

NEWS RELEASE

For immediate release:

AVILA ENERGY CORPORATION ANNOUNCES UPDATE

Calgary, Alberta – May 13, 2026 – Avila Energy Corporation (“Avila” or “Company”) trading symbol (CSE: VIK, OTCM: PTRVF and FRA: 6HG0)

Donald Benson, President of Avila Energy Corporation, the “Company” announces that Avila has entered into a Memorandum of Understanding agreement with its secured creditor, wherein Avila and or its designated Nominee have agreed to purchase by way of assignment, the Debenture issued on July 14, 2024. Prior to completion of the assignment of the Debenture, the purchaser will be extending the repayment date for the outstanding balance.

“This is a major step in the restructuring of the Company, as the it will give the Company time to re-establish its production and get onto a sound footing” said Mr. Benson.

Once the Rights Offering is concluded on May 22, 2026, the Company intends to obtain a Court date to have its Proposal to its Creditors approved. Thereafter, management will meet with Alberta Energy Regulator to determine their requirements, which the Company intends to fulfill, with a further Private Placement Offering.

This news release contains statements that constitutes “forward looking information” within the meaning of applicable Canadian securities legislation. Forward looking information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements, or industry results, to differ materially from those expressed or implied by such forward-looking information. All statements herein, other than statements of historical fact, are forward-looking information.

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