



Avila Energy Corporation is pleased to announce its Financials for the Three and Six months ended June 30, 2022 and provides Corporate Update

Calgary, Alberta, August 25, 2022 – Avila Energy Corporation (“Avila” or the “Company”), trading symbol “CSE:VIK.CN”, announces its Financials for the Three and Six months ended June 30, 2022 and provides a Corporate Update

The Company is pleased to report revenues for the Company year over year for the six months ending June 30, 2022 increased from \$101,701 to \$1,247,723, being an amount of 1147% over the prior six months. As a result of the Company’s focus on sustainable growth, the Company reported for the six months ended June 30, 2022, a profit of \$0.01 per share.

“The Company attributes these results to our teams at Avila, which continue to focus on the execution of the Company’s long-term corporate plans; including the successful execution on the sustainable development of its vertically integrated business as part of its plan of becoming an integrated low-cost Carbon Neutral Energy Producer”, said President & CEO Leonard B. Van Betuw.

“The efforts to date are encouraging and upon the closing of the conditional approved acquisition and the further consolidation of the Company’s businesses, per the NI 51-101 compliant Evaluation completed by the Company’s QRE, Deloitte LLP on August 18, 2022; the Company’s growth is projected to lower operational costs materially and drive ever increasing margins, initially through economies of scale. This initial step is to be followed by further growth in revenues as the Company advances towards to becoming a vertically integrated business.

The Company sold its natural gas in the initial 6 months of 2022 at average price of CDN \$5.97 per mcf, while oil and condensate sales averaged CDN \$100.97 per bbl. The production blend for the Corporation resulted in the average price of \$58.86 per boe, with the Company realizing a net operating income (NOI) of \$22.37 per boe or 47.04% net margin on sales. For further details Shareholders are encouraged to review the Financials and accompanying Management Discussion and Analysis available on the Company’s website at www.avilaenergy.com.

The Company is also pleased to provide a corporate update on the previously announced conditional approved acquisition of 100% of the assets in West Central Alberta, as announced on June 27, 2022, prior to the recommencement of trading of the Company’s shares on Canadian Securities Exchange (CSE); trading symbol CSE:VIK.CN on June 29, 2022.

The approval of the acquisition is to be voted on at the Special Meeting to be held on August 31st, 2022.

To date, the Company has received proxies representing 50.39% of the shares outstanding with 98.77% votes received being in favor of the transaction. The Company continues to receive numerous inquiries from a broad range of shareholders and investors, both retail and institutional. The final date for the

receipt of proxies for the Special Meeting is August 29th, 2022.

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.

For further information, please contact:

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ON BEHALF OF THE BOARD

Leonard B. Van Betuw
President & CEO

Abbreviations

bbls/d - barrels per day

boe - barrels of oil equivalent

boe/d - barrels oil equivalent per day

NGLs - Natural Gas Liquids

Mboe - Thousands of barrels of oil equivalent

MMboe - Millions of barrels of oil equivalent

PDP - Proved Developed Producing

TP - Total Proved Reserves

TPP - Total Proved and Probable Reserves

IFRS - International Financial Reporting Standards as issued by the International Accounting Standards Board

WTI - West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade

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.