



***Avila Energy Corporation is pleased to announce its \$0.06 per share earnings as stated in its Financial Report for the Three and Nine months ended September 30, 2022 and Provides a Corporate Update.***

Calgary, Alberta, November 21, 2022 – Avila Energy Corporation (“Avila” or the “Company” or “Avila Energy”), trading symbol “CSE:VIK.CN”, is pleased to announce its Financial Results for the Three and Nine months ended September 30, 2022, and to provide its Corporate Update.

Currency used herein is CDN\$.

**REVENUE:**

Avila Energy Corporation’s revenues year over year for the nine months ended September 30, increased to **\$2,190,991** from **\$210,883**; *an increase of 1,139%*.

The Company’s focus on sustainable growth delivered this growth in earnings of **\$0.06 per share** for the 3 months ended September 30, 2022, and **\$0.07 per share earnings** for the nine months ended September 30, 2022.

The average price received for the Company’s oil natural gas and liquids sales for the 9 months of 2022 was a blended price of \$46.71/BOE, based on an average price of CDN \$5.06/mcf for natural gas with oil and condensate sales averaging \$101.89/BOE.

**EXPENSES:**

Operating expenses for the nine months averaged \$14.05/BOE resulting in net operating income (“NOI”) of \$ 27.29/ BOE. In accordance with the Company’s focus, operating expenses in the 3<sup>rd</sup> quarter continue to trend down now to \$ 10.47/ BOE from \$ 14.81/BOE in the 2<sup>nd</sup> Quarter, resulting in NOI of \$ 28.59/BOE in the 3<sup>rd</sup> Quarter.

**CORPORATE FOCUS:**

The Company’s continuing focus on sustainable growth has resulted in production blend and improving operating expenses (currently at **\$ 10.47/BOE**) towards its target of less than \$7.50/BOE, resulting in **net margins of 66.01%**, year to date.

**COMPANY & ASSET EVALUATION:**

On September 30, 2022, the Company’s Class A shares were outstanding at 86,572,562, having a book value of **\$0.38 per share** and an enterprise value of **\$0.52 per share**.

“The NI 51-101 compliant evaluation completed by the Company’s QRE (Deloitte LLP) was completed on August 18, 2022. This report valued the Company’s assets on a 10% discounted **Net Present Value (NPV 10%) at \$209,841,500**, or as of September 30, 2022, on a per share basis, **\$2.41 per share**, based

on 86,983,586 basic shares then outstanding.” said Leonard B. Van Betuw, President & CEO.

“The efforts to date continue to advance (as anticipated) with the closing of the current acquisition and the further consolidation of its businesses as per the NI 51-101 compliant evaluation completed by the Company’s QRE, Deloitte LLP, on August 18, 2022.” said President & CEO Leonard B. Van Betuw.

Further, our asset base and our established land positions in Canada along with the plans we have for their current and future un-booked potential are generating an air of excitement within the Company’s engineering and operational teams. Our shareholders should look forward to participating in the realization of our past efforts and the fruits of our employees’ and contractors’ future efforts going forward into 2023 through to 2027”, said President & CEO Leonard B. Van Betuw.

For further details shareholders and other interested parties are encouraged to review the Company’s financial results and the Management Discussion and Analysis, available on the Company’s website at [www.avilaenergy.com](http://www.avilaenergy.com).

#### **FUTURE GROWTH:**

“The Company is extremely focused on the integration of the assets owned by the Company for future growth. In accordance therewith, these reported results are a reflection of the increased earnings made effective from September 1, 2022 (post-closing of, and the result of, the consolidation of the acquisition of 100% of the assets in West Central Alberta), as recently approved by the shareholders of the Company at a Special Meeting of the Company held on August 31, 2022. The Company’s extreme focus remains on increasing earnings and as a result increasing the value of the Company for the future.” said President & CEO Leonard B. Van Betuw.

Avila Energy’s financial position on September 30, 2022, remains strong.

Avila Energy is focused on obtaining our first goal of reaching consistent production of 6,000 BOE/d; followed by incremental steps to increase production to 8,000 BOE/d and thereafter to 12,000 BOE/d.

The continuing creation of shareholder value is the foundation of the business which is being built by Avila Energy. Avila Energy is pleased to report the envisioned plan is progressively evolving.

#### **CURRENT FINANCIAL POSITION:**

The Company’s financial position is as follows.

<b>Working Capital</b>	<b>\$ 1,902,424</b>
<b>Total Assets</b>	<b>\$ 59,823,671</b>
<b>Drawn lines of Credit</b>	<b>Nil</b>
<b>Long Term Debt and Accrued Liabilities</b>	<b>\$ 12,657,064</b>
<b>Decommissioning Provisions</b>	<b>\$ 14,160,967</b>
<b>Total Shareholder’s Equity</b>	<b>\$ 32,572,562</b>

“The current rate of growth in revenues are projected to continue (upstream) for the next 24 months as we progress with the development, firstly, of our proven developed non-producing assets (PDNP), in parallel with the development of our proven reserves (TP) in Alberta and British Columbia in 2023.

### **LONG TERM BUSINESS PLAN:**

Further additional complementary revenues are to be derived from the development of Company’s **Vertically Integrated Energy Business** (downstream) as announced on November 14, 2022, which are anticipated to commence in 2024.

Avila Energy’s teams continue to focus on the execution of its long-term corporate plan.

“The successful execution on the sustainable development of Avila’s vertically integrated business is part of its plan of becoming a material part of the **sustainable energy transition** with an established and **growing pipeline of business in place**. This in will to provide shareholders the assurance that Avila has an established, diversified and a socially responsible path forward in place and is on its way to becoming a long-term producer of **Carbon Neutral Energy Producer well beyond 2030**”. said President & CEO Leonard B. Van Betuw.

“The efforts to date continue to advance (as anticipated) with the closing of the current acquisition and the further consolidation of its businesses as per the NI 51-101 compliant Evaluation completed by the Company’s QRE, Deloitte LLP, on August 18, 2022.” said President & CEO Leonard B. Van Betuw.

### **CORPORATE UPDATE:**

The Company is pleased to announce the appointment of Ms. Jennifer Ottosen as Chief Financial Officer (CFO) effective November 7, 2022, of Avila Energy Corporation.

“The Directors of the Company are pleased with the addition of Ms. Jennifer Ottosen a CPA as our CFO, in her in new capacity after initially taking the position of controller for the last 12 months. As CFO, she brings with her an extensive background, in Rental Equipment, Engineering and Construction.” said Leonard B. Van Betuw, President & CEO, “All important attributes which reflect on the Company’s future and will become important based on where the Company and the world is going in the next 10 to potentially more than 25 years.”

### **Ms. Jennifer Ottosen CPA**

Ms. Ottosen as Controller (initially as a consultant for the Company in 2020) brings to Avila 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 her career, Ms. Ottosen 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., SEKO Construction, Ledcor Fabrication and Stantec Engineering.

The Company wishes to thank Mr. Lars Glimhagen, the previous CFO, for his efforts over the past ten years in various capacities. We are also pleased to confirm that Lars will remain in supporting role as the Company continues to execute on its focused Business Plan. Lars is pleased to congratulate Jennifer on her recent appointment as CFO.

## **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 a **Vertically Integrated 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:

Peter Nesveda, Vice President of Corporate Affairs, and Investor Relations  
[peter@intuitiveaustralia.com.au](mailto:peter@intuitiveaustralia.com.au), or

Leonard B. Van Betuw, President & CEO  
[leonard.v@avilaexpl.com](mailto:leonard.v@avilaexpl.com).

## **ON BEHALF OF THE BOARD**

Leonard B. Van Betuw  
*President & CEO*

## Abbreviations

bbls/d - barrels per day

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

## Forward-Looking Statements

*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).*