



Avila Energy Corporation announces Insight Acquisition Corp.'s decision to Terminate the Business Combination and provides a Corporate Update

Calgary, Alberta, June 27, 2023, Avila Energy Corporation (“Avila” or the “Company” or “Avila Energy”), trading symbol “CSE:VIK.CN”, “OTCM:PTRVF”, “FRA:6HG0”, announces Insight Acquisition Corp. (NASDAQ:INAQ) has sent a notice of default, and that it intends to terminate the Business Combination Agreement dated April 3, 2023 if such alleged default is not cured by July 26, 2023. Avila also provides a Corporate Update.

Despite the successful negotiation and settlement executed and announced on June 26, 2023, between Avila Energy Corporation and MTT, Insight Acquisition Corp. has provided notice that it is not satisfied that Avila has cured its concerns and has chosen to put Avila on notice that it intends to terminate the Business Combination Agreement with Avila Energy.

“Avila acknowledges receipt of the email, with Insight Acquisition Corp. (“Insight”) providing notice of its intent to terminate the Business Combination Agreement made April 3, 2023 (“BCA”). Avila strongly disagrees with Insight’s characterization of various events described by Insight with its notice of default and Insight’s position that Avila has breached the BCA.” said Leonard B. Van Betuw President & CEO. “Despite many challenges that are associated with a transaction of this nature Avila has kept Insight informed as it worked through them over the past few weeks and has now fundamentally dealt with the issues raised in the notice of default. Avila is confident any outstanding issues Insight has raised can be satisfactorily resolved by the cure date of July 26, 2023”.

The decision taken by Insight is disappointing. Avila Energy after careful deliberation has had internal discussions and feels that Insight’s decision is short sighted and does not change the Company’s focus its business plan and core businesses, which are no different than what were presented to Insight at the time of the execution of the BCA.

- 1. The development of low-cost Conventional Oil and Natural Gas Production in Alberta**
- 2. The long-term development of its Carbon Capture and Sequestration in West Central Alberta.**
- 3. Direct-to-Consumer Sales through its Vertically Integrated Energy Business with the EnerTwin.**

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’s long-term vision is to achieve through the implementation of a closed system of carbon capture and sequestration, an established path towards the material reduction of *Tier 1, Tier 2 and Tier 3* emissions and continues to work towards becoming a vertically **Integrated Carbon Neutral Energy Producer**. The Company’s goals are to be achieved by focusing on the application of proven geological, geophysical, engineering, and production techniques in combination and the direct sale of energy to both residential and commercial consumers.

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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 Information & Forward-Looking Statements Cautionary Statement

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 for 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 Share Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Share 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.