/d
- 10 natural gas and liquids locations; 1,400 boe/d

The Company's foundation is its 100% owned developed and undeveloped, mineral rights, and associated network of > 200 kms of pipelines and 5 processing facilities. The Company sells its products directly in Canada and throughout North American as a result of having direct tie-ins to TC Energy's network, which in turn allows for the sale of Avila's products to end users anywhere in the North American market.

The Company anticipates that upon the completion of upgrade and remediation of its processing facility in Northeast British Columbia prior to reactivating 12 shut-in wells will result in production increasing by 3,800 boe/d of natural gas and liquids.

Avila's long-term goal is to generate high impact financial results based on optimized fully integrated operations and a continued focus on best-in-class development, anticipated to result in the robust sale of a diversified package of energy.

"The Continuous Long-Term Delivery of a Vertically Integrated suite of Carbon Neutral Energy to Private Individuals and Public Corporations".

****Reserves**

- **< \$5.00/boe FD&C costs** - blended operating expense of less than CDN \$7.50/boe
- **Sustainable Organic Growth** - Internally funded on < 40% of Operating Inco
- **Based on an average of price of CDN \$82.00 per barrel and \$5.35 per mcf**

Please See Cautionary Disclaimer (Page 7)

Established and Structured to Grow

Trading Symbol (CSE:VIK.CN)

Basic Shares Outstanding:	37,043,760
Class A Common Shares to be Issued on Closing of Acquisition:	44,440,000
Basic Shares Outstanding	81,483,760
Convertible Preferred Acquisitions Shares (non-voting)	30,000,000
Warrants, Options & Debentures (average price - \$0.45/share)	36,742,276
Fully-Diluted Shares Outstanding	148,226,036
Market Capital (Basic Outstanding @ \$0.50) *	\$ 40,741,880

Corporate Metrics @ \$0.50 per share **

Total Proven Reserves, 22.348 million boe; <5% Oil & Liquids	\$ 1.82 / boe
Total Proven+Probable Reserves, 31.177 million boe; <5% Oil & Liquids	\$ 1.31 / boe
Targeted Production, October 2022 - 3,000 boe/d (Market Value of \$38,800 per boe/d)	\$ 13,581 / boe/d
Targeted Exit Production December 2022 - 6,000 boe/d (Market Value of \$38,800 per boe/d)	\$ 6,790 / boe/d

* As of Market Opening August 12, 2022

** Metrics based on Basic Shares Outstanding as of August 12, 2022



AVILA ENERGY

Avila Energy - Executive Team

Leonard B. Van Betuw – President CEO and Director

Mr. Van Betuw was awarded a BSc (Hon.) Degree in Geophysics in 1987; thereafter becoming recognized for his expertise in the design and delivery of geological services formed from a comprehensive suite of geophysical experiences which he developed over 25 years as a Manager, Executive, and Geophysicist.

Early in Leonard's career, he spent most of his time abroad working for various companies from 1998 to 1992. This is where Mr. Van Betuw began formation of what became his managerial skill sets. During these years, Mr. Van Betuw held various contract positions and consulting roles including Geophysicist for Can-Oxy in Yemen, Operations Supervision for Veritas Geophysical and Operations Manager in Canada and in Venezuela with Western Atlas International. Between 1998 and 2006, Kintex Inc., was formed as a private company where Leonard acted as President. In 2006, the company was acquired and went public as Kintex Resources Corporation where Mr. Van Betuw was President until 2010.

Mr. Van Betuw consulted as an advisor with Life Sciences Institute from 2006 until 2011 when the company changed its name to Quattro Exploration and Production Ltd., which became a TSX listed Junior Oil and Gas Company. In 2011 Mr. Van Betuw was appointed President and CEO. Subsequently, in 2015, the company became a TSX Venture 50 Company. Mr. Van Betuw resigned as a director and officer of the company in 2017.

In February, 2017, Leonard Van Betuw became President and CEO of Avila Exploration and Development Canada Ltd.

Lars Glimhagen – CFO

Mr. Glimhagen has over 35 years' experience in accounting and finance positions including being the Senior Accountant at BC Rapid Transit, the former operating company of the Sky-Train Rapid Transit system in Vancouver's Lower Mainland. Lars has 25 years in mineral exploration and the oil and gas companies serving in various senior management positions. Since 2013, Lars has been the Chief Financial Officer at Avila Energy Corporation, previously known as Petro Viking Energy Inc.

Daniel Lucero – Director

Mr. Daniel Lucero More than 15 years' experience in resource exploration in Latin America and the Western Canadian Sedimentary Basin, as Exploration Manager at Quattro Exploration and Production Ltd., for 6 years, WCSB and Latin America Chief Geoscientist at Kintex Geosciences Exploration, Geologist at CoalCorp Mining and Andicoal. Daniel graduated in 2004 from the National University of Colombia (Bogota-Colombia) with BSc in Geology.

Mr. Peter Nesveda – VP. Corporate Affairs and Investor Relations

Peter Nesveda brings over 30 years plus of international investor relations and corporate affairs experience having worked with in excess of 100 public and private companies in Australia, United Kingdom, Hong Kong, South Africa, Singapore, Canada, New Zealand and the USA.

Peter combines a significant number of global contacts in the public and private sectors and has assisted in forming companies by way of strategic and cornerstone introductions. He brings all his skill set to work in support of emerging companies e.g.: investor relations, corporate affairs, introducing funders and financiers, helping build management teams and boards of directors.

Peter is a believer in the old saying put your money where your mouth is. He is always an investor into companies he advises and represents. Peter has assisted in numerous mergers, acquisitions, takeovers and has experience in resources, disruptive technology, the service sector, energy both in the fossil fuel and renewable energy sectors.

Over the last five years Peter has helped to launch numerous new companies operating in the disruptive technology sector. A number of companies Peter has worked with have gone on to achieve US billion-dollar market capitalized values.

Mr. Michel Lebeuf, Jr. – Director & Corporate Secretary

Member of the Quebec Bar Association, Partner of Dunton Rainville LLP, Mr. Lebeuf has an expertise in securities, particularly in the areas of natural resources, institutional and corporate financing, and public and private mergers and acquisitions. Mr. Lebeuf represents public companies, securities brokers, buyers, sellers, bankers, and financial advisors. He provides strategic advice on access to public capital markets, securities, and structured products. Over the past years, Michel Lebeuf has worked for many mining projects in Africa (Democratic Republic of Congo, Ethiopia, Angola and Republic of Congo) and his services are regularly used by mining developers, mining companies, and investment banking companies eager to develop mining projects in these countries.

Tom Valentine – Director

AUDIT COMMITTEE MEMBER

With more than 30 years of experience in the oil and gas industry, both as a barrister and a solicitor. In 2002 and 2003, Mr. Valentine lived in Doha, Qatar, where he was senior counsel (projects) with Qatar Petroleum. While in Qatar, Mr. Valentine was responsible for a number of international gas and LNG projects, including projects in the United Kingdom (Qatargas II), India (RasGas) and Spain (Endesa Generacion). Since returning to Canada, Mr. Valentine's work continues to focus on oil, gas (including LNG) and project development work, including fiscal regime analysis and negotiations, E&P work, joint venture structuring, joint operations issues, purchase and sale agreements, and decommissioning obligations. He currently provides legal advice to various gas and LNG projects (both upstream and downstream) in Asia, Nigeria, South America, North America and the Middle East. Each year Mr. Valentine delivers lectures and teaches workshops on natural gas and LNG contracts in Perth, Doha, London, Dubai, Singapore, Seoul, Algeria, Brunei, Johannesburg, Rio and Mozambique.

Kyle Appleby – Director

AUDIT COMMITTEE MEMBER

Mr. Appleby, CPA, CA, more than 20 years of experience as both a professional CPA and as a member of a public company. Kyle has been the Chief Financial Officer for numerous companies, listed in Canada, US and London England. Chartered Professional Accountant designation as a CPA member in good standing in Ontario and Canada. Extensive experience in financial reporting, IPOs, fund raising, and corporate governance.

Jeff Decter – Director

ALSO AUDIT COMMITTEE MEMBER

Mr. Decter has more than 35 years' experience, including sales, management and financing and as President of Integrity Financial Corp., in financing and restructuring.

Mr. Decter's experience, and network of individuals and organizations, provides Avila with a broad foundation for independent advice in making measured decisions respecting execution of its business and marketing plans.

Special Advisors to the Board

Nikolas Perrault CFA

With over 25 years of experience Mr. Perrault as a Chartered Financial Analyst for Twilight Capital and his capital market advisory consulting firm based in Montreal brings a broad range of experience and support to Avila Energy. Nikolas' primary focus in the natural resources sector with a broad international network of strategic relationships worldwide brings a fresh set of ideas and perspectives that are complimentary to the Company's Executive and Board of Directors.

Nikolas and Twilight Capital are on a constant quest for opportunities to connect entrepreneurs internationally and to assist public and private companies in their overall capital market strategy. Nikolas Perrault and others at the firm have significant experience in going-public transactions, capital markets, spin-offs, mergers, and acquisitions ("M&A") and other matters related to those fields.

Previously, Mr. Perrault served as an investment executive with some of Canada's largest institutions. These include National Bank, Merrill-Lynch, CIBC, and Scotia Capital. Nikolas Perrault graduated from Concordia University in 1991 with a Bachelor of Commerce degree. He then went on to receive his Chartered Financial Analyst designation in 1997. His professional knowledge is vast and includes experience in securities trading, human resources management and financial analysis.

Nikolas was born in Rwanda and has spent decades traveling the world. His travel has instilled in him a passion for learning about different cultures and helping to bridge the gaps between them.

Avila Energy - Management Team

Leonard B. Van Betuw (B.Sc. Geophysics) – President & CEO

- See executive summary

Jennifer Ottosen C.P.A – Controller and Financial Analyst

Ms. Ottosen as Controller (initially as a consultant for the Company in 2020) brings to Avila her over 10 years of experience in Financial Reporting and Analysis, Cost and Project Accounting, Performance Management, Variance Analysis, Internal Controls, Asset Management, Tax Filings, Budgets and Forecasting in the engineering, safety compliance and construction industries. Over the course of Ms. Ottosen's career, she has advised as a consultant and held various roles in accounting, focused on billing, project management and financial reporting, working for Enbridge Inc., Finning Canada, The Inspections Group Inc., Ledcor and Stantec.

Daniel Lucero (B.Sc. Geology) – Resource Manager

- See executive summary

Ryan Schnitzler – Land Manager

Mr. Schnitzler is the Manager of Land and Joint Venture at Avila Energy. Prior to joining Avila, Ryan served in roles of increasing responsibility at Obsidian Energy, Lightstream Resources, ConocoPhillips Canada and Penn West Petroleum. Mr. Schnitzler graduated from the University of Alberta with a Bachelor of Arts degree and is an active member of the Canadian Association of Petroleum Landmen.

Mr. Schnitzler is a professional Landman with over 15 years of experience in the Canadian oil and gas industry.

Anna Atencio P. Eng. – Production & Optimization

An accomplished and enthusiastic Production Engineer with over 15 years Canadian and International experience, Ms. Atencio has worked with multidisciplinary teams, contributing to petroleum field development and prospect generation. Ms. Atencio describes herself as having a strong ability to trouble shoot and optimize wells, as well as being a competitive, professional, and with a broad range of experience. At Shell Canada Ms. Atencio contributed to the development of the Quest Carbon Sequestration, Peace River Thermal Recovery and Ground Birch Tight Shale Gas, which was in addition to her prior contributions and experience at Apache Canada Limited., Haliburton Evaluations and Digital Solutions-Mexico and Precision Drilling-Mexico.

Dale Harrison – General Manager and Integration

Mr. Harrison, with over 25 years of experience initially as Field Supervisor in Canada and Internationally in Cuba, has been with Avila since 2017. Mr. Harrison continues to be an instrumental part of Avila Energy's driving efficiency into the daily operations where he is constantly seeking to improve upon the costs of production and maintenance. Mr. Harrison's areas of expertise are broad ranging from his 20 years of experience in the Geophysical Service sector prior his appointment as asset manager, pipeline integrity and facilities management and maintenance at Quattro Exploration and Production Ltd. in 2012. In combination with the Company's Engineers and 3 Senior Operators, Dale has been instrumental in the integrations of the HSE program and the implementation of the Company's integrated real-time production reporting, cost controls and operational budgeting.

Greg Doucette – Production Accounting and Measurement

Over 15 years of experience in the Oil & Natural Gas industry with strengths in energy reporting, production accounting, reporting, and processing. Experienced in the integration and development of new areas of business. Extensive background in the completion of acquisitions and their successful integration. These experiences derived from his employment at Long Run, Vesta Energy, Bellatrix and Penn West and the Alberta Energy Regulator. CAPPA Certificate, SAIT Polytechnic, 2007 B. Ed., University of New Brunswick (Dean's List) 2001 Bachelor of Political Science, University of Prince Edward Island (Public Administration) 1997

Disclaimer

IMPORTANT NOTICE

This Memorandum is an overview of the Company for information purposes only and should not be relied on for the purposes of making an investment decision. This presentation does not, and it is not intended to, provide any financial, legal, accounting, or tax advice, and must not be relied upon by you in that regard. The presentation should not be used, or relied upon by you, as a substitute for your independent research or consultation with your own financial, legal or tax advisors. There are significant risks associated with an investment in the Company.

The information contained in this Memorandum has been provided by the Company or obtained from publicly available sources or third-party reports and has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or any opinions contained herein and nothing in this presentation is, or shall be relied upon as, a promise or representation by the Company. It is not the intention to provide, and you may not rely on this Memorandum as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. This Memorandum is presented as at the date hereof, based on general information gathered at the time of writing and are subject to change without notice. None of the Company nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this Memorandum.

This Memorandum does not constitute an offer or invitation to subscribe for, purchase or otherwise acquire any securities or other debt instruments of the Company and nothing contained herein, or its presentation shall form the basis of any contract or commitment whatsoever, nor does it constitute a recommendation regarding the securities of the Company.

Forward-Looking Information & Forward-Looking Statements Cautionary Statement

Certain information contained in this Memorandum may refer to, and or include the operations at the Company's properties and may constitute forward-looking statements under applicable securities laws. Although Avila Energy Corporation believes that the expectations reflected in these forward-looking statements of this Memorandum 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 and by their very nature involve inherent risks and uncertainties. The forward-looking statements contained in this Memorandum are made as at the date hereof 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. Information included herein includes certain statements that may be deemed "forward-looking statements".

All statements contained in this Memorandum, 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 Memorandum 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 Company's securities have not been offered for sale in the U.S. 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.