



Avila Energy Corporation is pleased to announce an Increase in its 3rd Party Processing Volumes and an Operational Update

Calgary, Alberta, March 20, 2024 – Avila Energy Corporation (“**Avila**” or the “**Company**” or “**Avila Energy**”), trading symbol trading symbol, (CSE: VIK, OTCM: PTRVF and FRA:6HG0), is pleased to announce an expected increase in its 3rd Party Processing Volumes and an Operational Update.

On November 14, 2023, Avila Energy reported that the Company, as part of its long-term plans, it would initially be focused until the end of the first Quarter of 2024 on one of three goals, the establishment of a resilient mid-stream business from which it would continue to grow. The foundation for this resilient business would become an integral part of a Company that can produce, upstream production of low emissions Oil, Natural Gas and Liquids in combination with mid-stream processing, power generation, carbon capture and CO² sequestration. These are the initial two revenue streams of the three revenue streams that Avila has identified as being the core components of its Vertically Integrated Energy Business.

Mid-stream 3rd Party Processing Services

Avila recently received notice from its 3rd party customer that Avila should expect additional volumes of up to 4,000 mcf/d before the end of March of 2024. Furthermore, it is expected that by October of 2024, upon the completion of the tie-in of a proposed pipeline to the Company’s gathering system, the customer is prepared to continue to increase its delivery of natural gas to over 10,000 mcf/d.

This increase in 3rd party revenues, in combination with Avila’s production growing to over 1,000 BOE/d by early 3rd quarter of 2024, solidifies the Company’s initial two segments of its three revenues streams. These revenue streams are to be established as part of Avila’s focus on the development of the Corporation’s ability to become a Carbon Neutral Vertically Integrated Energy Company, capable of delivering economically sustainable carbon neutral energy products directly to industrial customers and retail consumers.

Upon the stabilization of its mid-stream business, Avila, as previously disclosed, sees this as being an important precursor to the sanctioning and construction of Phase I, of its CCS plan a 10 MW natural gas fired low emissions Power Generation facility. This is designed to be tied into a Carbon Capture and CO² Sequestration facility to be on-site also by Avila Energy Corporation. The Company’s two (2) facilities in West Central Alberta are currently capable of producing 15,000 mcf per day and are expected to be operating at capacity by the end of 2024 prior to construction being completed on the 10 MWs of power generation.

The agreed rates are expected to increase annualized cash-flow by an additional \$1,500,000 in 2024.

Upstream Operations

Avila's upstream operations are being remediated slowly while it focuses on the mid-stream business and is focused on the refinement of its production goals to match up with the financing underway to exceed its first milestone of 650 BOE/d by 2nd quarter of 2024. This will position Avila to consistently generate cash-flow that exceeds the total cost of the Company's operational (Opex) and general and administrative (G&A) obligations. Avila continues to see this to be its "Break-even Point" for its upstream operations. By the end of the second quarter 2024, upon the closing of the private placement, the "Break-even Point" is expected to be exceeded with the completion of the midstream project with daily production of 650 BOE/d continuing to grow to 1,000BOE/d (80% natural gas and liquids and 20% heavy crude oil and condensates). Currently the Company assumes it will realize a price of CDN \$1.80 to CDN \$2.50/mcf for the remainder of 2024 for natural gas and a blended price of CDN \$75.00/bbl for heavy crude oil, liquids and condensates with a target for operating expenses to be less than \$10/BOE including transportation.

Avila I.E.S (Integrated Energy Solution)

Avila is also pleased to report that it continues to make progress towards the full resolution of all outstanding matters, regarding Avila's relationship with MTT, prior to the delivery and installation of Avila's first integrated energy solution ("**I.E.S.**") in North America. This is planned for the 2nd Quarter of 2024, an integrated "Off-Grid" energy solution based on the patented EnerTwin, a micro-turbine CHP.

Avila Energy Corporation continues to advance its plans in North America for the ramp-up of its exclusive licensing, and the planned coordinated manufacturing of equipment in the Netherlands to support sales in North American in 2024, prior to the completion of licensed technical transfer for the manufacturing of the EnerTwin in Canada, that positions Avila to commence manufacturing, sales and the servicing of Avila's Integrated Energy Solution, in North America, recently branded by the Company as "**Avila I.E.S.**".

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 with the delivery of Direct-to Consumer energy sales to both residential and commercial consumers.

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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 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 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.