NEWS RELEASE

For immediate release:

AVILA ENERGY CORPORATION ANNOUNCES CORPORATE UPDATE

Calgary, Alberta – July 20, 2026 - Avila Energy Corporation (“Avila” or the “**Company**”)**,** trading symbol **(CSE:** VIK, OTCM: PTRVF and FRA: 6HG0).

Donald Benson, President of Avila Energy Corporation, the “Company” announces that it has instructed its lawyer to cancel the Court date scheduled for August 7, 2026.

Information has surfaced, which leads the Company to believe that it has additional assets of a material amount, which the Company had previously been unaware of. The Company intends to firstly secure the assets and then determine whether or not it is obliged to provide the creditors of the company with a new Proposal. The new court date will be set upon the Company advancing the process including having a further Creditors Meeting if required.

This news release contains statements that constitute “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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