AVILA ENERGY CORPORATION

ANNUAL INFORMATION FORM

For the financial year ended December 31, 2021
and three months ended March 31, 2022

Dated as of July 22, 2022

TABLE OF CONTENTS

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual information form includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, "forward-looking statements". These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "seeks", "projects", "intends", "plans", "may", "will" or "should", or their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this annual information form and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions because they relate to events and depend on circumstances that may or may not occur in the future. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this annual information form. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this annual information form.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, access to adequate services and supplies, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this annual information form. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this annual information form, those results or developments may not be indicative of results or developments in subsequent periods. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this annual information form. Investors are cautioned against placing undue reliance on forward-looking statements.

Factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, include, but are not limited to, risks and uncertainties related to:

- The risks of the oil and gas industry such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- Supply and demand for oil and natural gas and fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates;
- The availability of financing opportunities, risks related to the completion of financings, the use of proceeds, anticipated cash needs, the need for additional financing and lack of operating cash flow;
- Risks associated with economic conditions, expectations regarding revenue, expenses and operations based on projections of market prices and costs;
- Ability to attract and retain personnel, dependence on management and conflict of interests with directors and other management;
- The speculative and competitive nature of the oil and gas industry and the Company's ability to compete with more

established oil and gas companies;

- Uncertainty of reserves estimates and reserves life and the risks and uncertainties involving geology of oil and natural gas deposits and projections relating to production, costs and expenses;
- Liabilities inherent in oil and natural gas operations including health, safety and environmental risks in addition to lawsuits and other legal proceedings and challenges;
- The Company's ability to enter into or renew leases, the identification, acquisition and integration of other oil and gas properties or companies;
- The impact of a widespread outbreak of a contagious disease, including COVID-19 or other cases of Force Majeure which out of the Company's control;
- General economic and market factors, including commodity rates, interest rates, business competition and changes in government regulations or in tax laws;
- Regulatory developments and the regulatory environments in which the Company operates and its ability to receive regulatory approvals required to achieve the Company's business objectives;
- Other risks described in this annual information form and described from time to time in the Company's documents filed with Canadian securities regulatory authorities.

These factors should not be considered exhaustive. The Company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

Any forward-looking statements which we make in this annual information form speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. New factors emerge from time to time and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Please also refer to "Risk Factors" in this annual information form. All of the forward-looking statements made in this annual information form are qualified by these cautionary statements.

INFORMATION INCORPORATED BY REFERENCE

The Company's audited financial statements for the year ended December 31, 2021 and unaudited interim financial statements of the Company for the three months ended March 31, 2022, together with the notes thereto and the MD&A for the year ended December 31, 2021, December 31, 2020 and December 31, 2019 and for the three months ended March 31, 2022 and 2021, are specifically incorporated herein by reference and are available for review on SEDAR at www.sedar.com . The unaudited pro forma financial statements for the Company to give effect to the Asset Purchase as if they have taken place as of March 31, 2022 are also available for review on SEDAR in the document "Filing Statement – English".

GLOSSARY OF TERMS

In this annual information form, the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders.

"**$**" means Canadian dollars, unless otherwise noted.

"**611**" means 611890 Alberta Inc. (dba Avila Energy), a company incorporated on May 19, 1994 under the BCAA.

"**AIF**" means this Annual Information Form;

"**Applicable Securities Laws**" means all applicable securities laws, policies, rules, and instruments of the provinces and territories of Canada and adopted by the securities regulators or regulatory authority of such jurisdictions, as such may be amended from time to time.

"**ASC**" means the Alberta Securities Commission;

"**Agreement of Purchase and Sale**" means the definitive agreement dated October 1, 2021 entered into between the Company and 611 for the acquisition of one hundred percent (100%) interests in 53,835 acres (43,935 acres net) of mineral rights, associated wells, pipelines and facilities in the province of Alberta, Canada.

"**Asset Purchase**" means the transaction between the Company and Avila for the acquisition of a non-operating interest of fifty percent (50%) into a producing oil & gas property in the province of Alberta.

"**Asset Purchase Agreement**" means the Asset Purchase Agreement dated September 30, 2019 entered into between the Company and Avila for the acquisition of a non-operating interest of fifty percent (50%) into a producing oil & gas property in the province of Alberta.

"**Audit Committee**" means the Audit Committee of the Company.

"**Avila**" means Avila Exploration & Development Canada Ltd., a company incorporated on March 30, 2009 under the BCAA;

"**Avila Convertible Debenture**" means the secured convertible debenture in the aggregate principal amount of $500,000 bearing an interest rate of 5% per annum due on July 31, 2022 issued by the Company on September 30, 2019, in consideration of the Asset Purchase Agreement to Avila;

"**BCAA**" means the *Business Corporations Act* (Alberta).

"**BCSC**" means the British Columbia Securities Commission;

"**Board**" means the board of directors of the Company.

"**CDE**" means Canadian Development Expense as such term is defined in the Tax Act;

"**CEE**" means Canadian Exploration Expense as such term is defined in the Tax Act;

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**CTO**" means, collectively, the cease trade orders issued by the Alberta Securities Commission and the British Columbia Securities Commission to the Company, respectively on May 6 and May 8, 2015 which were revoked on January 30, 2019.

“**Convertible Share**” means the preferred shares to be issued to 611 convertible into Common Shares in the capital of the Company at a price of $0.80 per share.

“**Common Shares**” or “**Shares**” means the Class A Common Shares, without nominal or par value, in the authorized capital of the Company.

“**Company**” means Avila Energy Corporation, a company incorporated under the *Business Corporations Act* (Alberta) on January 13, 2010, which was previously named “Petro Viking Energy Inc.”;

“**Company’s Financial Statements**” means the audited financial statements for the years ended December 31, 2021, December 31, 2020 and December 31, 2019 and unaudited interim financial statements for the three month period ended March 31, 2022;

“**Consolidation**” means the consolidation of the Shares on the basis of one (1) post-consolidation Share of the Company for two (2) pre-consolidation Shares of the Company on August 25th, 2020.

“**CRCE**” means Canadian Renewable and Conservation Expense as such term is defined in the Tax Act;

“**Escrow Agreement**” means the escrow agreement dated February 24, 2021 between the Company and Computershare Trust Company of Canada.

“**Exchange**” or “**CSE**” means the *Canadian Securities Exchange*.

“**Ferrybank Property**” means a producing oil & gas property located in the Ferrybank area, 30 kilometers Northwest of Ponoka, in the province of Alberta.

“**FT Share**” means a “Flow Through Share” as defined in subsection 66(15) of the Tax Act.

“**Joint Venture**” means the joint-venture with the Joint Venture Partner. pursuant to a joint operating agreement dated December 9, 2019 with an effective date as of January 1st, 2020.

“**Joint Venture Partner**” means Avila.

“**MD&A**” means management’s discussion and analysis.

“**NEO**” or “**Named Executive Officer**” means each of the following individuals:
(a) the Company’s CEO;
(b) the Company’s CFO;
(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; and
(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at that financial year.

“**NEX**” means the NEX board, a separate board of the TSX Venture Exchange.

“**NI 41-101**” means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

“**NI 51-101**” means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*, of the Canadian

Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

"**Oil and Gas Properties**" mean any oil and gas lease or claim located in North America, including a working interest, a mineral interest, a royalty interest or an overriding royalty interest in any such oil and gas lease or claim.

"**Offering Memorandum**" mean the Offering Memorandum dated August 13, 2020, as amended, pursuant to section 2.9 of NI 45-106.

"**OM Offering**" mean the brokered private placement, on a best effort basis, by way of an Offering Memorandum to raise a minimum of $1,000,000 and a maximum of $2,250,000 by an offering of units, Subscription Receipts – A and Subscription Receipts – B.

"**Principals**" means:

(a) a person of the Company who acted as a promoter of the Company within two years before the date of this AIF;

(b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this AIF;

(c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; or

(d) a person or company that: (i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

"**Principal Regulator**" means the Alberta Securities Commission.

"**Proposed Acquisition**" means the asset acquisition between the Company and 611 whereby the Company intends to acquire 100% of 611's interests in 53,835 acres (43,935 acres net) of rights, associated wells, pipelines, and facilities in the province of Alberta, Canada.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com).

"**Shareholders**" means the holders of Shares in the capital of the Company.

"**Statement of Reserves**" means the NI 51-101 compliant Report on Reserve Estimation and Economic Evaluation of certain oil and gas assets of Avila Energy Corporation, effective December 31, 2021 prepared by Deloitte LLP.

"**Stock Option Plan**" means the Company's stock option plan providing for the granting of stock options to the Company's directors, officers, employees, consultants, and advisors.

"**Subscription Receipts - A**" means the subscription receipts convertible into units at a price of $0.15 per unit.

"**Subscription Receipts - B**" means the subscription receipts convertible into FT Shares at a price of $0.20 per FT Share.

"**Summary of Formal Valuation**" means the Summary of Formal Valuation conducted by Hemens Lawritsen Valuation Group Ltd. with respect to Part 6 of MI 61-101.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended time from time to time, and includes the regulations thereunder.

"**Transfer Agent**" means the Company's transfer agent and registrar Computershare Trust Company of Canada at its office located at 800 – 324, 8th Avenue, Calgary, Alberta, T2P 2Z2.

“**TSX-V**” means the TSX Venture Exchange.

CORPORATE STRUCTURE

Name, Address and Incorporation

The full corporate name of the Company is Avila Energy Corporation and the Company has a registered and head office located at 5940 Macleod Trail, Suite 500, Calgary, Alberta, T2H 2G4.

The Company was incorporated on January 13, 2010 pursuant to the provisions of the BCCA under the name New West Energy Inc. The articles were amended on January 25, 2010 to give effect to a name change of the Company to Petro Viking Energy Inc. and further amended on April 7, 2010 to remove the restrictions against share transfers and other restrictions applicable to private issuers. The Company's articles were further amended on December 3, 2021 to give effect to a name change of the Company to Avila Energy Corporation.

Intercorporate Relationships

As of the date hereof, the Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Business of the Company

The Company in 2022 is an emerging Company that commenced generating revenue in April of 2021 and continues to focus on becoming an integrated energy producer. In 2018, the Company focused on the recapitalization and the revocation of its CTOs in advance of its shareholders making further investments in the Company. This activity was done in parallel with a series of acquisitions in 2019 and 2021 that formed the asset foundation of the Company that is anticipated to result in sustainable revenues for the Company and a source of free cash-flow to reinvest in the ongoing development of the business of the Company.

The Proposed Acquisition of 100% of the assets from 611 by the Company through the issuance of equity (Common Shares and Convertible Shares) as announced on June 14 2021 via a news release was part of the Company's decision to economically accelerate the timeline to reach its initial milestone of being the 100% owner and operator of 1,000 boe/d (net) of production including the associated processing facilities and pipelines. This Proposed Acquisition also positions the Company with a material amount of mineral rights and identified resources to have the ability to continue to work towards its next milestones of 2,000 and 3,000 boe/d. The Company's plan is to continue to organically grow while it implements its further plan of becoming an integrated carbon neutral energy producer through the reinvestment of its internally generated free cash-flow.

Currently, the Company owns a fifty percent (50%) non-operating interest in the Ferrybank Property, a producing oil & gas property located in the Ferrybank area, 30 kilometers North West of Ponoka, Alberta with a current NI 51-101 – Standards of Disclosure for Oil and Gas Activities compliant Statement of Reserves consisting of five (5) wells, the particulars of which are described in further details in Part 6 of Schedule "A" – NI 51-101F1 Statement of Reserve Data and Other, excerpts of which are also included hereunder. See below Statement of Reserve Data and Other Oil and Gas Information – Producing and Non-Producing Wells.

Ferrybank Property

The Company entered into a letter of intent with the Joint Venture Partner on March 18, 2019, which was subsequently amended on September 30, 2019, with respect to a contemplated asset acquisition between the Company and the Joint Venture Partner whereby the Company would acquire a non-operating interest of up to 50% in and to the assets comprising the Ferrybank Property, consisting of production, pipelines, facilities and approximately 1,280 acres (net) of Petroleum and Natural Gas mineral and exploitation rights, in consideration of an aggregate payment of five hundred thousand dollars

($500,000) (the “**Ferrybank Purchase Price**”).

On September 30, 2019, the Company entered into an arm’s length Asset Purchase Agreement with the Joint Venture Partner relating to the purchase of the non-operating interest of 50% in and to the assets comprising the Ferrybank Property as further described herein in consideration of the Ferrybank Purchase Price. The assets comprising the Ferrybank Property includes Avila’s entire interest in and to all property, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (as defined in the Asset Purchase Agreement).

Pursuant to the terms of the Asset Purchase Agreement, the Ferrybank Purchase Price was paid by the issuance by the Company of the Avila Convertible Debenture on December 9, 2019, in the aggregate principal amount of $500,000 bearing a compounded interest rate of 5% per annum due on July 31, 2022, at which time the principal amount and any accrued interest is payable subject to prior redemption or conversion. The Avila Convertible Debenture can be converted at the option of the holder into Common Shares, at a conversion price of the lower of $0.50 or 80% of the Major Event Price. The Avila Convertible Debenture is due for payment on July31, 2022 (the “**Maturity Date**”).

The Avila Convertible Debenture is convertible into Common Shares of the Company at $0.25 per share or 80% of the Major Event Price, whichever is less. The Major Event Price is defined as meaning the price per Common share that (i) a Common Share is being issued by the Company before the Maturity Date pursuant to an initial public offering of the Common Shares for listing on a recognized stock exchange; or (ii) Common Shares being issued by the Company pursuant to a financing of no less than $500,000 in proceeds, net of fees and commissions; or (iii) a purchase by a third party of substantially all the assets of the Company by dividing the said purchase price by the number of issued Common Shares on a fully diluted basis (the “**’Major Event Price**”).

In addition, the Company will be responsible to pay any GST payable pursuant to the issuance of the Avila Convertible Debenture, for an amount of up to $5,000. The parties have agreed to allocate the Purchase Price as follows: Petroleum and Natural Gas Rights ($399,999); Tangibles ($100,000); Miscellaneous Interests ($1); and GST ($5,000) for an aggregate consideration of $505,000.

The acquisition of the Ferrybank Property became effective and closed on December 9, 2019, by the issuance of the Avila Convertible Debenture as announced in a press release on February 20, 2020. Following the execution of the Asset Purchase Agreement, the Company applied to have its shares listed on the CSE.

Based on the current and historic performance of the production from the Ferrybank Property (and similar operations in the region) the Company engaged an independent engineer to complete an evaluation of the current assets and the associated prospective mineral rights, which was formalized in a NI 51-101 Report initially prepared by Pristine Energy Ltd. (“**Pristine**”) for the Company for the year ended December 31, 2019 and summarized and disclosed in the NI 51-101F1 (Schedule “A”) and NI 51-101F2 (Schedule “B”) filed on www.sedar.com. Furthermore, the properties were then evaluated for the year ended December 31, 2021 by Deloitte LLP (“**Deloitte**”) and summarized and disclosed in the NI 51-101F1 and NI 51-101F2 filed on www.sedar.com. See “The Ferrybank Property Statement of reserves data and other oil and gas information” below.

Joint Operating Agreement

Concurrently with the closing of the Asset Purchase Agreement on December 9, 2019, the Company and Avila entered into a joint operating agreement for the maintenance and operation of the Oil and Gas Properties co-owned by the Company and Avila whereby Avila was appointed as operator. The Joint Operating Agreement was signed on December 9, 2019, with an effective date as of January 1, 2020. Pursuant to the terms of the Joint Operating Agreement, Avila undertook to operate, explore, develop and maintain the joint Oil and Gas Properties in accordance with the 1990 CAPL operating procedure.

Pursuant to the terms of the Joint Operating Agreement, the parties shall bear all costs and expenses paid or incurred for the ownership, maintenance and operation of the lands described therein, in accordance with a participating interest of 50% for Avila and 50% for the Company.

The Proposed Acquisition

On June 14, 2021, the Company signed a letter of intent (“**LOI**”) to purchase the assets of 100% of 611’s interests in 53,835 acres, 43,935 acres (net) of mineral rights, associated wells, pipelines and facilities for the purchase price of $50,664,000 (the “**Purchase Price**”).

Pursuant to the LOI, the Purchase Price will be paid by the issuance of 44,440,000 Common Shares at $0.60 per Share (the "**Common Share Issuance**") and 30,000,000 Convertible Shares (the "**Convertible Shares**") at a price of $0.80 per Share. The Convertible Shares will have a term of five (5) years and earn accruing annual dividend at a rate of two percent (2%), payable upon conversion. The conversion (the "**Conversion**") of Convertible Shares (at the election of the holder) can only occur after one of three milestones has been achieved: (a) the Company exceeds the production rate of 3,000 boe/d; or (b) the Common Shares trade at a volume weighted average price (VWAP) of more than $1.00 per share for twenty (20) consecutive business days; or (c) the second-year anniversary of the Common Share Issuance. At maturity, upon the fifth anniversary of their issuance, the Convertible Shares shall automatically be converted on a 1:1 basis along with any accrued dividends by the issuance of Common Shares at a price of $0.80 per Share.

Closing is anticipated to occur shortly after the Company has received the final approval of its shareholders anticipated on or before August 31, 2022, a remaining condition of closing of the proposed Acquisition in accordance to MI 61-101 and CSE Policy 8 as the Proposed Acquisition constitutes a fundamental change and subject to the execution of all related applications and approvals necessary as would be customary within the industry in parallel to submission of all necessary applications and approvals including shareholders and the CSE, which includes approval by the shareholders of the plan of arrangement.

Following the closing of the asset acquisition, a finder's fee will be paid by way of the issuance of Common Shares to 2354485 Alberta Ltd. The Company agreed that, subject to approval of the CSE, 2354485 Alberta Ltd. was be entitled to an aggregate finder's fee paid by way of the issuance of 4,222,222 Common Shares (representing five percent (5%) of the value of the asset acquisition between the Company and 611). These finder fee shares will be issued after the closing of the Agreement of Purchase and Sale.

The Proposed Acquisition constituted a related party transaction as Leonard Van Betuw concurrently acts as president and CEO of the Company and 611. As the Proposed Transaction meets Part 5 of MI 61-101, the Company has retained the services of a CBV Valuator, Scott Lawristen of Hemens Lawritsen Valuation Group Ltd. to proceed with a Formal Valuation of the Proposed Acquisition, the Summary of Formal Valuation is attached hereto as Schedule "E". Also, the Company obtained on July 6, 2022 an interim order from the Court of Queen's Bench of Alberta approving, in principle and subject to a final order, the Proposed Acquisition as the Proposed Acquisition constitutes an arrangement pursuant to the BCAA. The interim court order is available for review on SEDAR.

On October 1, 2021, the Company and 611 agreed to the Proposed Acquisition. Pursuant to the completion of the Proposed Acquisition, the majority shareholder of the Company will be Leonard Van Betuw at 17.83% (14,280,000 Common Shares of the Company), current President and CEO of the Company and 611, with the remaining 82.17% of the Voting Common Shares being broadly held of the total issued Common Shares of 80,091,342. Upon the occurrence of the Conversion (assuming the current share issuance of the Company), the holders of the Convertible Shares will hold 40% ownership of the Company's Common Shares, being 32,260,000 Common Shares.

Three Year History

On December 15, 2017, the Company restructured its liabilities where existing secured debentures were consolidated into one secured debenture with an aggregate outstanding amount of $895,080 as at December 31, 2017 expiring on July 31, 2019 and bearing interest of 10% per annum. This debenture was been extended to September 31, 2019. In addition, there were unsecured liabilities owed to related parties in the amount of $50,629, which were satisfied by the issuance of unsecured promissory notes expiring on July 31, 2019 bearing interest at 10% per annum (collectively the "**Prior Debts**").

On January 31, 2019 the Company issued 6,000,000 pre-consolidation common shares (600,000 post-consolidation Common Shares) at $0.05 per share in settlement of the Prior Debts for the aggregate amount of $300,000.

On February 1, 2019, the Company issued unsecured convertible debentures (the "**Convertible Debentures**") in the aggregate principal amount of $300,000 bearing an interest rate of 15% per annum payable semi-annually in cash with principal and interest payable on maturity being two years from the date of issuance, being February 1, 2021. The Convertible Debentures were convertible into units at a conversion price of $0.05 per unit at any time during the term of the Convertible Debentures, each unit being composed of one Common Share and one Common Share purchase warrant exercisable at a price of $0.05 for a period of 60 months. The maturity date of the Convertible Debentures was been extended to April 1, 2021. Thereafter, all the Convertible Debentures were converted prior to maturity date.

On April 25, 2019, the Company consolidated its issued and outstanding Common Shares on a ten pre-consolidation Common Shares for one post-consolidated Common Shares (10:1) basis following shareholders' approval at the Annual General Meeting held on April 8, 2019.

In June 2019, the Company issued 9,573,661 Common Shares at $0.05 per Common Share for partial settlement of a debenture dated December 2017 (the "**2017 Debenture**") and full conversion of unsecured two promissory notes.

Both promissory notes (dated December 15, 2017), bore an interest at a rate of 10% per annum, compounded monthly and had a maturity date of July 31, 2019. The first promissory note was in the amount of $10,125.00 made to the favour of an individual and the second promissory note (in the amount of $40,504.75) was made to the favour of LNG Management Services Ltd., a company controlled by Lars Glimhagen, CFO of the Company.

In August 2019, the Company issued 250,000 Shares at $0.05 per Share in partial settlement of the 2017 Debenture.

In September 2019, the Company issued 1,500,000 Shares at $0.10 per Share for a further partial settlement of the 2017 Debenture.

On September 30, 2019, the Company issued 1,980,472 Shares at $0.10 per Share for full settlement of the 2017 Debenture. On that date, the Company also issued 525,000 Shares at $0.15 per Share for the settlement of accrued management fees Twilight Capital Inc.

In November 2019, the Company issued 150,000 Shares at $0.15 per Share for the settlement of accrued management fees. In addition, the Company issued 150,000 Shares at $0.10 per Share for consulting services. In November 2019, 500,000 Shares were cancelled at $0.05 per Share and were reissued at the same price in December 2019.

On December 9, 2019, the Company issued the Avila Convertible Debenture pursuant to the terms and conditions of the Asset Purchase Agreement. See "**Business of the Company**" above for more details.

On January 3, 2020 the Company issued 166,667 Common Shares of the Company at $0.15 per Share for net proceeds of $25,000.

On July 23, 2020, the Company completed a non-brokered private placement for 400 units for gross proceeds of $400,000; each unit being composed of a $1,000 unsecured convertible debenture and one Common Share purchase warrant, each warrant being exercisable by the holder to acquire 10,000 Common Shares a price of $0.125 per Common Share for a period of 36 months after issuance.

On August 4, 2020, the Company held its Annual General and Special Shareholders Meeting where the shareholders approved the consolidation of the Company's issued and outstanding shares and the Asset Purchase Agreement between the Company and Avila.

On August 13, 2020, the Company initiated a brokered private placement by way of an offering memorandum for aggregate gross proceeds of a minimum of $1,000,000 and a maximum $2,250,000 by the issuance of a combination of units, Subscription Receipts – A and Subscription Receipts – B.

On August 25, 2020, the Company consolidated its issued and outstanding Common Shares on a two pre-consolidation Common Shares for one post-consolidation Common Share (2:1) basis. Following the consolidation, the total issued and outstanding Common Shares was approximately 8,960,958 as at August 25, 2020. Each unit consisted of one (1) Common Share at a price of $0.15 per share and a one-half (½) of one Common Share purchase warrant, each full warrant entitling the holder thereof to purchase one (1) additional Common Share of the Company at a price of $0.20 per share for a period of twenty-four (24) months from the date of issuance. Subscription Receipts – A were offered at a price of $0.15 each and convertible into units and Subscription Receipts – B were offered at a price of $0.20 each and convertible into FT Shares.

On August 17, 2020, the Company announced that it has appointed Leede Jones Gable to act as lead agent to raise, by way of a private placement on a best efforts basis, gross proceeds of up to $2,250,000 under the OM Offering.

On November 5, 2020, the Company closed the OM Offering and issued 1,916,666 units, 3,833,333 Subscription Receipts – A and 1,802,500 Subscription Receipts - B for aggregate gross proceeds of $1,223,000, including $287,500 of readily available funds and $935,500 to be held in escrow pursuant to a subscription receipt agreement.

On November 11, 2020, the Company initiated a non-brokered private placement, to raise gross proceeds of up to $1,223,375 by an offering of 2,822,500 Common Shares at a price of $0.15 per Common Share and 4,000,000 FT Shares at a price of $0.20 per FT Share.

On December 15, 2020, the Company issued 350,000 Common Shares at a price of $0.15 per Common Share for gross proceeds of $52,500 and 125,000 FT Shares at a price of $0.20 per FT Share for gross proceeds of $25,000 pursuant to the non-brokered private placement offering initiated on November 11, 2020. The Company paid a finder's fee equal to $6,200 to a broker representing a commission of 8% on the aggregate subscription amount of $77,500. Also, 200,000 stock options were granted to an individual, each stock option being exercisable at a price of $0.20 per stock option for a period of two years from the time the Common Shares of the Company are listed on the CSE.

On December 21, 2020, the Company issued 333,334 Common Shares at a price of $0.15 per Common Share, for gross proceeds of $50,000.

On December 23, 2020, the Company issued 333,333 Common Shares at a price of $0.15 per Common Share for gross proceeds of $50,000 and 175,000 FT Shares at a price of $0.20 per FT Share for gross proceeds of $35,000 pursuant to a non-brokered private placement offering initiated on November 11, 2020.

On January 18, 2021, the Company issued 1,867,000 Common Shares at a price of $0.15 per Common Share for gross proceeds of $280,050 and 500,000 FT Shares at a price of $0.20 per FT Share for gross proceeds of $100,000 pursuant to the aforesaid non-brokered private placement offering initiated on November 11, 2020 (the "**2020 Offering**").

On February 2, 2021, the Company issued 670,000 Common Shares at a price of $0.30 per Common Share for gross proceeds of $201,000 and 412,500 Common Share purchase warrants, each full warrant entitling the holder thereof to purchase one additional Common Share of the Company at a price of $0.40 per Share prior to June 1, 2023 in connection with a consulting agreement with Intuitive Pty Ltd. dated June 1, 2020.

On February 10, 2021, the Company issued 660,001 Common Shares at a price of $0.15 per Common Share for gross proceeds of $99,000 pursuant to the 2020 Offering.

On March 9, 2021, the Company exchanged the subscription receipts in the amount of $935,500 from the 2020 Offering as the conditions for the shares being released was met by the completed listing of the Company on the CSE on March 5, 2021. As a result of this exchange, the Company issued 3,833,333 Common Shares at a price of $0.15 of the Company and 1,802,500 FT Shares at a price of $0.20 per Common Share.

On March 31, 2021, the Company issued 988,406 Common Shares for debt settlements. Of these Shares, 100,000 Shares were issued at $0.10, 793,062 Shares were issued at $0.05 per Share and 95,344 Shares were issued at $0.025 per Share. Each of the Shares were priced in accordance with the conversion price as determined by each debt instrument.

On May 21, 2021, the Company issued 1,753,333 Common Shares at $0.25 for gross proceeds of $438,333.

On June 14, 2021, the Company issued 73,698 Common Shares at $0.18 per share for conversion of outstanding debenture interest payments respecting the 2017 Debenture pursuant to the terms thereof which entitled the holder of a debenture to convert outstanding interest at a price equivalent to the ten-day weighted volume average trading price at the date of conversion.

On June 17, 2021, the Company issued 24,000 Common Shares at $0.15 for the conversion of broker warrants pursuant to an issued broker warrant certificate to purchase Common Shares of the Company.

On June 23, 2021, the Company issued 103,000 Common Shares at $0.15 for the conversion of broker warrants pursuant to an issued broker warrant certificate to purchase Common Shares of the Company.

On June 28, 2021, the Company issued 51,050 Common Shares at $0.15 for the conversion of broker warrants pursuant to an issued broker warrant certificate to purchase Common Shares of the Company.

On July 7, 2021, the Company issued 150,000 Common Shares at $0.25 for the exercise of warrants pursuant to an issued broker warrant certificate to purchase Common Shares of the Company.

On July 15, 2021, the Company issued 45,150 Common Shares at $0.15 for the exercise of broker warrants pursuant to an issued broker warrant certificate to purchase Common Shares of the Company.

On August 19, 2021, the Company issued 100,000 Common Shares at a price of $0.15 for the exercise of broker warrants pursuant to an issued broker warrant certificate to purchase Common Shares of the Company.

On September 9, 2021, the Company's Common Shares were halted from trading due to the determination of the ASC and the Exchange that the Proposed Acquisition constituted a fundamental change for the Company. Trading in the Common Shares was halted pending receipt and review of acceptable documentation regarding the Proposed Acquisition pursuant to CSE Policy 8. This regulatory halt was imposed by Investment Industry Regulatory Organization of Canada, the Market Regulator of the CSE,

On September 21, 2021, the Company closed a private placement and issued 10,200,000 units from its share capital at $0.25 per unit for gross proceeds of $2,550,000. Each unit being comprised of one (1) Common Share and one-half (1/2) Common Share purchase warrant, each full warrant entitling the holder thereof to purchase one (1) additional Common Share at a price of $0.35 for a period of twenty-four (24) months from the date of issuance. In connection with this private placement, the Company paid finder's fees in the amount of $151,580 and issued 368,800 compensation warrants, each compensation warrant being exercisable to obtain one Common Share of the Company at $0.35 per Common Share until September 13, 2023.

On October 1, 2021, the Company issued 500,000 Common Shares at the request of a debenture holder through a conversion of an unsecured convertible debenture at a conversion price of $0.10 per Common Share in accordance with the terms of this unsecured convertible debenture.

On November 12, 2021, the Company issued 260,480 Common Shares at the request of a debenture holder through a conversion of an unsecured convertible debenture at a conversion price of $0.10 per Common Share in accordance with the terms of this unsecured convertible debenture.

On April 8, 2022 the Company filed a price reservation for the issuance of up to 5,000 debenture units (the "**2022 Debenture**") of the Company (being a total of $5,000,000 in principal), each unit being composed of a principal amount of $1,000 bearing interest at4% per annum, compounded annually, due on April 1, 2025 and convertible into Common Shares at $0.50 per share only if the entirety of the principal and accrued interest is converted (the "**2022 Conversion**"). Further, upon the occurrence of the 2022 Conversion, the holder will receive an issuance of Common Share purchase warrants by the Company entitling the holder to purchase one Common Share per each Common Share received on the conversion at a price of $0.75 for a period of two years following the date of the 2022 Conversion. An initial closing of the partially brokered private placement of the 2022 Debenture in excess of $2,512,000 was completed on May 11, 2022, with the final closing of the 2022 Debenture being completed on July 5, 2022, for gross proceeds of the 2022 Debenture of $5,000,230.

Significant Acquisitions

The Company has not completed any significant acquisitions in the most recently completed financial year and three months following being ended on March 31, 2022.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of Oil and Gas Properties. Upon completion of the Proposed Acquisition, the Company will continue to be a producer, explorer and developer of energy in Canada, focused on becoming an integrated energy producer. 611 is a privately owned corporation which operates as an explorer, developer, and producer of energy.

On June 14, 2021, the Company signed a letter of intent for the Proposed Acquisition. The completion of the Proposed Acquisition constitutes a Fundamental Change as such term is defined in Policy 8 of the CSE Policies.

The Proposed Acquisition (announced on June 14, 2021 via a news release and conditionally approved on November 24, 2021 by the CSE) was independently evaluated by Deloitte LLP in December of 2021. This evaluation determined that the Proposed Acquisition was valued on a 10% discounted Net Present Value at $26,900,000, which was confirmed to be the fair market value of the Proposed Acquisition by an independent certified business evaluator, Hemens Lawritsen Valuation Group Ltd., in April of 2022.

Principal Products or Services

As described herein, the Company is currently focusing on explorations of its Oil and Gas Properties. The Company commenced production, initially with the sale of natural gas and liquids in March 2021. There is a global market for oil and gas derived products and the Company is not be dependent on a particular purchaser with regard to the sale of any product produced. The Company, upon the completion of the Proposed Acquisition, will continue to focus on the production, development and exploration of its Oil and Gas Properties.

Production and Services

The Company is focused on the use of proven techniques and methods of production. The Company operates as a team that fully embraces the development of its integrated business model with a mission to become a carbon neutral energy producer. In order to do so, novel methods utilizing proven techniques within the sector will be applied; the Company's continuing success being based on its employee's capabilities complemented by cash flow from its assets, supplemented with anticipated additional equity being readily available to advance its business plan.

The Company's business plan is designed to minimize its economic dependence to any one company. Regardless, from time to the time, the Company will carry on business with more than one supplier to minimize its dependency on any one product or service. Currently the Company's business is not substantially dependent on any one contract to sell a major part of the Company's products or services or to purchase a major part of another company's requirements for goods, services or raw materials, or any franchise or license or other agreement to use a patent, formula, trade secret, process or trade name upon which another company's business depends.

Currently the Company relies on insurance to minimize the financial and operational effects of environmental incidents on the capital expenditures, profit or loss and competitive position of the Company in the current financial year and the expected effect in future years. At this time, there are no known material or pending incidents at the Company that would have an effect on the Company's financial performance.

The Company at year-end 2021 had three (3) employees and/or contractors that are part of the daily operations. Upon closing of the Proposed Acquisition, this complement will increase to twelve (12) individuals. The number of employees of the Company is anticipated to increase to sixteen (16) individuals in 2022 and expanding to sixteen (16) individuals in 2023.

The Company has current associated management systems either in place or being implemented which are known to the employees of the Company and known within the energy sector to result in high level of productivity, which is anticipated to provide the Company with the best opportunity to manage the inherent risks to the business and profitability of any company conducting business within the energy sector.

Competitive Conditions

The oil and natural gas industry is highly competitive. The Company encounters competition from other independent operators and from major oil companies in: (i) acquiring oil and natural gas properties suitable for exploration, development and production; (ii) contracting for drilling equipment; securing trained personnel; (iii) obtaining transportation access to storage, refining and production infrastructure, and (iv) for capital to finance such activities. Many of these competitors have financial resources and personnel resources available to them that are substantially larger than that of the Company.

The Company may be unable to realize any value associated with its Oil and Gas Properties and may be unable to acquire additional properties on terms it considers acceptable. There can be no assurances that the Company's activities will yield commercially viable results. See "**Risk Factors**".

Industry Overview

The oil and gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements, all of which should be carefully considered by investors in the oil and gas industry. All current legislation is a matter of public record; the Company is unable to predict any additional legislation or amendments that may be enacted.

Lending and Investment Policies and Restrictions

This section is not applicable to the Company.

Bankruptcy and Receivership

The Company (which has no subsidiaries) has not been the subject of any bankruptcy, receivership, or similar proceedings within the three most recently completed financial years and three months ended March 31, 2022.

Reorganizations

The Company at the date of this AIF is completing the Proposed Acquisition. See above "**Overview**" and the "**The Proposed Acquisition**" for more details.

Material Restructuring Transaction

The Company has not been subject to any material restructuring transactions within the three most recently completed financial years and three months ended March 31, 2022.

Social or Environmental Policies

The Company has not implemented any formal social or environmental policies. The Company intends to comply with all environmental laws and regulations applicable to its mineral operations and development activities.

Risk Factors

The following are certain factors relating to the business of the Company, which factors investors should carefully consider when making an investment decision concerning the acquisition of the Common Shares. These risks and uncertainties are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company (or that the Company currently deems immaterial), may also impair the operations of the Company.

If any one or more of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed. Further, if the Company fails to meet the expectations of the public market in any given period, the market price of the Common Shares could decline. An investment in the Common Shares should only be made by persons who can afford a significant, or total, loss of their investment.

The risks discussed below also include forward-looking statements and actual results may differ substantially from those discussed in these forward-looking statements. See "*Note Regarding Forward Looking Statements*" in this AIF.

Risk related to the operations of the Company

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. Any future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that further commercial quantities of oil and natural gas will be discovered or acquired by the Company. The Company's principle risks include finding and developing economic hydrocarbon reserves efficiently and being able to fund the capital program.

Limited Operating History

The Company's operations are subject to all of the risks inherent in the exploration, acquisition and development of gas and oil properties, including a limited prior operating history. The Company is in an early commercial and continuing development phase of its operations. An investor must assess the impact of the limited business history of the Company. The Company is not producing net income and the Company may not be able to be able to fully execute its business plan for any number of reasons, including without limitation, as described herein. The extent of future losses and the time required to achieve profitability is uncertain. There can be no assurance that the Company will achieve profitability or that profitability, if achieved, will be sustained.

There is no assurance that the Company will be successful in achieving a return on a shareholder's investment and the likelihood of success must be considered in light of the Company's early stage of operations. To date, the Company has not paid any dividends on the issued Common Shares. Any decision to pay dividends on the Common Shares of the Company will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions. The Company has no intention of paying any dividends in the foreseeable future.

Operational Risk

The business of exploring for oil and gas involves a high degree of risk. Substantial expenditures are required in order to establish such reserves through drilling, and to develop production, gathering or processing facilities and infrastructure at any site chosen for oil or gas production. Although substantial benefits may be derived from the discovery of major oil or gas reserves, no assurance can be given that oil or gas will be discovered in sufficient quantities to justify commercial operations or that such operators will be able to obtain the funds required to develop the property on a timely basis or at all. Also, oil and gas wells on producing properties are at risk of disruption or exhaustion. When investing in any Oil and Gas Property, the Company may not know if the property contains commercial quantities of oil or gas or if its production will be sustainable.

The economics of developing and operating Oil and Gas Properties is affected by many factors, including the cost of operations, variations in the grade of oil or gas obtained, fluctuations in the prices and demand for oil and gas, costs of processing equipment and such other factors as aboriginal land claims and government regulations, including regulations relating to royalties, allowable production, importing and exporting and environmental protection. There is no certainty that any development expenditures made by an operator of any Oil and Gas Property will result in discoveries of commercial quantities of oil and gas.

Reserve Estimates and Reserve Replacement

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and cash flows to be derived therefrom, including many factors beyond the Company's control. Reserves and associated cash flow information once complied will represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, any estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, if any, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

The Company's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on the Company successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves the Company may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on the Company's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that the Company's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Insurance

The Company's involvement in the exploration for and development of oil and gas properties may result in the Company becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event for which the Company is not fully insured, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

Title to Assets

Although the Company has reviewed and is satisfied with title for any properties in which it has a material interest, the Company has not obtained title reports on any of its properties and there is no guarantee that title to such properties will not be challenged or impugned. While title reviews will generally be conducted prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the Company's claim which could result in a reduction of the revenue received by the Company.

No Assurance of Title or Boundaries

To the best knowledge of the Company, all titles and leases pertaining to its Oil and Gas Properties are in good standing. While an operator of an Oil and Gas Property may have registered its oil and gas interests with the appropriate authorities and filed all pertinent information according to industry standards, this cannot be construed as a guarantee of title. In addition, an operator's Oil and Gas Properties may consist of recorded oil and gas leases or licenses which have not been legally surveyed, and therefore, the precise boundaries and locations of such claims or leases may be doubtful or challengeable. Oil and Gas Properties may also be subject to prior unregistered agreements or transfers or native land claims, and an operator's title may be affected by these and other undetected defects.

Permits and Licenses

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

Additional Capital and Refinancing Risk

The Company may require additional capital for growth and commercial development, which may include public or private equity, debt financing or funds from other sources. Continued uncertainty in domestic and international credit markets could materially affect the Company's ability to access sufficient capital for its capital expenditures and acquisitions and, as a result, may have a material adverse effect on the Company's ability to execute its business strategy and on its financial condition. There can be no assurance that financing will be available or sufficient to meet these requirements or for other corporate purposes or, if financing is available, that it will be on terms appropriate and acceptable to the Company. Any issuance of additional securities may also result in dilution to existing shareholders of the Company.

Dilution

Common Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Common Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Board may determine. In addition, the Company may issue additional Common Shares from time to time pursuant to Common Share purchase warrants and the options to purchase Common Shares issued from time to time by the Board. The issuance of these Common Shares could result in dilution to existing shareholders.

Government and Environmental Regulations

The Company is subject to complex and evolving laws and regulations regarding governmental regulations and environmental protection, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

Operators of Oil and Gas Property are subject to government legislation, policies and controls relating to prospecting, land use, trade, environmental protection, taxation, rates of exchange, returns of capital and labour relations. An operator's Oil and Gas Property interests may be affected to varying degrees by the extent of political and economic stability in the jurisdiction of such properties and by changes in regulations or shifts in political or economic conditions beyond the control of the operator. Such factors may adversely affect the operator's business and/or its holdings of Oil and Gas Property.

The operations of an Oil and Gas Property operator may be subject to environmental regulations enacted by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain oil and gas operations that could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties on the operator. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which has led to stricter standards, enforcement and greater fines and penalties for noncompliance.

The costs of compliance with government regulations may reduce the profitability of an operator's operations and, consequently, reduce the profitability of the interests of Company. In addition, under various environmental legislation, the Company could become liable for the costs of removal or remediation of certain hazardous or toxic substances that may be released on, or in, one or more of the Oil and Gas Properties.

Competition

The business of development and production of oil and gas is highly competitive. Other oil and gas companies, including large and/or foreign-owned companies, will compete with the Company and should be viewed as an ongoing threat to the success of the Company's business. As prices of oil and gas on the commodities markets rise, it is expected that this competition will become increasingly intense. Additionally, other companies engaged the exploration and production of oil and gas may have significantly greater resources and better competitive positions in certain markets and may compete with the Company from time to time in obtaining capital from investors and lenders.

Oil and Gas Properties, by their very nature, have limited production time. As a result, the Company may seek to alter and expand its operations through the acquisition of new interests. However, the available supply of desirable Oil and Gas

Properties is limited in North America. The major oil and gas companies are often better positioned to obtain the rights for any Oil and Gas Properties for which the Company may compete. Oil and natural gas development activities are dependent on the availability of drilling and related equipment, transportation, power and technical support in particular areas and operators of any Oil and Gas Properties in which the Company may invest have limited access to these facilities. Shortages and/or the unavailability of necessary equipment or other facilities will impair the activities of such operators, increase their costs and reduce the value of any investment by the Company.

Lack of Operating Cash Flow

The Company's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations. If the Company sustains losses over an extended period of time, it may be unable to continue its business. Further exploration and development of the Ferrybank Property will require the commitment of substantial financial resources. It may be several years before the Company will generate any revenues from operations, if at all. There can be no assurance that the Company will realize revenue or achieve profitability.

Volatility of Oil and Gas Prices

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of the Company's oil and gas reserves. The Company might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Company's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Company are in part determined by the borrowing base of the Company. A sustained material decline in prices from historical average prices could limit or reduce the Company's borrowing base, thereby reducing the bank credit available to the Company, and could require that a portion of any existing bank debt of the Company be repaid.

In addition to establishing markets for its oil and natural gas, the Company must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. The Company will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by the Company. The ability of the Company to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. The Company will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. The Company has limited direct experience in the marketing of oil and natural gas.

Availability of Equipment and Access Restriction

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

Acquiring Additional Properties and Associated Risks

If appropriate opportunities present themselves, the Company may acquire other Oil and Gas Properties and/or companies. The Company currently has no understandings, commitments or agreements with respect to any other material acquisition and no other material acquisition is currently being pursued. There can be no assurance that the Company will be able to identify, negotiate or finance future acquisitions successfully, or to integrate such acquisitions with its current business. The process of integrating an acquired company or Oil and Gas Properties into the Company may result in unforeseen operating difficulties and expenditures and may absorb significant management attention that would otherwise be available for ongoing development of the Company's business. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt, contingent liabilities and/or amortization expenses related to goodwill and other intangible assets, which could materially adversely affect the Company's business, results of operations and financial condition.

Executive Employee Recruitment and Retention

The success of the Company will be dependent upon the performance of its management and key employees. The loss of any key executive or manager of the Company may have an adverse effect on the future of the Company's business. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, it will require additional key financial, administrative, geologic and mining personnel as well as additional operations staff. There is no assurance that it will be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on its future cash flows, earnings, results of operations and financial condition.

Adverse General Economic Conditions

General economic conditions, both domestic and foreign, and sources and availability of financing have an impact on the Company's business, results of operations, financial condition and prospects. The markets in which the Company operates experience weak economic conditions that may negatively affect the Company's performance.

The marketability of any oil and gas that may be produced on an Oil and Gas Property may be affected by numerous factors such as market fluctuations in the price of oil and gas, the proximity and capacity of oil and gas markets and processing equipment, the availability of labour and related infrastructures, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, the importing and exporting of materials and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return on its investment, if any or have a material adverse effect on the Company's financial condition or results of operations.

Claims and Legal Proceedings

The Company may be subject to claims or legal proceedings covering a wide range of matters that arise in the ordinary course of business activities, including relating to former employees. These matters may give rise to legal uncertainties or have unfavourable results. The Company may carry liability insurance coverage and mitigate risks that can be reasonably estimated; however, there is a risk that insurance may not be adequate to cover all possible risks arising from the Company's operations. Such matters can be time consuming, divert management's attention and resources and/or cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, the results of any such actions may have a material adverse effect on the Company's business, operating results and/or financial condition.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including oil and gas companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The BCAA provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCAA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCAA. To the proposed management of the Company's knowledge, as at the date hereof there are no existing or potential material conflicts of interest between the Company and a proposed director or officer of the Company except as otherwise disclosed herein.

Force Majeure and COVID-19

The Company may be adversely affected by risks outside of its control, including the price of commodities on world markets, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions. The Company also faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions following the coronavirus disease (COVID-19) outbreak in December 2019 in China, which was declared a pandemic by the World Health Organization on March 11, 2020 after the spreading of the disease to other countries, including Canada and the United States.

The extent to which the coronavirus (and other variants thereof) impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. There are potentially significant economic and social impacts of infectious disease risks, including the inability of the Company's operations to operate as intended due to a shortage of skilled employees, shortages or disruptions in supply chains, inability of employees to access sufficient healthcare, significant social upheavals and government or regulatory actions.

The actual and threatened spread of COVID-19 (and other variants thereof) globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of the Company's profitability and financial condition. The extent to which COVID-19 (and other variants thereof, or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 (and other variants thereof) and the actions required to contain or treat its impact, among others.

Additional Securityholder Risk

There is no risk that shareholders of the Company may become liable to make an additional contribution beyond the price they paid to purchase or acquire the Common Shares.

Companies with Asset-backed Securities Outstanding

The Company does not have any asset-backed securities.

Companies with Oil and Gas Activities

The Ferrybank Property - Statement of reserves data and other oil and gas information

The statement of reserves data and other oil and gas information set forth below is dated April 27, 2022, with the effective date thereof being December 31, 2021. All the Company's reserves herein reported were evaluated by Deloitte, LLP, an independent qualified reserves evaluator, in accordance with NI 51-101 for the fiscal year ended December 31, 2021.

The reserves estimation and economic evaluation set forth below (prepared by Deloitte LLP. with an effective date of December 31, 2021, and a preparation date of March 11, 2022) summarizes the oil, liquids and natural gas reserves of the Company and the net present values of future net revenue for these reserves using forecast prices and costs. The Statement of Reserves conforms to the requirements of NI 51-101 Standards of Disclosure for Oil and Gas Activities.

The Statement of Reserves Data and Other Oil and Gas Information in Form 51-101F1 and the Report on Reserves Data by Independent Qualified Reserves Evaluator in Form 51-101F2, are attached as schedules “A” and “B”, respectively, to this Circular. The Report of Management and Directors on Reserves Data and Other information in Form 51-101F3 is attached as Schedule “C”.

All figures and tables from the reports are reproduced and form part of this AIF; a complete copy of the reports is available for review, in colour, on SEDAR at the following website: www.sedar.com.

Statement of Reserve Data and Other Oil and Gas Information

Relevant Dates

The effective date of the information being provided in this statement is December 31, 2021. The report date of the information being provided in this statement is March 11, 2022. For a glossary of terminology and definitions relating to the information included in this report, readers are referred to NI 51-101 – Standards for Disclosure for Oil and Gas Activities.

Reserves and Future Net Revenue

The following is a summary of the oil and natural gas reserves and the net present values of future net revenue of the Company as evaluated by Deloitte LLP of Calgary Alberta Report dated March 11, 2022 (the "**Deloitte Report**"). Deloitte LLP. are the independent qualified reserves evaluators appointed by the Company pursuant to NI 51-101. Deloitte independently evaluated all the Company's Oil and Gas Properties.

The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and costs assumptions contained in the Deloitte Report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the Deloitte Report. The recovery and reserves estimate attributed to the Company's properties described herein are estimates only. The actual reserves attributable to the Company's properties may be greater or less than those calculated.

Disclosure of Reserve Data

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by the Company for each of the product types within which the Company has interests for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. Due to rounding, certain columns may not add exactly. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to the Company of funding required for that development.

The following tables provide a breakdown of various elements of future net revenue (undiscounted) attributable to proved reserves and proved plus probable (in total) of the Company estimated using forecast prices and costs and calculated without discount:

TABLE 1

Avila Energy Corp.

Total Reserves and NPV - Before Tax

Prices in Deloitte December 31, 2021 Forecast Pricing as of January 1, 2022

Canada

	Remaining Reserves			Net Revenue NPV (M$C)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved Developed Producing									
Gas (MMcf)	604.2	-	515.1	1,878.4	1,406.2	1,219.7	1,120.9	934.1	803.9
Propane (Mbbl)	5.6	-	4.7	143.6	108.0	93.9	86.5	72.5	62.7
Butane (Mbbl)	3.5	-	2.9	124.0	93.0	80.8	74.4	62.2	53.7
Pentane Plus (Mbbl)	1.8	-	1.5	116.1	86.5	74.8	68.6	57.0	48.9
Total				2,262.1	1,693.7	1,469.3	1,350.4	1,125.8	969.2
				Before Tax Cash Flow NPV (1) (M$C)					
				623.5	539.8	497.1	471.9	419.0	377.7
				Net Revenue NPV (M$C)					
Proved Developed Non-Producing									
Gas (MMcf)	480.9	-	377.4	1,398.2	1,014.2	864.1	785.6	640.0	541.9
Propane (Mbbl)	4.5	-	3.5	109.7	80.5	69.1	63.1	52.0	44.5
Butane (Mbbl)	2.8	-	2.2	94.7	69.3	59.3	54.1	44.5	37.9
Pentane Plus (Mbbl)	1.4	-	1.1	90.0	65.4	55.8	50.8	41.4	35.1
Total				1,692.6	1,229.4	1,048.4	953.6	778.0	659.4
				Before Tax Cash Flow NPV (1) (M$C)					
				493.3	392.7	344.7	317.0	260.2	217.0
				Net Revenue NPV (M$C)					
Proved Undeveloped									
Gas (MMcf)	2,483.5	-	2,116.0	7,897.2	5,704.0	4,923.9	4,528.6	3,811.3	3,328.6
Propane (Mbbl)	23.1	-	18.7	599.6	438.4	381.1	352.0	299.2	263.7
Butane (Mbbl)	14.4	-	12.0	533.0	388.4	336.9	310.8	263.3	231.3
Pentane Plus (Mbbl)	7.5	-	6.2	496.5	359.3	310.4	285.5	240.4	210.0
Total				9,526.4	6,890.1	5,952.2	5,476.9	4,614.3	4,033.7
				Before Tax Cash Flow NPV (1) (M$C)					
				3,106.1	2,251.6	1,886.3	1,686.9	1,299.3	1,020.1
				Net Revenue NPV (M$C)					
Total Proved									
Gas (MMcf)	3,568.6	-	3,008.5	11,173.8	8,124.4	7,007.7	6,435.0	5,385.5	4,674.4
Propane (Mbbl)	33.2	-	26.9	852.9	626.9	544.1	501.7	423.8	370.9
Butane (Mbbl)	20.7	-	17.1	751.7	550.7	477.1	439.3	370.0	323.0
Pentane Plus (Mbbl)	10.7	-	8.8	702.7	511.2	441.0	404.9	338.8	294.0
Total				13,481.0	9,813.2	8,469.8	7,780.9	6,518.0	5,662.3
				Before Tax Cash Flow NPV (1) (M$C)					
				4,222.9	3,184.0	2,728.0	2,475.8	1,978.5	1,614.8
				Net Revenue NPV (M$C)					
Total Probable									
Heavy Oil (Mbbl)	33.1	-	31.4	2,022.0	1,654.7	1,492.1	1,400.8	1,216.8	1,078.1
Gas (MMcf)	1,099.4	-	935.1	3,988.0	2,144.3	1,640.4	1,418.0	1,070.9	876.6
Propane (Mbbl)	10.7	-	8.6	305.8	168.1	130.1	113.3	86.7	71.8
Butane (Mbbl)	6.8	-	5.7	276.7	153.0	118.6	103.2	78.9	65.1
Pentane Plus (Mbbl)	3.6	-	3.0	269.2	150.5	117.0	101.9	77.7	63.7
Sulphur (MLT)	0.0	-	0.0	0.6	0.5	0.4	0.4	0.3	0.2
Total				6,862.2	4,271.1	3,498.6	3,137.5	2,531.5	2,155.5
				Before Tax Cash Flow NPV (1) (M$C)					
				2,609.7	1,793.4	1,484.6	1,325.8	1,035.5	840.0
				Net Revenue NPV (M$C)					
Total Proved + Probable									
Heavy Oil (Mbbl)	33.1	-	31.4	2,022.0	1,654.7	1,492.1	1,400.8	1,216.8	1,078.1
Gas (MMcf)	4,667.9	-	3,943.5	15,161.7	10,268.7	8,648.1	7,853.0	6,456.4	5,550.9
Propane (Mbbl)	43.9	-	35.5	1,158.7	795.0	674.2	614.9	510.5	442.7
Butane (Mbbl)	27.5	-	22.8	1,028.4	703.7	595.7	542.5	448.9	388.1
Pentane Plus (Mbbl)	14.4	-	11.8	971.8	661.7	557.9	506.8	416.5	357.7
Sulphur (MLT)	0.0	-	0.0	0.6	0.5	0.4	0.4	0.3	0.2
Total				20,343.3	14,084.4	11,968.5	10,918.4	9,049.5	7,817.8
				Before Tax Cash Flow NPV (1) (M$C)					
				6,832.5	4,977.4	4,212.7	3,801.6	3,014.0	2,454.8

	Remaining Equivalent Reserves (2) (MBOE)			Before Tax Cash Flow NPV/WI BOE ($C/BOE)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved									
Proved Developed Producing	111.6	-	94.9	5.6	4.8	4.5	4.2	3.8	3.4
Proved Developed Non-Producing	88.9	-	69.7	5.6	4.4	3.9	3.6	2.9	2.4
Proved Undeveloped	458.9	-	389.6	6.8	4.9	4.1	3.7	2.8	2.2
Total Proved	659.4	-	554.2	6.4	4.8	4.1	3.8	3.0	2.4
Total Probable	237.4	-	204.6	11.0	7.6	6.3	5.6	4.4	3.5
Total Proved + Probable	896.7	-	758.8	7.6	5.6	4.7	4.2	3.4	2.7

(1) Before Tax Cash Flow NPV is not available per product.
(2) Oil Equivalent based on 6:1 Mcf/bbl Gas, 1:1 bbl/bbl Liquids.

Avila Energy Corp.
NI 51-101 FORECAST CASE
TOTAL FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

CATEGORY	Revenue* M$	Royalties M$	Operating Costs M$	Investment Costs M$	Well Abandonment Costs M$	Future Net Revenue Before Income Taxes M$	Income Taxes M$	Future Net Revenue After Income Taxes M$
Proved Developed Producing	2,656.0	393.9	1,475.8	0.0	162.9	623.5	0.0	623.5
Proved Developed Non-Producing	2,141.7	449.1	1,054.4	125.0	19.9	493.3	0.0	493.3
Proved Undeveloped	11,283.1	1,756.8	4,735.1	1,462.5	222.7	3,106.1	0.0	3,106.1
Proved	16,080.8	2,599.8	7,265.2	1,587.5	405.4	4,222.9	0.0	4,222.9
Probable	7,827.6	965.3	3,370.0	750.0	132.6	2,609.7	0.0	2,609.7
Proved Plus Probable	23,908.4	3,565.1	10,635.2	2,337.5	538.0	6,832.5	0.0	6,832.5

* Revenue includes product revenue and other income from facilities, wells and corporate if specified.

Avila Energy Corp.
NI 51-101 FORECAST CASE
FUTURE NET REVENUE BY PRODUCTION TYPE
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

	FUTURE NET REVENUE BEFORE INCOME TAXES* 10% M$	UNIT VALUE Primary Product Only
TOTAL PROVED		
Conventional Natural Gas	2,475.8	0.82 $/Mcf
Total	2,475.8	4.94 $/BOE
TOTAL PROVED + PROBABLE		
Conventional Natural Gas	3,436.5	0.88 $/Mcf
Heavy Crude Oil	365.1	11.63 $/bbl
Total	3,801.6	5.56 $/BOE

*Primary product type and all associated by-products are included

The following table details by production group the net present value of future net revenue (discounted 10% before deducting future income tax expenses) estimated using forecast prices and costs.

Avila Energy Corp.
NI 51-101 FORECAST CASE
SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

RESERVES CATEGORY	Before Income Tax 0% M$	Before Income Tax 5% M$	Before Income Tax 10% M$	Before Income Tax 15% M$	Before Income Tax 20% M$	After Income Tax 0% M$	After Income Tax 5% M$	After Income Tax 10% M$	After Income Tax 15% M$	After Income Tax 20% M$	Unit Value Before Income Tax Discounted at 10% $/boe
Proved Developed Producing	623.5	539.8	471.9	419.0	377.7	623.5	539.8	471.9	419.0	377.7	4.97
Proved Developed Non-Producing	493.3	392.7	317.0	260.2	217.0	493.3	392.7	317.0	260.2	217.0	4.55
Proved Undeveloped	3,106.1	2,251.6	1,686.9	1,299.3	1,020.1	3,106.1	2,251.6	1,686.9	1,299.3	1,020.1	4.33
Proved	4,222.9	3,184.0	2,475.8	1,978.5	1,614.8	4,222.9	3,184.0	2,475.8	1,978.5	1,614.8	4.47
Probable	2,609.7	1,793.4	1,325.8	1,035.5	840.0	2,609.7	1,793.4	1,325.8	1,035.5	840.0	6.48
Proved Plus Probable	6,832.5	4,977.4	3,801.6	3,014.0	2,454.8	6,832.5	4,977.4	3,801.6	3,014.0	2,454.8	5.01

*Unit value calculation based on Net BOE reserves

Avila Energy Corp.
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES SUMMARY
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

VOLUMES IN IMPERIAL UNITS

	Oil				Natural Gas							
	Light/Medium Crude		Heavy Crude		Conventional		Natural Gas Liquids		Sulphur		Total BOE	
CATEGORY	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mstb	Co. Share Net Mstb	WI Gross MMcf	Co. Share Net MMcf	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mlt	Co. Share Net Mlt	WI Gross Mboe	Co. Share Net Mboe
PDP	0.0	0.0	0.0	0.0	604.2	515.1	10.9	9.0	0.0	0.0	111.6	94.9
PDNP	0.0	0.0	0.0	0.0	480.9	377.4	8.7	6.8	0.0	0.0	88.9	69.7
PUD	0.0	0.0	0.0	0.0	2,483.5	2,116.0	45.0	36.9	0.0	0.0	458.9	389.6
TP	0.0	0.0	0.0	0.0	3,568.6	3,008.5	64.6	52.8	0.0	0.0	659.4	554.2
PB	0.0	0.0	33.1	31.4	1,099.4	935.1	21.1	17.3	0.0	0.0	237.4	204.6
P+P	0.0	0.0	33.1	31.4	4,667.9	3,943.5	85.7	70.1	0.0	0.0	896.7	758.8

VOLUMES IN METRIC UNITS

	Oil				Natural Gas							
	Light/Medium Crude		Heavy Crude		Conventional		Natural Gas Liquids		Sulphur		Total BOE	
CATEGORY	WI Gross E^3m^3	Co. Share Net E^3m^3	WI Gross E^3m^3	Co. Share Net E^3m^3	WI Gross E^6m^3	Co. Share Net E^6m^3	WI Gross E^3m^3	Co. Share Net E^3m^3	WI Gross E^3t	Co. Share Net E^3t	WI Gross E^3m^3e	Co. Share Net E^3m^3e
PDP	0.0	0.0	0.0	0.0	17.0	14.5	1.7	1.4	0.0	0.0	17.7	15.1
PDNP	0.0	0.0	0.0	0.0	13.5	10.6	1.4	1.1	0.0	0.0	14.1	11.1
PUD	0.0	0.0	0.0	0.0	70.0	59.6	7.1	5.9	0.0	0.0	72.9	61.9
TP	0.0	0.0	0.0	0.0	100.5	84.8	10.3	8.4	0.0	0.0	104.8	88.1
PB	0.0	0.0	5.3	5.0	31.0	26.3	3.4	2.8	0.0	0.0	37.7	32.5
P+P	0.0	0.0	5.3	5.0	131.5	111.1	13.6	11.1	0.0	0.0	142.5	120.6

PRICING ASSUMPTIONS

The following table detail the benchmark reference prices for the regions in which the Corporation operated as at December 31, 2021 reflected in the reserves data disclosed above under "Disclosure of Reserves Data". These pricing assumptions were provided by Deloitte.

Canadian domestic forecast

Forecast effective: December 31 2021

					Crude Oil Pricing						
		Price Inflation Rate	Cost Inflation Rate	CAD to USD Exchange Rate	WTI at Cushing Oklahoma US$/bbl Real	WTI at Cushing Oklahoma US$/bbl Current	Edmonton City Gate C$/bbl Real	Edmonton City Gate C$/bbl Current	WCS 20.5 Deg. API Hardisty C$/bbl Current	Bow River 25 Deg. API Hardisty C$/bbl Current	Heavy Oil 12 Deg. API Hardisty C$/bbl Current
H	2011	2.9%	2.9%	1.012	$111.96	$94.88	$112.74	$95.54	$77.12	$78.42	$69.60
i	2012	1.5%	1.5%	1.001	$107.81	$94.11	$99.17	$86.57	$73.10	$74.41	$64.07
s	2013	0.9%	0.9%	0.972	$110.46	$97.91	$105.33	$93.36	$74.97	$76.29	$65.49
t	2014	1.9%	1.9%	0.906	$104.23	$93.26	$105.05	$94.00	$81.06	$81.49	$73.70
o	2015	1.1%	1.1%	0.783	$53.38	$48.69	$62.49	$57.00	$44.80	$45.23	$39.63
r	2016	1.4%	1.4%	0.755	$46.77	$43.15	$56.60	$52.22	$38.90	$39.23	$34.08
i	2017	1.6%	1.6%	0.771	$54.35	$50.88	$66.10	$61.88	$49.51	$50.86	$45.01
c	2018	2.3%	2.3%	0.772	$68.26	$64.94	$72.63	$69.10	$49.89	$50.00	$45.34
a	2019	1.9%	1.9%	0.754	$58.53	$56.98	$70.90	$69.02	$57.33	$59.10	$55.11
l	2020	0.7%	0.7%	0.746	$39.52	$39.23	$46.03	$45.69	$36.09	$35.93	$31.48
2	12 Mths H	3.3%	3.3%	0.798	$67.65	$67.65	$79.80	$79.80	$67.65	$67.18	$64.04
0	0 Mths F	0.0%	0.0%	-	-	-	-	-	-	-	-
2											
1	Avg.	N/A	N/A	0.798	$67.65	$67.65	$79.80	$79.80	$67.65	$67.18	$64.04
F	2022	0.0%	0.0%	0.800	$69.00	$69.00	$81.25	$81.25	$67.50	$70.25	$63.00
o	2023	2.0%	2.0%	0.800	$64.00	$65.30	$73.75	$75.25	$62.50	$64.00	$57.90
r	2024	2.0%	2.0%	0.800	$59.00	$61.40	$67.50	$70.25	$57.20	$58.80	$52.55
e	2025	2.0%	2.0%	0.800	$59.00	$62.60	$67.50	$71.65	$58.35	$59.95	$53.60
c	2026	2.0%	2.0%	0.800	$59.00	$63.85	$67.50	$73.05	$59.55	$61.15	$54.65
a	2027	2.0%	2.0%	0.800	$59.00	$65.15	$67.50	$74.55	$60.70	$62.40	$55.75
s	2028	2.0%	2.0%	0.800	$59.00	$66.45	$67.50	$76.00	$61.95	$63.65	$56.85
t	2029	2.0%	2.0%	0.800	$59.00	$67.75	$67.50	$77.55	$63.20	$64.90	$58.00
	2030	2.0%	2.0%	0.800	$59.00	$69.15	$67.50	$79.10	$64.45	$66.20	$59.15
	2031	2.0%	2.0%	0.800	$59.00	$70.50	$67.50	$80.65	$65.75	$67.50	$60.35
	2032	2.0%	2.0%	0.800	$59.00	$71.90	$67.50	$82.30	$67.05	$68.85	$61.55
	2033	2.0%	2.0%	0.800	$59.00	$73.35	$67.50	$83.95	$68.40	$70.25	$62.80
	2034	2.0%	2.0%	0.800	$59.00	$74.85	$67.50	$85.60	$69.75	$71.65	$64.05
	2035	2.0%	2.0%	0.800	$59.00	$76.30	$67.50	$87.30	$71.15	$73.10	$65.35
	2036	2.0%	2.0%	0.800	$59.00	$77.85	$67.50	$89.05	$72.55	$74.55	$66.65
	2037	2.0%	2.0%	0.800	$59.00	$79.40	$67.50	$90.85	$74.00	$76.05	$67.95
	2038	2.0%	2.0%	0.800	$59.00	$81.00	$67.50	$92.65	$75.50	$77.55	$69.35
	2039	2.0%	2.0%	0.800	$59.00	$82.60	$67.50	$94.50	$77.00	$79.10	$70.70
	2040	2.0%	2.0%	0.800	$59.00	$84.25	$67.50	$96.40	$78.55	$80.70	$72.15
	2041	2.0%	2.0%	0.800	$59.00	$85.95	$67.50	$98.35	$80.10	$82.30	$73.55
	2041+	2.0%	2.0%	0.800	0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%

		Natural Gas Liquids Pricing Edmonton Par Prices				Natural Gas Pricing						Sulphur
		Ethane C$/bbl Current	Propane C$/bbl Current	Butane C$/bbl Current	Pentanes + Condensate C$/bbl Current	Alberta Reference Average Price C$/mcf Current	Alberta AECO Average Price C$/mcf Real	Alberta AECO Average Price C$/mcf Current	B.C. Direct Stn. 2 Sales C$/mcf Current	NYMEX Henry Hub US$/Mcf Real	NYMEX Henry Hub US$/Mcf Current	Alberta Plant Gate C$/lt Current
H	2011	$10.30	$52.41	$86.98	$105.24	$3.46	$4.28	$3.63	$3.34	$4.72	$4.00	$101.60
i	2012	$6.73	$30.80	$75.47	$99.67	$2.25	$2.74	$2.39	$2.29	$3.15	$2.75	$126.81
s	2013	$8.68	$38.54	$77.44	$103.52	$2.98	$3.58	$3.17	$3.11	$4.21	$3.73	$62.17
t	2014	$12.46	$42.93	$59.43	$101.47	$4.22	$5.03	$4.50	$4.16	$4.91	$4.39	$88.99
o	2015	$7.49	$5.35	$33.70	$55.15	$2.56	$2.95	$2.69	$1.81	$2.88	$2.63	$107.45
r	2016	$6.04	$8.71	$31.45	$52.43	$1.93	$2.34	$2.16	$1.75	$2.73	$2.52	$45.40
i	2017	$6.11	$27.92	$40.98	$63.65	$2.13	$2.34	$2.19	$1.56	$3.19	$2.99	$41.85
c	2018	$6.90	$29.76	$46.17	$75.74	$1.36	$1.62	$1.54	$1.26	$3.33	$3.17	$89.25
a	2019	$5.00	$15.82	$21.40	$67.57	$1.48	$1.86	$1.81	$1.02	$2.64	$2.57	$37.54
l	2020	$6.20	$16.11	$20.93	$47.14	$2.00	$2.27	$2.25	$2.20	$2.06	$2.04	$2.60
2	12 Mths H	$10.06	$45.92	$40.30	$81.87	$3.20	$3.61	$3.61	$3.30	$3.92	$3.92	$65.37
0	0 Mths F	-	-	-	-	-	-	-	-	-	-	-
2												
1	Avg.	$10.06	$45.92	$40.30	$81.87	$3.20	$3.61	$3.61	$3.30	$3.92	$3.92	$65.37
F	2022	$10.05	$44.70	$56.90	$85.30	$3.25	$3.65	$3.65	$3.55	$4.00	$4.00	$75.00
o	2023	$9.00	$33.85	$45.15	$79.00	$2.85	$3.20	$3.25	$3.15	$3.50	$3.55	$51.00
r	2024	$8.75	$31.65	$42.15	$73.75	$2.75	$3.05	$3.15	$3.05	$3.25	$3.40	$52.00
e	2025	$8.90	$32.25	$43.00	$75.25	$2.80	$3.05	$3.25	$3.15	$3.25	$3.45	$53.05
c	2026	$9.10	$32.90	$43.85	$76.75	$2.85	$3.05	$3.30	$3.20	$3.25	$3.50	$54.10
a	2027	$9.25	$33.55	$44.70	$78.30	$2.95	$3.05	$3.35	$3.25	$3.25	$3.60	$55.20
s	2028	$9.45	$34.25	$45.60	$79.85	$3.00	$3.05	$3.45	$3.30	$3.25	$3.65	$56.30
t	2029	$9.65	$34.90	$46.50	$81.45	$3.05	$3.05	$3.50	$3.40	$3.25	$3.75	$57.45
	2030	$9.85	$35.60	$47.45	$83.05	$3.10	$3.05	$3.55	$3.45	$3.25	$3.80	$58.60
	2031	$10.05	$36.35	$48.40	$84.75	$3.15	$3.05	$3.65	$3.55	$3.25	$3.90	$59.75
	2032	$10.25	$37.05	$49.35	$86.45	$3.25	$3.05	$3.70	$3.60	$3.25	$3.95	$60.95
	2033	$10.45	$37.80	$50.35	$88.15	$3.30	$3.05	$3.80	$3.65	$3.25	$4.05	$62.15
	2034	$10.65	$38.55	$51.35	$89.90	$3.35	$3.05	$3.85	$3.75	$3.25	$4.10	$63.40
	2035	$10.85	$39.35	$52.40	$91.70	$3.45	$3.05	$3.95	$3.80	$3.25	$4.20	$64.70
	2036	$11.10	$40.10	$53.45	$93.55	$3.50	$3.05	$4.00	$3.90	$3.25	$4.30	$65.95
	2037	$11.30	$40.90	$54.50	$95.40	$3.55	$3.05	$4.10	$3.95	$3.25	$4.35	$67.30
	2038	$11.55	$41.75	$55.60	$97.35	$3.65	$3.05	$4.20	$4.05	$3.25	$4.45	$68.65
	2039	$11.75	$42.55	$56.70	$99.30	$3.70	$3.05	$4.25	$4.15	$3.25	$4.55	$70.00
	2040	$12.00	$43.40	$57.85	$101.25	$3.80	$3.05	$4.35	$4.20	$3.25	$4.65	$71.40
	2041	$12.25	$44.30	$59.00	$103.30	$3.85	$3.05	$4.45	$4.30	$3.25	$4.75	$72.85
	2041+	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	0.0%	2.0%	2.0%

Notes:
- Data sources include: EIA, DOB, NRC, Flint Hills Resources, Alberta Government
- All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars
- Edmonton city gate prices based on historical light oil par prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API < 0.5% Sulphur)
- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point
- 1 Mcf is equivalent to 1 mmbtu
- Real prices listed in 2022 dollars with no escalation considered
- Alberta gas prices, except AECO, include an average cost of service to the plant gate
- NGL prices have been switched from a mix reference to a spec reference

Deloitte.

RECONCILIATIONS OF CHANGES IN RESERVES

The following table set forth a reconciliation of the Company's Proved Developed Producing, Total Proved, Probable, and Proved plus Probable oil reserves in Canada as at December 31, 2021, against such reserves as at December 31, 2020, based on forecast prices and cost assumptions.

TABLE 2
Avila Energy Corp.
RESERVES RECONCILIATION SUMMARY
Working Interest
Canada

Effective January 1 , 2022
Opening: Deloitte December 31, 2020 Forecast Pricing
Closing: Deloitte December 31, 2021 Forecast Pricing

	Proved Developed Producing				Total Proved				Probable				Proved + Probable			
	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe
Opening Balance	0.0	0.0	0.0	0.0	0.0	1,267.5	34.6	245.9	0.0	1,212.7	33.1	235.2	0.0	2,480.2	67.7	481.1
Production	0.0	-69.3	-1.3	-12.9	0.0	-69.3	-1.3	-12.9	0.0	0.0	0.0	0.0	0.0	-69.3	-1.3	-12.9
Technical Revisions																
Technical Revisions	0.0	673.5	12.2	124.5	0.0	70.7	-9.9	1.9	0.0	-177.3	-6.7	-36.3	0.0	-106.6	-16.6	-34.4
Working Interest Errors	0.0	0.0	0.0	0.0	0.0	-56.1	-1.5	-10.9	0.0	-825.3	-22.6	-160.2	0.0	-881.4	-24.1	-171.0
Extensions & Improved Recovery																
Drilling Extensions	0.0	0.0	0.0	0.0	0.0	2,350.2	42.5	434.2	33.1	888.3	17.3	198.5	33.1	3,238.5	59.8	632.7
Infill Drilling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recompletion Workover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.0	0.0	5.6	0.2	1.1	0.0	0.9	0.0	0.2	0.0	6.5	0.2	1.3
Closing Balance	0.0	604.2	10.9	111.6	0.0	3,568.6	64.6	659.4	33.1	1,099.3	21.1	237.4	33.1	4,667.9	85.7	896.8

- <u>Technical Revisions - Technical revisions</u>: It mainly relates to a production resumption of 4 Glauconite wells at Ferrybank, Alberta. Reserves category for these wells changed from Proved Developed Non-Producing to Proved Developed Producing.

- <u>Technical Revisions - Working Interest Errors</u>: One location and one recompletion have been removed from the Company reserves due to an error found on the Company's mineral interests at the Ferrybank area. The Company doesn't hold the rights of the targeted Formation in the section of land where the two entities were located.

- Extensions & Improved Recovery – Drilling Extensions: Primary relates to new locations at Ferrybank and Honeysuckle, Alberta, described under “Oil and Gas Properties”.

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

History of Attribution of Undeveloped Reserves

HISTORY OF ATTRIBUTION OF UNDEVELOPED OIL AND GAS RESERVES

2020 - 2022

	LIGHT AND MEDIUM OIL Mbbl		HEAVY OIL Mbbl		NATURAL GAS MMcf		NATURAL GAS LIQUIDS Mbbl	
YEAR	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
PROVED UNDEVELOPED RESERVES								
Attributed at								
Prior December 31, 2020	Nil	Nil	Nil	Nil	832.8	832.8	Nil	Nil
Effective January 1st, 2021	Nil	Nil	Nil	Nil	483.0	483.0	13.2	13.2
Effective January 1st, 2022	Nil	Nil	Nil	Nil	2483.5	Nil	45	Nil
PROBABLE UNDEVELOPED RESERVES								
Attributed at								
Prior December 31, 2020	Nil	Nil	Nil	Nil	75	75	Nil	Nil
Effective January 1st, 2021	Nil	Nil	NIl	Nil	654	654	17.9	17.9
Effective January 1st, 2022	Nil	Nil	33.1	Nil	543.4	Nil	11	Nil

In general, the company is planning to develop all Proved Undeveloped and Probable Undeveloped reserves during 2022. There are a number of factors that could result in delayed or canceled development, including the following: (i) a change in the economic conditions due to commodity pricing, operating and capital expenditure fluctuations; (ii) a change in the technical conditions, including production anomalies; (iii) surface access issues related to weather conditions, regulatory and landowners.

SIGNIFICANT FACTORS OR UNCERTAINTIES

The production rates, oil and gas reserves and cash flow information contained in the Deloitte Report are only estimates. The actual production and ultimate reserves may be greater or less than the estimates prepared by Deloitte. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

: Historical production;
: Government regulation;
: Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures;
: Timing of capital expenditures;
: Effectiveness of enhanced recovery schemes;
: Marketability of production;
: Operating costs and royalties;
: Initial production rates;
: Production decline rates;
: Ultimate recovery of reserves: and
: Future oil and gas prices.

Currently, Avila Energy Corporation does not anticipate any unusually high development costs or operating costs, the need to construct a major pipeline or other major facilities before production of reserves can begin. The Company does not anticipate any significant economic factors or significant uncertainties that could affect any particular components of the reserves. However, reserves can be significantly affected by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance, and subsequent drilling results that are beyond the Company's control.

FUTURE DEVELOPMENT COSTS

The Corporation's source of funding for future development costs of the Corporation's reserves will be derived from a combination of cash flow, debt and new equity. Management of the Corporation does not anticipate that the costs of funding referred to above will materially affect the Corporation's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic.

The Corporation's petroleum and natural gas investing activities have been funded to date primarily through the issuance of Common Shares and expects that it will continue to be able to utilize this source of financing until it develops additional cash flow from operations. For additional information regarding the future development of the Corporation's properties, see Part 6 – Oil and Gas Properties and Wells.

The following table details the development costs deducted in the estimation of future net revenue attributable to proved reserves of the Corporation (estimated and forecast prices and costs) and proved plus probable reserves of the Corporation (estimated using forecast prices and costs and constant prices and costs):

FUTURE DEVELOPMENT COSTS
FORECAST PRICES AND COSTS
DECEMBER 31, 2021

Year	Total Proven Capital (M$C)	Proven Plus Probable Capital (M$C)
2022	1,587.5	2,337.5
2023	-	-
2024	-	-
2025	-	-
Remainder	-	-
Total (M$C)	1,587.5	2,337.5

ABANDONMENT AND RECLAMATION COSTS

Additional Information Concerning Abandonment and Reclamation Costs on producing wells.

The Corporation bases its estimates for the costs of abandonment and reclamation of surface leases, wells, facilities and pipelines on previous experience of management with similar well sites and facility locations, the table below summarizes the abandonments associated with wells producing or capable to produce at yearend 2021 on both Proven and Proven Plus Probable categories.

FUTURE ABANDONMENT COSTS FORECAST PRICES AND COSTS DECEMBER 31, 2021		
Year	**Total Proven Abandonment Net**	**Proven Plus Probable Abandonment Net**
2022	-	-
2023	-	-
2024	-	-
Remainder	405.4	538.0
Total Wells (WI)	4.31	5.31
Total (M$C)	**405.4**	**538.0**

OTHER OIL AND GAS INFORMATION

Producing and Non-Producing Wells

The following table summarizes Avila's interests as at December 31, 2021 in producing wells and in non- producing wells which Avila Energy Corporation believes are capable of producing oil or gas or both. The stated interests are working interests on a "before payout" basis and, in certain cases, are subject to lessor's and other royalties, in addition to usual Crown royalties or mineral taxes. All wells are "onshore" unless specifically identified as "offshore".

OIL AND GAS WELLS								
	Producing				**Non-Producing**			
	Oil Wells		**Gas Wells**		**Shut-In Oil Wells**		**Shut-In Gas Wells**	
PROVINCE	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Alberta	Nil	Nil	4	1.81	Nil	Nil	Nil	Nil
Total	Nil	Nil	4	1.81	Nil	Nil	Nil	Nil

Production Forecasts

The following table represents sales gas production forecast for the Corporation's interest before royalties as at December 31, 2021 for total Proved Developed Producing reserves.

PRODUCTION FORECAST - COMPANY WORKING INTEREST BEFORE ROYALTIES PROVEN DEVELOPED PRODUCING RESERVES 31-Dec-21				
	Natural Gas		Natural Gas Liquids	
Year	Daily mcf/d	Annual MMcf	Daily bbl/d	Annual Mbbl
2022	207.5	75.7	3.8	1.4
2023	188.6	68.8	3.4	1.2
2024	172.3	62.9	3.1	1.1
2025	156.5	57.1	2.8	1.0
2026	142.6	52.1	2.6	0.9
2027	130.0	47.4	2.4	0.9
2028	118.8	43.4	2.1	0.8
2029	76.7	28.0	1.4	0.5
2030	67.3	24.6	1.2	0.4
2031	61.6	22.5	1.1	0.4
2032	56.4	20.6	1.0	0.4

Oil and Gas Properties

Avila Energy Corporation is focused on the conventional exploration and development of oil and natural gas reserves in Western Canada.

Producing Properties

Ferrybank, Alberta

The Ferrybank property is located in Townships 44 and 45, Range 27 W4M, approximately 45 miles south of Edmonton, Alberta. At Ferrybank. Avila Energy Corporation currently holds a non-operated working interest ranging between 31.3 and 50 percent in four producing natural gas wells. The Company also has plans for one recompletion and four proposed natural gas locations. Ferrybank has potential to produce natural gas and natural gas liquids from the Basal Belly River, Viking and Glauconitic Formations. During 2022, the company expects to drill four proposed locations targeting the Basal Belly River and the Glauconite Sandstone.

Non-Producing Properties

Honeysuckle, Alberta

The Honeysuckle property is located in Townships 46, Ranges 25 and 26 W4M, approximately 40 miles south of Edmonton, Alberta. At Honeysuckle, Avila Energy Corporation holds 50% on two Heavy Oil Rex Locations. Currently, there are two horizontal oil wells in the immediate area that produce heavy oil from the Rex Formation offsetting these two locations. Due to the limited well control in the area, probable undeveloped reserves were assigned to the two Rex locations at this time. Reserves were assigned by Deloitte based on volumetric analysis, as well as comparison to analogous well review of Rex producing wells.

The Company also is planning to drill a vertical location targeting the Mannville Formation at Honeysuckle in 2022. Proven Undeveloped Reserves were assigned by Deloitte based on a review of analogous wells in the area, in conjunction with volumetric analysis.

Land Holdings

The following table sets forth the Company's developed and undeveloped oil and gas lease and mineral acreage as of December 31, 2021.

AVILA ENERGY CORPORATION
Developed and Undeveloped Land (Acres)
as of December 31, 2021

Developed Gross	Developed Net	Undeveloped Gross	Undeveloped Net	Total Gross	Total Net
4,461.0	1,043.5	3,200.0	1,600.0	7,661.0	2,643.5

In March 2021, Avila Energy Corporation acquired 2,560 acres of undeveloped mineral rights in West Central Alberta (net to the company). From this acquisition, 960 acres expired in 2021.

Undeveloped Land and Expiring Rights

The following table presents the undeveloped land held by Avila Energy Corporation by December 31, 2021.

	DECEMBER 31, 2021			
	Undeveloped Properties (Acres)		Expiring in 2022 (Acres)	
PROVINCE	Gross	Net	Gross	Net
Alberta	3,200	1,600	1,920	960
Total	**3,200**	**1,600**	**1,920**	**960**

Exploration and Development Activities

For the year ended December 31, 2021 the Corporation completed the following exploratory and development activities:

EXPLORATION AND DEVELOPMENT ACTIVITIES		
YEAR ENDED DECEMBER 31, 2021		
	Gross	**Net**
Oil	Nil	Nil
Gas	Nil	Nil
Service	4	1.81
Dry	Nil	Nil
Total	**4**	**1.81**

The Corporation's most important current and likely exploration and development activities are described under "Oil and Gas Properties".

Petroleum and Natural Gas Interest – Summary of Costs Incurred

The following table sets out Avila's property acquisition costs, exploration costs and development costs for the year ended December 31, 2021. This table includes all costs irrespective of whether such costs were capitalized or charged to expense.

	Years ended December 31, 2021	**Years ended December 31, 2020**	**January 1 to December 31, 2021 Totals**
Land, leases, property, & acquisitions	$ 1,750,191	$ 1,054,611	$ 695,580
Deferred costs:			
Geological expenditures	-	-	-
Intangible drilling expenditures	-	-	-
Intangible completion costs	-	-	-
Intangible carbon capture and sequestration	515,864	-	515,864
Well equipping	-	-	-
Plant and gathering equipment	-	-	-
Asset retirement obligations	109,116	-	109,116
Well abandonment	-	-	-
Pipeline & gathering	-	-	-
Royalties received	-	-	-
Total	**$ 2,375,171**	**$ 1,054,611**	**$ 1,320,560**

<u>Forward Contracts</u>

The Company may use certain derivative financial instruments to manage its commodity prices. These financial instruments are entered into solely for hedging purposes and are not used for trading or other speculative purposes. At December 31, 2021 there were no contracts or options outstanding.

Tax Horizon

As at December 31, 2021, the Company has the following exploration and development expenditures, undepreciated capital costs and non-capital loss carry forwards which may be carried forward indefinitely to reduce future Canadian taxable income.

Deloitte was provided the following Canadian tax pools from Avila effective December 31, 2021.

	Thousands $	Depreciation rate %
COGPE	0	10
CDE	0	30
CEE	0	100
CCA	0	30
Loss carry forward	8,335.0	

Per NI 51-101 corporate general and administrative expenses and financing costs are not deducted.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

Net loss for the year	(1,415,186)	(948,707)
Expected income tax recovery	(339,645)	(227,690)
Permanent differences	8,107	(9,697)
Change in unrecognized deductible temporary differences	331,538	237,387
Total income tax expense	-	-

Significant components of the Company's unrecognized deductible temporary differences and tax losses are as follows:

Property, plant and equipment	(362,608)	(127,560)
Promissory notes payable	-	(4,811)
Convertible debentures	(65,151)	(50,429)
Non-capital losses	427,759	182,800
Unrecognized temporary differences and non-capital losses	-	-

In assessing the ability to realize deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those deferred tax assets are deductible.

As at December 31, 2021, the Company's unrecognized Canadian non-capital losses expire as follows:

	$
2030	185,847
2031	332,320
2032	290,656
2033	584,259
2034	305,171
2035	5,099,852
2036	105,006
2037 to 2041	2,440,218
	9,343,329

Production History

The table below summarizes the Natural Gas working interest production of Avila Energy Corporation during the year ended at December 31, 2021

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Historical Production Summary January - December 2021 Production			
Date	**Well Count**	**Raw Natural Gas MMcf**	**Sales Natural Gas MMcf**
Jan-21	-	0	0
Feb-21	1.31	4.4	4.0
Mar-21	1.81	6.1	5.6
Apr-21	1.81	5.8	5.3
May-21	1.81	5.9	5.5
Jun-21	1.81	2.9	2.7
Jul-21	1.81	10.2	9.3
Aug-21	1.81	8.8	8.1
Sep-21	1.81	8.3	7.6
Oct-21	1.81	7.6	7.0
Nov-21	1.81	7.6	7.0
Dec-21	1.81	7.8	7.2
Total		**75.3**	**69.3**

Report of Independent Qualified Reserves Evaluator or Auditor

Deloitte has evaluated the Company's reserves data as at December 31, 2021. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2021 estimated using forecast prices and costs.

The reserves data are the responsibility of the Company's management. Deloitte's responsibility is to express an opinion on the reserves data based on our evaluation.

Deloitte carried out its evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

Those standards require that Deloitte plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved and probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2021, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Management/Board of Directors:

Independent qualified reserves evaluator or auditor	Effective date of evaluation report	Location of reserves (country or foreign geographic area)	Net present value of future net revenue (before income taxes; 10% discount rate)			
			Audited $M	Evaluated $M	Reviewed $M	Total $M
Deloitte LLP	December 31, 2021	Canada	-	**3,801.60**	-	**3,801.60**

In Deloitte's opinion, the reserves data respectively evaluated by it have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. Deloitte expresses no opinion on the reserves data that it has reviewed but did not audit or evaluate.

Deloitte has no responsibility to update our report referred to herein for events and circumstances occurring after the effective date of our report. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Proposed Acquisition

The Company completed its due diligence and internally completed an Evaluation. The Company's Reserve Committee, consisting of Daniel Lucero, Kyle Appleby and Tom Valentine reviewed the results of this evaluation.

a) As of June 14, 2021, the evaluation of 100% of the post-closing interests of 611890 Alberta Inc. ('the Sellers") interests in 53,835 Acres, 43,935 Acres (Net) of mineral rights, associated wells, pipelines and facilities

b) The Company engaged Deloitte LLP its Independent Qualified Reserves Evaluator ("QRE") to complete a NI 51-101 Compliant Evaluation of the proposed Acquisition. The results being as follows:

				Net Revenue NPV (M$C)					
Total Proved + Probable									
Light and Medium Oil (Mbbl)	10.4	-	9.7	880.7	500.4	406.5	364.9	297.6	256.8
Heavy Oil (Mbbl)	651.0	-	603.6	39,172.9	32,135.1	29,068.8	27,360.0	23,942.1	21,384.5
Gas (MMcf)	11,173.1	-	9,770.3	38,515.0	25,688.9	21,741.3	19,832.3	16,487.4	14,300.8
Coal Bed Methane (MMcf)	2,998.3	-	2,779.7	9,164.1	5,856.9	4,777.0	4,252.9	3,347.3	2,775.9
Propane (Mbbl)	123.7	-	102.6	3,354.3	2,331.4	2,004.3	1,843.2	1,556.0	1,364.6
Butane (Mbbl)	81.1	-	69.3	3,122.7	2,176.2	1,869.8	1,718.1	1,446.6	1,265.1
Pentane Plus (Mbbl)	48.3	-	40.6	3,249.2	2,287.5	1,966.4	1,805.4	1,513.7	1,316.6
Sulphur (MLT)	0.6	-	0.5	26.8	21.5	19.3	18.1	15.7	13.9
Total				97,485.7	70,998.0	61,853.3	57,195.0	48,606.3	42,678.2
				Before Tax Cash Flow NPV (1) (M$C)					
				45,562.3	33,759.4	29,150.5	26,686.8	21,935.8	18,505.8

	Remaining Equivalent Reserves (2) (MBOE)			Before Tax Cash Flow NPV/WI BOE ($C/BOE)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved									
Proved Developed Producing	518.9	-	466.0	9.1	7.6	6.9	6.5	5.7	5.2
Proved Developed Non-Producing	692.8	-	600.7	16.6	13.5	12.2	11.6	10.2	9.3
Proved Undeveloped	991.5	-	891.6	10.9	8.1	6.9	6.2	4.8	3.7
Total Proved	2,203.2	-	1,958.3	12.3	9.7	8.6	7.9	6.7	5.8
Total Probable	1,073.1	-	959.2	17.2	11.6	9.6	8.6	6.7	5.4
Total Proved + Probable	3,276.3	-	2,917.5	13.9	10.3	8.9	8.1	6.7	5.6

The supporting information and results of this NI 51-101 Compliant Evaluation completed by Deloitte LLP are summarized in Schedule "D" hereto.

Furthermore, in addition to the completion of the Evaluation, the Company has reviewed the associated mineral contractors and inspected the production facilities being acquired. The Company continues to be engaged in the ongoing operational activities and at this time has deemed its due diligence to be completed and see no potential impairment of the assets or facilities being acquired.

Report of Management and Directors on Oil and Gas Disclosure

Report of Management and Directors on Reserves Data and Other Information Management of the Company are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at the last day of the Company's most recently completed financial being December 31, 2021, estimated using forecast prices and costs.

An independent qualified reserves evaluator evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluator have been filed with securities regulatory authorities. The board of directors of the Company has (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator; (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Board has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved (a) the content and filing with securities regulatory authorities of Form 51- 101F1 containing reserves data and other oil and gas information; (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary, and the variations may be material.

DIVIDENDS AND DISTRIBUTIONS

The payment of dividends, if any, in the future, rests within the sole discretion of the Board. The payment of dividends will depend upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company has not declared any cash dividends since its inception and the Company intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares and other classes of shares in the foreseeable future.

There are no restrictions in the Company's constating documents that prevent the Company from declaring dividends. The BCAA, however, prohibits the Company from declaring a dividend if there is reasonable ground for believing that: (i) the Company would, after payment, be unable to pay its liabilities as they become due; or (ii) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares.

DESCRIPTION OF CAPITAL STRUCTURE

Pursuant to the terms of the articles of incorporation of the Company, the authorized capital of the Company consists of an unlimited number of shares designated as Common Shares and an unlimited number of shares designated as preferred shares with the rights, privileges, restrictions and conditions set out below.

As of the date of this AIF, there are 36,195,742 issued and outstanding fully paid Common Shares and nil preferred shares outstanding.

Common Shares

The Common Shares shall have attached to them the rights, privileges, restrictions and conditions as hereinafter set forth:

i) Except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series, each holder of a Common Share is entitled to receive notice of, to attend and to vote at all meetings of the Shareholders of the Company.

ii) Subject to the rights of the holders of the preferred shares, the holders of the Common Shares are entitled to receive dividends if, as and when declared by the directors of the Company.

iii) Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the Common Shares are entitled to share equally in the remaining property of the Company upon liquidation, dissolution or winding-up of the Company.

Preferred Shares

The preferred shares shall have attached to them, as a class, the rights, privileges, restrictions and conditions as hereinafter set forth:

i) The preferred shares may from time to time be issued in one or more series and, subject to the following provisions, and subject to the sending of articles of amendment in prescribed form and the issuance of a certificate of amendment in respect thereof, the directors may fix from time to time and before issue of a series of preferred shares, the number of shares which are to comprise that series and the designation, rights, privileges, restrictions and conditions to be attached to that series of preferred shares including, without limiting the generality of the foregoing, the rate or amount of dividends or the method of calculating dividends, the dates of payment of dividends, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions.

ii) The preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Company among its Shareholders for the purpose of winding up its affairs, rank on a parity with the preferred shares of every other series and be entitled to preference over the Common Shares and over any other shares of the Company ranking junior to the preferred shares. The preferred shares of any series may also be given other preferences, not inconsistent with these articles, over the Shares and any other shares of the Company ranking junior to the preferred shares of a series as may be fixed in accordance with clause 2(b)(i).

iii) If any cumulative dividends or amounts payable on the return of capital in respect of a series of preferred shares are not paid in full, all series of preferred shares shall participate rateably in respect of accumulated dividends and return of capital.

Unless the directors otherwise determine in the articles of amendment designating a series of preferred shares, the holder of each share of a series of preferred shares shall not, as such, be entitled to receive notice of or vote at any meeting of Shareholders, except as otherwise specifically provided in the BCAA.

MARKET FOR SECURITIES

The Company's Common Shares are listed for trading on the CSE under the symbol "VIK" since March 5, 2021. As a result of the Proposed Acquisition, which constitutes a Fundamental Change as such term is defined in Policy 8 of the CSE Policies, trading in the Company's Common Shares were halted on September 9th, 2021. On June 30, 2022, The Company's shares were approved for listing on the CSE. The Shares will continue to trade under the symbol "VIK".

Trading Price and Volume

The following table sets forth the high and low trading prices and the aggregate volume of trading of the Common Shares on the CSE for the periods indicated:

The high and low market prices of the Company's Common Shares on the CSE for each month of the current quarter and the immediately preceding quarter were as follows:

Monthly Highs and Lows	**High ($)**	**Low($)**
August 2021	0.33	0.20
July 2021	0.40	0.20
June 2021	0.42	0.18
May 2021	0.26	0.16
April 2021	0.30	0.16

September 2021's data is unavailable due to the trading halt imposed on September 9, 2021. The Shares were trading again on the CSE on June 30, 2022.

The high and low market prices of the Company's Common Shares on the CSE for each full fiscal quarter for the seven preceding quarters were as follows:

Monthly Highs and Lows	High ($)	Low($)
Quarter ended June 30, 2021	0.420	0.160
Quarter ended March 31, 2021	0.450	0.005
Quarter ended December 31 2020	0.005	0.005
Quarter ended September 30, 2020	0.005	0.005
Quarter ended June 30, 2020	0.005	0.005
Quarter ended March 31, 2020	0.005	0.005
Quarter ended December 31 2019	0.005	0.005

Prior Sales

The following table summarizes all sales/issuances of securities of the Company within the last twelve months before the date of this AIF:

Allotment Date	Price per Security/Exercise Price	Number of Securities	Type of Securities
March 31, 2021	$0.05	600,000	Common Shares
May 21, 2021	$0.25	1,753,333	Common Shares
June 14, 2021	$0.18	73,698	Common Shares
June 17, 2021	$0.15	24,000	Common Shares
June 23, 2021	$0.15	103,000	Common Shares
June 28, 2021	$0.15	51,050	Common Shares
July 7, 2021	$0.25	150,000	Common Shares

July 15, 2021	$0.15	45,150	Common Shares
August 19, 2021	$0.15	100,000	Common Shares
September 21, 2021	$0.25	10,200,000	Units[(1)]
October 1, 2021	$0.25	500,000	Common Shares
November 12, 2021	$0.10	260,480	Common Shares
July 6, 2022	$0.25	375,000	Common Shares
July 6, 2022	$0.20	53,500	Common Shares
July 6, 2022	$0.15	3,900	Common Shares
July 12, 2022	$0.20	12,000	Common Shares
July 14, 2022	$0.25	100,000	Common Shares

Notes :

(1) On September 21, 2021, the Company closed the private placement and issued 10,200,000 common units from its share capital at $0.25 per unit for gross proceeds of $2,550,000. Each unit consists of one Common Share and one-half (1/2) common share purchase warrant (post consolidation as of August 25, 2020). Each full warrant exercisable by the holder to acquire one additional Common Share of the Company for a period of 24 months from issuance at an exercise price of $0.35 per share.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFERS

Escrowed Securities

As at the date of this AIF, the following securities are subject to restrictions on transfers:

Designation of Class	**Number of securities held in escrow or subject to a contractual restriction on transfer**[(1)]	**Percentage of class**
Common Shares	1,083,132 [(2)]	2.99%
Warrants	300,000	Nil

Peter Nesvada	Warrants	300,000	0.56%
Michel Lebeuf	Common Shares	187,500	0.51%
Lars Glimhagen	Common Shares	3,525	0.01%

Notes:
(1) Based on 36,195,742 Common Shares outstanding;
(2) A company controlled by Lars Glimhagen, CFO of the Company.

Unless permitted under securities legislation, all securities issued pursuant to the private placement are subject to a hold period ending on the date that is four months and a day after from the date the securities were issued.

No securities are otherwise subject to any contractual restrictions on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of the Company's directors and officers, municipalities of residence, the number and percentage of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction as at the date hereof, the principal occupations held over the past five years, the offices held with the Company and the committees of which they are members.

The directors of the Company are elected annually by the Shareholders and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. The following directors and officers will be the directors and officers following the completion of the Proposed Acquisition.

Name and Province of Residence and Position with the Company	Director/Officer Since	Principal Occupation	Number and Percentage of Common Shares owned, controlled or directed, directly or indirectly (1) (2)
Leonard Van Betuw ***President & CEO*** Calgary, AB, Canada	President and Chief Executive Officer, Director (since July 18, 2021)	Avila Exploration and Development Canada Ltd. (February 2017 – present) and 611890 Alberta Inc. (April 1 2021 – present)	2,100,000 (5.80%)
Lars Glimhagen ***CFO*** Vernon, BC, Canada	Chief Financial Officer (since 2018/03/16)	Engold Mines Ltd. (formerly GWR Resources Inc.) (Oct. 1998 - Sept. 2012) Petro Viking Energy Inc. (now Avila Energy Corporation) (Oct. 2012 – present)	474,176 (3) (1.31%)

Michel Lebeuf Jr. ***Director & Corporate Secretary*** Laval, QC, Canada	Director and Corporate Secretary (since 2018/03/16)	Partner at Dunton Rainville LLP (May 2016 – present)	212,500 (0.59%)
Thomas Edwards Valentine ***Director*** (4) Calgary, AB, Canada	Director (since 2019/04/08)	Senior partner at Norton Rose Fulbright LLP (1982 – present)	Nil
Daniel Lucero ***Director*** Montelibano, Cordoba, Colombia	Director (since 2019/12/20)	Avila Exploration and Development Canada Ltd. (Feb. 2017-present) Quattro Exploration and Production Ltd. (Oct. 2011 – Feb. 2017) Kinetex Geosciences (Oct. 2008 – Sept. 2011) CoalCorp Mining (Aug. 2006 – Sept. 2008) Andicoal (Apr. 2005 – July 2006)	Nil
Jeffrey Decter(4) ***Director*** Calgary, Alberta	Director (since 2022/05/25)	President of Integrity Financial Corp. since 1998	Nil
Kyle Appleby ***Director*** (4) (5) Toronto, ON, Canada	Director (since 2020/11/09)	Chartered professional accountant	Nil
Peter Nesveda ***Vice-President*** Malvern, Australia	Vice-President - Investors Relations and Corporate Affairs (since 2020/06/01)	Director of Intuitive Pty. Ltd. (Oct. 2000 – present)	1,111,094 (3.07%)

Notes:

(1) Information as to ownership of Shares has been taken from the list of registered Shareholders maintained by the Transfer Agent.
(2) Based on 36,195,742 Common Shares issued and outstanding as of the date of this AIF.
(3) Includes 4,700 Common Shares held by Lars Glimhagen, CFO and 469,476 Common Shares held by LNG Management Services Ltd., a privately held company controlled by Lars Glimhagen, CFO.
(4) Member of the Audit Committee.
(5) Chair of the Audit Committee.

Cease Trade Orders, Bankruptcies, Penalties Or Sanctions

Save and except as set out below, as of the date of this AIF, no director or officer of the Company is, or has been, within ten years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
(b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

- Lars Glimhagen was a director of the Company when a failure-to-file cease-trade-order was issued by the ASC and the BCSC on May 6, 2015 and on May 8, 2015 respectively. A partial revocation order was granted on November 6, 2018 by both the ASC and the BCSC to allow the completion of a private placement and a debt conversion. The Company filed all continuous disclosure documents as required thereafter and a full revocation of the cease-trade-order was issued by the ASC and the BCSC on January 30, 2019. Lars Glimhagen was a director and CFO of the Company's subsidiary Petro Viking Management Corp. ("**PVMC**") when it was deemed bankrupt on December 5, 2015 as a result of failing to file a proposal pursuant to the Notice of Intention filed under Division I of the Bankruptcy and Insolvency Act ("**BIA**"). The Court of Queen's Bench of Alberta (the "**Court**") has appointed Grant Thornton Limited as trustee in bankruptcy.

- Michel Lebeuf Jr. was named director of Bitumen Capital Inc. (TSXV-BTM.H) ("**Bitumen**"), a capital pool company listed on the NEX board of the TSX Venture Exchange during Bitumen's annual general meeting in February 2017, in order to meet the requirements of the Canada Business Corporation Act of at least three directors on the board. On May 8, 2017, Bitumen, having not enough cash to pay the audit of its annual financial statements was unable to file in due time said annual audited financial statements and received a cease trade in the Provinces of Quebec and Ontario. Michel Lebeuf was a director of the Company when the CTO was issued to the Company.

- Leonard Van Betuw was President, Chief Executive Officer and director of Quattro Exploration and Production Ltd. ("**Quattro**") from November 2011 until his resignation on March 23, 2017. Leonard Van Betuw acted as President and CEO of Quattro when on May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Quattro for having failed to file its comparative financial statement for its financial year ended December 31, 2014, and Management Discussion and Analysis for the period ended December 31, 2014. On June 4, 2015, the British Columbia Securities Commission revoked the cease trade order. Thereafter, the Alberta Securities Commission issued a management cease trade order against Quattro on May 3, 2016 for being unable to file its audited financial statements for the year ended December 31, 2015 and the required Management's Discussion and Analysis before the April 29, 2016 filing deadline. On August 10, 2016, Quattro filed a Notice of Intention to Make a Proposal under the BIA. On September 8, 2016, upon the application of Quattro, the Court granted an Initial Order transferring Quattro's restructuring proceedings originally commenced under the BIA to the Companies' Creditors Arrangement Act. On February 2, 2017, the Court appointed Hardie & Kelly Inc. as receiver and manager.

- Jeffrey Decter was a director of Quattro Exploration and Production Ltd. ("**Quattro**") from November 2011 until his resignation on March 23, 2017. Jeffrey Decter was a director of Quattro when on May 8, 2015, the British Columbia Securities Commission issued a cease trade order against Quattro for having failed to file its comparative financial statement for its financial year ended December 31, 2014, and Management Discussion and Analysis for the period ended December 31, 2014. On June 4, 2015, the British Columbia Securities Commission has revoked the cease trade order.

Moreover, the Alberta Securities Commission issued a management cease trade order against Quattro on May 3, 2016 for being unable to file its audited financial statements for the year ended December 31, 2015 and the required Management's Discussion and Analysis before the April 29, 2016 filing deadline. On August 10, 2016, Quattro filed a Notice of Intention to Make a Proposal under the BIA. On September 8, 2016, upon the application of Quattro, the Court granted an Initial Order transferring Quattro's restructuring proceedings originally commenced under the BIA to the Companies' Creditors Arrangement Act. On February 2, 2017, the Court appointed Hardie & Kelly Inc. as receiver and manager.

Penalties or Sanctions

As of the date of this AIF, no director or officer of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

Save and except as set out below, to the Company's knowledge, no existing or proposed director, officer, promoter or other member of management of the Company has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

- Michel Lebeuf Jr. filed a proposal with his creditors on February 3, 2017. The proposal was accepted by the Superior Court of Quebec on March 16, 2017. This proceeding was due to many contractual engagements taken by Mr. Lebeuf (namely for acting as personal guarantee) to various loans regarding his previous law firm Brière & Lebeuf Inc. Michel Lebeuf was discharged from this proposal on March 4, 2022.

Audit Committee

The Company will have one committee comprised of three members of the Board namely Jeffrey Decter, Thomas Valentine and Kyle Appleby. All three directors are considered to be independent members of the Audit Committee within the meaning of NI 52-110.

All members are "financially literate" within the meaning of NI 52-110. The Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholders and reviews the Company's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

The Board has adopted an Audit Committee Charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of:

i. the integrity of the Company's financial statements and accounting and financial processes and the audits of our financial statements;
ii. the Company's compliance with legal and regulatory requirements;

iii. the Company's external auditors' qualifications and independence;
iv. the work and performance of the Company's financial management and its external auditors; and
v. the Company's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Issuer's Board.

The Audit Committee Charter is attached hereto as Schedule "F".

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Company's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

PROMOTERS

Under the Securities Act of Alberta, there are no persons acting as promoters of the Company and there have been no persons performing such services within the last two years, save and except for investor relationship services.

Mr. Nesveda was appointed as vice-president of Investors Relations and Corporate Affairs on June 1, 2020. Mr. Nesveda is a director of Intuitive Pty Ltd. with whom the Company signed a consulting agreement dated June 1, 2020. Mr. Nesveda is the holder of 1,111,094 Common Shares in the Company, representing approximately 3.12% of the issued and outstanding Company Common Shares as of the date of this AIF. Mr. Nesveda also holds 300,000 warrants and nil options.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

As of the date hereof, neither the Company nor any of its property was previously a party to, or the subject of, any legal proceeding nor is the Company currently party to any material legal proceeding or contemplating any legal proceedings which are material to its business. From time to time, however, the Company may be subject to various claims and legal actions arising in the ordinary course of business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From inception to the date of this AIF, save and except for the cease trade orders discussed under section *Cease Trade Orders, Bankruptcies, Penalties or Sanctions* herein and those set out below, there have been no:

i. penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

ii. other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the AIF to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

iii. settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

The Company received a failure-to-file cease-trade-order issued by the ASC and the BCSC on May 6, 2015 and on May 8, 2015 respectively. A partial revocation order was granted on November 6, 2018 by both the ASC and the BCSC to allow for the completion of a private placement and a debt conversion. The Company filed all continuous disclosure documents as required thereafter and a full revocation of the cease-trade-order was issued by the ASC and the BCSC on January 30, 2019.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth in this AIF, the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, any person or company who owns of record, or is known by the Company to own beneficially, directly or indirectly, more than 10% of the Shares of the Company or any associate or affiliate of the foregoing persons or companies in any transaction or in any proposed transaction within the 3 years before the date of the Prospectus that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent of the Company is Computershare Trust Company of Canada at its office located at 324, 8th Avenue, Suite 800, Calgary, Alberta, T2P 2Z2.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business and those mentioned above, the following are the only material contracts entered into by the Company within the two years before the date of this AIF and which are currently in effect and considered to be material:

1. The Asset Purchase Agreement dated September 30, 2019 entered into between the Company and Avila for the acquisition of a non-operating interest of fifty percent (50%) into a producing oil & gas property in the province of Alberta;

2. Consulting Agreement entered between Company and Intuitive Pty Ltd. Dated June 1, 2020;

3. Subscription Receipt Agreement dated November 2, 2020 entered into between the Company, Leede Jones Gable Inc and Dunton Rainville LLP;

4. Agency Agreement dated November 5, 2020 entered into between the Company and Leede Jones Gable Inc.;

5. Escrow Agreement dated February 24, 2021 entered into between the Company and Computershare Trust Company

of Canada;

6. Letter of Intent dated June 14, 2021 entered into between the Company and Avila; and

7. The Agreement of Purchase and Sale dated October 1, 2021 entered into between the Company and 611890 Alberta Inc. for the acquisition of one hundred percent (100%) interests in 53,835 acres (43,935 acres net) of mineral rights, associated wells, pipelines and facilities in the province of Alberta, Canada.

Copy of these material contracts can be found on www.sedar.com under the title “other material contracts”.

INTERESTS OF EXPERTS

Name of Experts

The following are persons or companies whose profession or business gives authority to a statement made in this AIF as having prepared or certified a part of that document, report, or valuation described in this AIF:

- MNP LLP, Chartered Professional Accountants Company, are the former auditors of the Company, who prepared the audit report on the Company’s financial statements as of, December 31, 2019 and December 31, 2020;
- WDM, Chartered Professional Accountants, are the successor and current auditors of the Company, who prepared the audit report on the Company’s financial statements as of December 31, 2021 and reviewed the interim financials for the three months ended March 31, 2022;
- Hemens Lawritsen Valuation Group Ltd., is the CBV evaluator who prepared the formal valuation of the Proposed Acquisition; and
- Deloitte LLP, represented by Andrew Botterill, P Eng. of Deloitte, who prepared the NI 51-101 compliant Report on Reserve Estimation and Economic Evaluation of certain oil and gas assets of Petro Viking Energy Inc., effective December 31, 2021, the majority of which is reproduced in and forms part of this AIF and is available in its full form on the Company’s profile on SEDAR.

Interests of Experts

No person whose profession or business gives authority to a statement made by such person and who is named in this AIF has received or will receive a direct or indirect interest in the Company’s property or any associate or affiliate of the Company.

MNP LLP, Chartered Professional Accountants Company and WDM, Chartered Professional Accountants has confirmed that they are each independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants.

Andrew Botterill, P. Eng of Deloitte does not have any direct or indirect interest in the Company or the Ferrybank Property, and there are no circumstances that, when reasonably interpreted, could be thought to have interfered with the judgment of Andrew Botterill regarding the preparation of the Statement on Reserve.

Dunton Rainville LLP are legal counsel to the Company and participated in the preparation of this AIF.

Save and except for the persons mentioned below, as at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

- Michel Lebeuf, a director and corporate secretary of the Company, is also a partner at Dunton Rainville LLP, is the beneficial (or registered) owner, directly or indirectly, of 212,500 Shares as of the date of this AIF.

ADDITIONAL INFORMATION

Additional information relating to the Company and its business activities is available on SEDAR (www.sedar.com) under the Company's issuer profile. The Company's financial information is provided in the Company's audited annual consolidated financial statements and related management's discussion and analysis for the most recently completed financial year and three months ended March 31, 2022, and unaudited interim consolidated financial statements and related management's discussion and analysis, copies of which are available on SEDAR (www.sedar.com) under the Company issuer profile. Shareholders may also request copies of these documents, free of charge, by email to Lars Glimhagen, Chief Financial Officer of the Company, at lars.g@avilaenergy.com.

SCHEDULE "A" – NI 51-101F1 – STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

AVILA ENERGY CORPORATION
Section 1 - ALBERTA

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

(COMPLYING WITH FORM NI51-101F1)

AS OF FISCAL YEAR-END, DECEMBER 31, 2021

DATA AS OF DECEMBER 31, 2021

APPROVED BY RESERVES COMMITTEE ON APRIL 27, 2022

Definitions, Notes and Other Cautionary Statements

ABBREVIATIONS & DEFINITIONS

Abbreviations

AECO	EnCana Corp.'s natural gas facility located at Suffield, Alberta
API	American Petroleum Institute
°API	An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specific gravity of 28°API or higher is generally referred to as light crude oil.
ARTC	Alberta Royalty Tax Credit
boe	barrels of oil equivalent of natural gas and crude oil on the basis of 1 bbl of crude oil for 6 Mcf of natural gas
boe/d	barrel of oil equivalent per day
Corporation	Avila Energy Corporation
ITA	Income Tax Act (Canada)
$000s	thousands of dollars
$M	thousands of dollars
$MM	millions of dollars
McfGE	thousand cubic feet of gas equivalent
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade.

Crude Oil		Natural Gas	
Bbl	barrel	Mcf	thousand cubic feet
bbls	barrels	MMcf	million cubic feet
m3	cubic meters	Bcf	billion cubic feet
Mbbls	thousand barrels	Mcf/d	thousand cubic feet per day
MMbbls	million barrels	bbls/d	barrels per day
BOPD	barrels of oil per day	MMcf/d	million cubic feet per day
NGLs	natural gas liquids	MMBTU	million British Thermal Units
STB	stock tank barrels	GJ	gigajoule
		Gigajoule	billion joules

Definitions

The meaning of many of the key definitions used in this Statement are mandated by NI 51-101. Some of the definitions mandated by NI 51-101 through its incorporation of definitions from: (a) the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) and (b) the Canadian Institute of Chartered Accountants Handbook (the "**CICA Handbook**"), are as follows:

"**Accumulation**" means an individual body of Petroleum in a Reservoir.

"**Analogous Information**" means information about an area outside the area Avila Energy Corporation has an interest or intends to acquire an interest, which is referenced by Avila Energy Corporation for the purpose of drawing a comparison or conclusion to an area in which Avila Energy Corporation has an interest or intends to acquire an interest, which comparison or conclusion is reasonable, and includes without limitation:

(a) historical information concerning reserves;
(b) estimates of the volume or value of reserves;
(c) historical information concerning resources;
(d) estimates of the volume or value of resources;
(e) historical production amounts;
(f) production estimates; or
(g) information concerning a field, well, basin or reservoir.

"**Anticipated Results**" means information which may, in the opinion of a reasonable person, indicate the potential value or quantities of Resources in respect of Avila's Resources or a portion of Avila's Resources and includes without limitation:

(a) estimates of volume;
(b) estimates of value;
(c) areal extent;
(d) pay thickness;
(e) flow rates; or
(f) hydrocarbon content.

"**Associated Gas**" means the Gas cap overlying a Crude Oil Accumulation in a reservoir.

"**Audit**" means, in relation to Reserves Data, the process whereby an Independent qualified Reserves auditor carries out procedures designed to allow the Independent qualified Reserves auditor to provide reasonable assurance, in the form of an opinion that the Avila's Reserves Data (or specific parts thereof) have, in all Material respects, been determined and presented in accordance with the COGE Handbook and are, therefore, free of Material misstatement. Because of
(a) the nature of the subject matter (estimates of future results with many uncertainties);
(b) the fact that the Independent qualified Reserves auditor assesses the qualifications and experience of the Avila's staff, assesses the Avila's systems, procedures and controls and relies on the competence of the Avila's staff and the appropriateness of the Avila's systems, procedures and controls; and
(c) the fact that tests and samples (involving examination of underlying documentation supporting the determination of the Reserves and Future Net Revenue) as opposed to complete Evaluations, are involved;
the level of assurance is designed to be high, though not absolute. The level of assurance cannot be described with numeric precision. It will usually be less than, but reasonably close to, that of an independent evaluation and considerably higher than that of a review.

"**Bitumen**" means a naturally occurring viscous mixture consisting mainly of pentanes and heavier Hydrocarbons. Its viscosity is greater than 10,000 mPa-s (cp) measured at original temperature in the Reservoir and atmospheric pressure, on a gas-free basis. Crude bitumen may contain sulphur and other non-hydrocarbon compounds.

"**IFRS**" means generally accepted accounting principles determined with reference to the CICA Handbook. "**CICA**" means the Canadian Institute of Chartered Accountants.
"**CICA Accounting Guideline 16**" means Accounting Guideline AcG-16 "Oil and gas accounting - full cost" included in the CICA Handbook, as amended from time to time.

"**Commercial**" when a project is commercial this implies that the essential social, environmental, and economic conditions are met, including political, legal, regulatory, and contractual conditions. Considerations with regard to determining commerciality include
(a) economic viability of the related development project;
(b) a reasonable expectation that there will be a market for the expected sales quantities of production required to justify development;
(c) evidence that the necessary production and transportation facilities are available or can be made available;
(d) evidence that legal, contractual, environmental, governmental, and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated;
(e) a reasonable expectation that all required internal and external approvals will be forthcoming. Evidence of this may include items such as signed contracts, budget approvals, and approvals for expenditures, etc.
(f) evidence to support a reasonable timetable for development. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. Although five years is recommended as a maximum time frame for classification of a project as commercial, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives.

"**Constant Prices and Costs**" means prices and costs used in an estimate that are: (a) Avila's prices and costs as at the Effective Date of the estimation, held constant throughout the estimated lives of the Properties to which the estimate applies, (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which Avila Energy Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a). For the purpose of paragraph (a), Avila's prices will be the posted price for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.

"**Contingent Resources**" means those quantities of Petroleum estimated, as of a given date, to be potentially recoverable from Known Accumulations using established technology or technology under development, but which are not currently considered to be Commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

"**Company**" **or** "**Corporation**" means Avila Energy Corporation (Avila).

"**Crude Oil**" or "**Oil**" means a mixture consisting mainly of pentanes and heavier Hydrocarbons that exists in the liquid phase in Reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of Natural Gas.

"**Developed Non-Producing Reserves**" are those Reserves that either have not been on Production, or have previously been on Production, but are shut-in, and the date of resumption of Production is unknown.

"**Developed Producing Reserves**" are those Reserves that are expected to be recovered from completion intervals open at the time of the estimate. These Reserves may be currently producing or, if shut-in, they must have previously been on Production, and the date of resumption of Production must be known with reasonable certainty. The developed category may be subdivided into producing and non-producing.

“**Developed Reserves**” are those Reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the Reserves on Production.

“**Development Costs**” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable Operating Costs of Support Equipment and Facilities and other costs of development activities, are costs incurred to: (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves; (b) drill and equip Development Wells, development type Stratigraphic Test Wells and Service Wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly; (c) acquire, construct and install Production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and Production storage tanks, Natural Gas cycling and processing plants, and central utility and waste disposal systems; and (d) provide improved recovery systems.

“**Development Well**” means a well drilled inside the established limits of an Oil or Gas Reservoir, or in close proximity to the edge of the Reservoir, to the depth of a stratigraphic horizon known to be productive.

"**Discovered Petroleum Initially-In-Place**" or "**Discovered Resources**" means that quantity of petroleum that is estimated, as of a given date, to be contained in known Accumulations prior to Production. The recoverable portion of Discovered Petroleum Initially-In-Place includes Production, Reserves and Contingent Resources; the remainder is unrecoverable.

"**Discovered Unrecoverable Petroleum Initially-In-Place**" or "**Discovered Unrecoverable Resources**" means that portion of Discovered Petroleum Initially-In-Place which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

"**Evaluation**" means, in relation to Reserves Data, the process whereby an economic analysis is made of a Property to arrive at an estimate of a range of Net present values of the estimated Future Net Revenue resulting from the Production of the Reserves associated with the Property.

"**Exploration Costs**" means Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have Prospects that may contain Oil and Gas Reserves, including costs of drilling Exploratory Wells and exploratory type Stratigraphic Test Wells. Exploration Costs may be incurred both before acquiring the related Property (sometimes referred to in part as "prospecting costs") and after acquiring the Property. Exploration Costs, which include applicable Operating Costs of Support Equipment and Facilities and other costs of exploration activities, are:

(a) costs of topographical, geochemical, geological and geophysical studies, rights of access to Properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
(b) costs of carrying and retaining unproved Properties, such as delay rentals, taxes (other than income and capital taxes) on Properties, legal costs for title defense, and the maintenance of land and Lease records;
(c) dry hole contributions and bottom hole contributions;
(d) costs of drilling and equipping Exploratory Wells; and
(e) costs of drilling exploratory type Stratigraphic Test Wells.

“**Exploratory Well**” means a well that is not a Development Well, a Service Well or a Stratigraphic Test Well.

"**Field**" means a defined geographical area consisting of one or more pools.

“**Forecast Prices and Costs**” means future prices and costs that are: (a) generally accepted as being a reasonable outlook of the future; (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which Avila Energy Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

“**Future Income Tax**” means future income tax expenses estimated (generally, year-by-year): (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between Oil and Gas activities and other business activities; (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income; (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and (d) applying to the future pre-tax net cash flows relating to Avila’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

“**Future Net Revenue**” means the estimated Net amount to be received with respect to the development and Production of Reserves (including Synthetic Oil, coal bed methane and other non-conventional Reserves) estimated using: (a) forecast prices and costs, and (b) at the option of Avila Energy Corporation, constant prices and costs. This net amount is computed by deducting, from estimated future revenues: (i) estimated amounts of future royalty obligations; (ii) costs related to the development and Production of Reserves; (iii) abandonment and reclamation costs; and (iv) future income tax expenses, unless otherwise specified in NI-51-101, Form 51-101F1 or Forms 51-101F2. Corporate general and administrative expenses and financing costs are not deducted. Net present values of Future Net Revenue may be calculated using a discount rate or without discount.

"**Gas**" or "**Natural Gas**" means a mixture of lighter hydrocarbons that exist either: in gaseous phase, or in solution in Crude Oil in Reservoirs but are gaseous at atmospheric conditions. Natural gas may include sulphur and other non-hydrocarbon compounds.

"**Gross**" means: (a) in relation to Avila's interest in Production or Reserves, Avila's "company Gross Reserves", which are Avila's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of Avila Energy Corporation, (b) in relation to wells, the total number of wells in which Avila Energy Corporation has an interest, and (c) in relation to Properties, the total area of properties in which Avila Energy Corporation has an interest.

"**Heavy Oil**" in respect of Reserves or Production means: (a) in a Jurisdiction that has a royalty regime specific to heavy oil, "heavy oil" is oil that qualifies for royalties specific to heavy oil; or (b) in a Jurisdiction that has no royalty regime specific to heavy oil, "heavy oil" is oil with a density between 10 to 22.3 degrees API (as that term is defined by the American Petroleum Institute).

"**Hydrocarbons**" means solid, liquid, or Gas made up of compounds of carbon and hydrogen in varying proportions

"**Jurisdiction**" for the purposes of NI 51-101, means a province or territory of Canada.

"**Known Accumulation**" means an Accumulation that has been penetrated by a well, in general, the well must have demonstrated the existence of Hydrocarbons by flow testing in order for the Accumulation to be classified as "known". However, where log and/or core data exist and there is a good analogy to a nearby and geologically comparable known accumulation, this may suffice.

"**Lease**" means an agreement granting to the lessee rights to explore, develop and exploit a Property.

"**Marketable**" means in respect of reserves or sales of Oil, Gas or associated by-products, the volume of Oil, Gas or associated by-products measured at the point of sale to a third party, or of transfer to another division of the issuer for treatment prior to sale to a third party. For Gas, this may occur either before or after removal of Natural Gas liquids. For Heavy Oil or Bitumen, this is before the addition of diluents.

"**Material**" or "**Materiality**" for the purposes of NI 51-101, information is Material, in respect of Avila Energy Corporation, if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of Avila Energy Corporation. This meaning differs from the definitions of "material change" and "material fact" in Securities Legislation, but is consistent with the meaning of the term as used, for accounting purposes, in the CICA Handbook.

"**Natural Gas Liquids**" means those hydrocarbon components that can be recovered from Natural Gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

"**Net**" means: (a) in relation to Avila's interest in Production or Reserves, Avila's working interest (operating or non-operating) share after deduction of royalty obligations, plus Avila's royalty interests in Production or Reserves, (b) in relation to Avila's interest in wells, the number of wells obtained by aggregating Avila's working interest in each of Avila's gross wells, and (c) in relation to Avila's interest in a Property, the total area in which Avila Energy Corporation has an interest multiplied by the working interest owned by Avila Energy Corporation.

"**Non-Associated Gas**" means an Accumulation of Natural Gas in a reservoir where there is no Crude Oil.

"**Oil**" means crude oil or synthetic oil.

"**Oil and Gas Activities**" (a) include: (i) the search for Crude Oil or Natural Gas in their natural states and original locations; (ii) the acquisition of Property Rights or Properties for the purpose of further exploring for or removing Oil or Gas from Reservoirs on those properties; (iii) the construction, drilling and Production activities necessary to recover Oil and Gas from Reservoirs, and the acquisition, construction, installation and maintenance of Field gathering and storage systems, including lifting Oil and Gas to the surface and gathering, treating, Field processing and Field storage; and (iv) the extraction of Hydrocarbons from Oil sands, shale, coal or other non- conventional sources and activities similar to those referred to in clauses (i), (ii) and (iii) undertaken with a view to such extraction; but (b) do not include: (i) transporting, refining or marketing Oil or Gas; (ii) activities relating to the extraction of natural Resources other than Oil and Gas and their by-products; or (iii) the extraction of geothermal steam or of Hydrocarbons as a by-product of the extraction of geothermal steam or associated geothermal resources.

"**Petroleum**" means a naturally occurring mixture consisting predominantly of Hydrocarbons in the gaseous, liquid, or solid phase.

"**Possible Reserves**" are those additional Reserves that are less certain to be recovered than Probable Reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible Reserves.

"**Probable Reserves**" are those additional Reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves.

"**Product Types**" means one of the following:
(a) in respect of conventional Oil and Gas activities:
  (i) Light and medium Crude Oil (combined);
  (ii) Heavy Oil;
  (iii) Natural Gas excluding Natural Gas Liquids; or
  (iv) Natural Gas Liquids; and
(b) in respect of non-conventional Oil and Gas activities:
  (i) Synthetic Oil;
  (ii) Bitumen;
  (iii) coal bed methane;
  (iv) hydrates;
  (v) shale oil; or
  (vi) shale gas.

"**Production**" means recovering, gathering, treating, Field or plant processing (for example, processing gas to extract Natural Gas Liquids) and Field storage of oil and gas. The Oil production function is usually regarded as terminating at the outlet valve on the Lease or Field production storage tank. The Gas production function is usually regarded as terminating at the plant gate. In some circumstances, it may be more appropriate to regard the production function as terminating at the first point at which Oil, Gas or their by-products are delivered to a main pipeline, a common carrier, a refinery or a marine terminal.

"**Production Costs"** or "**Operating Costs**" means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of Support Equipment and Facilities and other costs of operating and maintaining those wells and related equipment and facilities. Lifting costs become part of the cost of Oil and Gas produced. Examples of production costs are: (a) costs of labor to operate the wells and related equipment and facilities; (b) costs of repairs and maintenance; (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities; (d) costs of workovers; (e) Property taxes and insurance costs applicable to properties and wells and related equipment and facilities; and (f) taxes, other than income and capital taxes.

"**Production Group**" means one of the following together, in each case, with associated byproducts: (a) light and medium Crude Oil (combined); (b) Heavy Oil; (c) Associated Gas and Non-Associated Gas (combined); and (d) Bitumen, Synthetic Oil or other products from non-conventional Oil and Gas activities.

"**Property**" includes: (a) fee ownership or a lease, concession, agreement, permit, license or other interest representing the right to extract Oil or Gas subject to such terms as may be imposed by the conveyance of that interest; (b) royalty interests, Production payments payable in Oil or Gas, and other non-operating interests in Properties operated by others; and (c) an agreement with a foreign government or authority under which Avila Energy Corporation participates in the operation of Properties or otherwise serves as "producer" of the underlying Reserves (in contrast to being an Independent purchaser, broker, dealer or importer). A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

"**Property Acquisition Costs**" means costs incurred to acquire a Property (directly by purchase or Lease, or indirectly by acquiring another corporate entity with an interest in the Property), including: (a) costs of Lease bonuses and options to purchase or Lease a Property; (b) the portion of the costs applicable to Hydrocarbons when land including rights to hydrocarbons is purchased in fee; (c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

"**Prospect**" means a geographic or stratigraphic area, in which Avila Energy Corporation owns or intends to own one or more Oil and Gas interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one Reservoir or part of a Reservoir of Oil and Gas.

"**Prospective Resources**" means those quantities of Petroleum estimated, as of a given date, to be potentially recoverable from undiscovered Accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

"**Proved Property**" means a Property or part of a Property to which Reserves have been specifically attributed.

"**Proved Reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed.

"**Reserves Data**" means estimates of proved reserves and probable reserves and related future net revenue estimated using forecast prices and costs.

"**Reservoir**" means a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

"**Resources**" is a general term that may refer to all or a portion of Total Resources.

"**Service Well**" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

"**Solution Gas**" means Gas dissolved in Crude Oil.

"**Stratigraphic Test Well**" means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon Production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) "exploratory type" if not drilled into a proved Property; or (b) "development type", if drilled into a proved Property. Development type stratigraphic wells are also referred to as "evaluation wells".

"**Support Equipment and Facilities**" means equipment and facilities used in Oil and Gas Activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

"**Synthetic Oil**" means a mixture of hydrocarbons derived by upgrading crude bitumen from oil sands or kerogen from oil shales or other substances such as coal.

"**Total Petroleum Initially-In-Place**" or "**Total Resources**" means that quantity of Petroleum that is estimated to exist originally in naturally occurring Accumulations. It includes that quantity of Petroleum that is estimated, as of a given date, to be contained in Known Accumulations, prior to Production, plus those estimated quantities in Accumulations yet to be discovered.

"**Undeveloped Reserves**" are those reserves expected to be recovered from Known Accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the Reserves classification (Proved, Probable, Possible) to which they are assigned. In multi-well pools it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to subdivide the Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation is based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

"**Undiscovered Petroleum Initially-In-Place**" or "**Undiscovered Resources**" means that quantity of Petroleum that is estimated, on a given date, to be contained in Accumulations yet to be discovered. The recoverable portion of Undiscovered Petroleum Initially-In-Place is referred to as Prospective Resources; the remainder is unrecoverable.

"**Undiscovered Unrecoverable Petroleum Initially-In-Place**" or "**Undiscovered Unrecoverable Resources**" means that portion of Undiscovered Petroleum Initially-In-Place which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and Reservoir rocks.

"**Unproved Property**" means a Property or part of a Property to which no Reserves have been specifically attributed.

"**Well Abandonment Costs**" means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the wellsite.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the reserve definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves estimates are required to target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves;

(b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved Reserves plus Probable Reserves; and

(c) at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved Reserves plus Probable Reserves plus Possible Reserves.

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for each 6 Mcf is based on an energy equivalent conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserve classification criteria have been satisfied. Knowledge of concepts including uncertainty of risk, probability and statistics, and deterministic and probabilistic estimation methods are required to properly use and apply reserve definitions.

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AVILA ENERGY CORPORATION (“the Corporation” or “Company”)

STATEMENT OF RESERVE DATA AND OTHER OIL AND GAS INFORMATION

April 27, 2022

PART 1

RELEVANT DATES

The effective date of the information being provided in this statement is December 31, 2021. The preparation date of the information being provided in this statement is April 27, 2021. For a glossary of terminology and definitions relating to the information included in this report, readers are referred to National policy Instrument 51-101 “Standards for Disclosure for Oil and Gas Activities” (“NI 510101”).

RESERVES AND FUTURE NET REVENUE

The following is a summary of the oil and natural gas reserves and the net present values of future net revenue of Avila Energy Corporation (Avila) as evaluated by Deloitte LLP (Deloitte) in March, 2022. Deloitte LLP. are independent qualified reserves evaluators appointed by the Corporation pursuant to NI 51-101. Deloitte independently evaluated all of the Corporation’s Oil and Gas properties.

The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Corporation’s reserves. There is no assurance that the forecast price and costs assumptions contained in the Deloitte report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the Deloitte report. The recovery and reserves estimate attributed to the Corporation’s properties described herein are estimates only. The actual reserves attributable to the Corporation’s properties may be greater or less than those calculated.

PART 2

DISCLOSURE OF RESERVES DATA

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by Avila Energy Corporation for each of the product types that Avila Energy Corporation has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. Due to rounding certain columns may not add exactly.

Reserves Data (Forecast Prices and Costs)

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by the Corporation for each of the product types that Avila Energy Corporation has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to Avila Energy Corporation of funding required for that development.

The following tables provide a breakdown of various elements of future net revenue (undiscounted) attributable to Proved reserves and Proved plus Probable (in total) of the Corporation estimated using forecast prices and costs and calculated without discount:

TABLE 1
Avila Energy Corp.
Total Reserves and NPV - Before Tax
Prices in Deloitte December 31, 2021 Forecast Pricing as of January 1, 2022
Canada

	Remaining Reserves			Net Revenue NPV (M$C)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved Developed Producing									
Gas (MMcf)	604.2	-	515.1	1,878.4	1,406.2	1,219.7	1,120.9	934.1	803.9
Propane (Mbbl)	5.6	-	4.7	143.6	108.0	93.9	86.5	72.5	62.7
Butane (Mbbl)	3.5	-	2.9	124.0	93.0	80.8	74.4	62.2	53.7
Pentane Plus (Mbbl)	1.8	-	1.5	116.1	86.5	74.8	68.6	57.0	48.9
Total				2,262.1	1,693.7	1,469.3	1,350.4	1,125.8	969.2
				Before Tax Cash Flow NPV (1) (M$C)					
				623.5	539.8	497.1	471.9	419.0	377.7
				Net Revenue NPV (M$C)					
Proved Developed Non-Producing									
Gas (MMcf)	480.9	-	377.4	1,398.2	1,014.2	864.1	785.6	640.0	541.9
Propane (Mbbl)	4.5	-	3.5	109.7	80.5	69.1	63.1	52.0	44.5
Butane (Mbbl)	2.8	-	2.2	94.7	69.3	59.3	54.1	44.5	37.9
Pentane Plus (Mbbl)	1.4	-	1.1	90.0	65.4	55.8	50.8	41.4	35.1
Total				1,692.6	1,229.4	1,048.4	953.6	778.0	659.4
				Before Tax Cash Flow NPV (1) (M$C)					
				493.3	392.7	344.7	317.0	260.2	217.0
				Net Revenue NPV (M$C)					
Proved Undeveloped									
Gas (MMcf)	2,483.5	-	2,116.0	7,897.2	5,704.0	4,923.9	4,528.6	3,811.3	3,328.6
Propane (Mbbl)	23.1	-	18.7	599.6	438.4	381.1	352.0	299.2	263.7
Butane (Mbbl)	14.4	-	12.0	533.0	388.4	336.9	310.8	263.3	231.3
Pentane Plus (Mbbl)	7.5	-	6.2	496.5	359.3	310.4	285.5	240.4	210.0
Total				9,526.4	6,890.1	5,952.2	5,476.9	4,614.3	4,033.7
				Before Tax Cash Flow NPV (1) (M$C)					
				3,106.1	2,251.6	1,886.3	1,686.9	1,299.3	1,020.1
				Net Revenue NPV (M$C)					
Total Proved									
Gas (MMcf)	3,568.6	-	3,008.5	11,173.8	8,124.4	7,007.7	6,435.0	5,385.5	4,674.4
Propane (Mbbl)	33.2	-	26.9	852.9	626.9	544.1	501.7	423.8	370.9
Butane (Mbbl)	20.7	-	17.1	751.7	550.7	477.1	439.3	370.0	323.0
Pentane Plus (Mbbl)	10.7	-	8.8	702.7	511.2	441.0	404.9	338.8	294.0
Total				13,481.0	9,813.2	8,469.8	7,780.9	6,518.0	5,662.3
				Before Tax Cash Flow NPV (1) (M$C)					
				4,222.9	3,184.0	2,728.0	2,475.8	1,978.5	1,614.8
				Net Revenue NPV (M$C)					
Total Probable									
Heavy Oil (Mbbl)	33.1	-	31.4	2,022.0	1,654.7	1,492.1	1,400.8	1,216.8	1,078.1
Gas (MMcf)	1,099.4	-	935.1	3,988.0	2,144.3	1,640.4	1,418.0	1,070.9	876.6
Propane (Mbbl)	10.7	-	8.6	305.8	168.1	130.1	113.3	86.7	71.8
Butane (Mbbl)	6.8	-	5.7	276.7	153.0	118.6	103.2	78.9	65.1
Pentane Plus (Mbbl)	3.6	-	3.0	269.2	150.5	117.0	101.9	77.7	63.7
Sulphur (MLT)	0.0	-	0.0	0.6	0.5	0.4	0.4	0.3	0.2
Total				6,862.2	4,271.1	3,498.6	3,137.5	2,531.5	2,155.5
				Before Tax Cash Flow NPV (1) (M$C)					
				2,609.7	1,793.4	1,484.6	1,325.8	1,035.5	840.0
				Net Revenue NPV (M$C)					
Total Proved + Probable									
Heavy Oil (Mbbl)	33.1	-	31.4	2,022.0	1,654.7	1,492.1	1,400.8	1,216.8	1,078.1
Gas (MMcf)	4,667.9	-	3,943.5	15,161.7	10,268.7	8,648.1	7,853.0	6,456.4	5,550.9
Propane (Mbbl)	43.9	-	35.5	1,158.7	795.0	674.2	614.9	510.5	442.7
Butane (Mbbl)	27.5	-	22.8	1,028.4	703.7	595.7	542.5	448.9	388.1
Pentane Plus (Mbbl)	14.4	-	11.8	971.8	661.7	557.9	506.8	416.5	357.7
Sulphur (MLT)	0.0	-	0.0	0.6	0.5	0.4	0.4	0.3	0.2
Total				20,343.3	14,084.4	11,968.5	10,918.4	9,049.5	7,817.8
				Before Tax Cash Flow NPV (1) (M$C)					
				6,832.5	4,977.4	4,212.7	3,801.6	3,014.0	2,454.8

	Remaining Equivalent Reserves (2) (MBOE)			Before Tax Cash Flow NPV/WI BOE ($C/BOE)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved									
Proved Developed Producing	111.6	-	94.9	5.6	4.8	4.5	4.2	3.8	3.4
Proved Developed Non-Producing	88.9	-	69.7	5.6	4.4	3.9	3.6	2.9	2.4
Proved Undeveloped	458.9	-	389.6	6.8	4.9	4.1	3.7	2.8	2.2
Total Proved	659.4	-	554.2	6.4	4.8	4.1	3.8	3.0	2.4
Total Probable	237.4	-	204.6	11.0	7.6	6.3	5.6	4.4	3.5
Total Proved + Probable	896.7	-	758.8	7.6	5.6	4.7	4.2	3.4	2.7

(1) Before Tax Cash Flow NPV is not available per product.
(2) Oil Equivalent based on 6:1 Mcf/bbl Gas, 1:1 bbl/bbl Liquids.

Avila Energy Corp.
NI 51-101 FORECAST CASE
TOTAL FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

CATEGORY	Revenue* M$	Royalties M$	Operating Costs M$	Investment Costs M$	Well Abandonment Costs M$	Future Net Revenue Before Income Taxes M$	Income Taxes M$	Future Net Revenue After Income Taxes M$
Proved Developed Producing	2,656.0	393.9	1,475.8	0.0	162.9	623.5	0.0	623.5
Proved Developed Non-Producing	2,141.7	449.1	1,054.4	125.0	19.9	493.3	0.0	493.3
Proved Undeveloped	11,283.1	1,756.8	4,735.1	1,462.5	222.7	3,106.1	0.0	3,106.1
Proved	16,080.8	2,599.8	7,265.2	1,587.5	405.4	4,222.9	0.0	4,222.9
Probable	7,827.6	965.3	3,370.0	750.0	132.6	2,609.7	0.0	2,609.7
Proved Plus Probable	23,908.4	3,565.1	10,635.2	2,337.5	538.0	6,832.5	0.0	6,832.5

* Revenue includes product revenue and other income from facilities, wells and corporate if specified.

Avila Energy Corp.
NI 51-101 FORECAST CASE
FUTURE NET REVENUE BY PRODUCTION TYPE
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

	FUTURE NET REVENUE BEFORE INCOME TAXES* 10% M$	UNIT VALUE Primary Product Only
TOTAL PROVED		
Conventional Natural Gas	2,475.8	0.82 $/Mcf
Total	2,475.8	4.94 $/BOE
TOTAL PROVED + PROBABLE		
Conventional Natural Gas	3,436.5	0.88 $/Mcf
Heavy Crude Oil	365.1	11.63 $/bbl
Total	3,801.6	5.56 $/BOE

*Primary product type and all associated by-products are included

The following table details by production group the net present value of future net revenue (discounted 10% before deducting future income tax expenses) estimated using forecast prices and costs.

Avila Energy Corp.
NI 51-101 FORECAST CASE
SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

	Before Income Tax					After Income Tax					Unit Value Before Income Tax
RESERVES CATEGORY	0% M$	5% M$	10% M$	15% M$	20% M$	0% M$	5% M$	10% M$	15% M$	20% M$	Discounted at 10% $/boe
Proved Developed Producing	623.5	539.8	471.9	419.0	377.7	623.5	539.8	471.9	419.0	377.7	4.97
Proved Developed Non-Producing	493.3	392.7	317.0	260.2	217.0	493.3	392.7	317.0	260.2	217.0	4.55
Proved Undeveloped	3,106.1	2,251.6	1,686.9	1,299.3	1,020.1	3,106.1	2,251.6	1,686.9	1,299.3	1,020.1	4.33
Proved	4,222.9	3,184.0	2,475.8	1,978.5	1,614.8	4,222.9	3,184.0	2,475.8	1,978.5	1,614.8	4.47
Probable	2,609.7	1,793.4	1,325.8	1,035.5	840.0	2,609.7	1,793.4	1,325.8	1,035.5	840.0	6.48
Proved Plus Probable	6,832.5	4,977.4	3,801.6	3,014.0	2,454.8	6,832.5	4,977.4	3,801.6	3,014.0	2,454.8	5.01

*Unit value calculation based on Net BOE reserves

Avila Energy Corp.
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES SUMMARY
Deloitte December 31, 2021 Price Forecast
Canada

Effective January 1, 2022

VOLUMES IN IMPERIAL UNITS

	Oil				Natural Gas							
	Light/Medium Crude		Heavy Crude		Conventional		Natural Gas Liquids		Sulphur		Total BOE	
CATEGORY	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mstb	Co. Share Net Mstb	WI Gross MMcf	Co. Share Net MMcf	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mlt	Co. Share Net Mlt	WI Gross Mboe	Co. Share Net Mboe
PDP	0.0	0.0	0.0	0.0	604.2	515.1	10.9	9.0	0.0	0.0	111.6	94.9
PDNP	0.0	0.0	0.0	0.0	480.9	377.4	8.7	6.8	0.0	0.0	88.9	69.7
PUD	0.0	0.0	0.0	0.0	2,483.5	2,116.0	45.0	36.9	0.0	0.0	458.9	389.6
TP	0.0	0.0	0.0	0.0	3,568.6	3,008.5	64.6	52.8	0.0	0.0	659.4	554.2
PB	0.0	0.0	33.1	31.4	1,099.4	935.1	21.1	17.3	0.0	0.0	237.4	204.6
P+P	0.0	0.0	33.1	31.4	4,667.9	3,943.5	85.7	70.1	0.0	0.0	896.7	758.8

VOLUMES IN METRIC UNITS

	Oil				Natural Gas							
	Light/Medium Crude		Heavy Crude		Conventional		Natural Gas Liquids		Sulphur		Total BOE	
CATEGORY	WI Gross E^3m^3	Co. Share Net E^3m^3	WI Gross E^3m^3	Co. Share Net E^3m^3	WI Gross E^6m^3	Co. Share Net E^6m^3	WI Gross E^3m^3	Co. Share Net E^3m^3	WI Gross E^3t	Co. Share Net E^3t	WI Gross E^3m^3e	Co. Share Net E^3m^3e
PDP	0.0	0.0	0.0	0.0	17.0	14.5	1.7	1.4	0.0	0.0	17.7	15.1
PDNP	0.0	0.0	0.0	0.0	13.5	10.6	1.4	1.1	0.0	0.0	14.1	11.1
PUD	0.0	0.0	0.0	0.0	70.0	59.6	7.1	5.9	0.0	0.0	72.9	61.9
TP	0.0	0.0	0.0	0.0	100.5	84.8	10.3	8.4	0.0	0.0	104.8	88.1
PB	0.0	0.0	5.3	5.0	31.0	26.3	3.4	2.8	0.0	0.0	37.7	32.5
P+P	0.0	0.0	5.3	5.0	131.5	111.1	13.6	11.1	0.0	0.0	142.5	120.6

PART 3

PRICING ASSUMPTIONS

The following table detail the benchmark reference prices for the regions in which the Corporation operated as at December 31, 2021 reflected in the reserves data disclosed above under "Disclosure of Reserves Data". These pricing assumptions were provided by Deloitte.

Canadian domestic forecast

Forecast effective: December 31 2021

					Crude Oil Pricing						
		Price Inflation Rate	Cost Inflation Rate	CAD to USD Exchange Rate	WTI at Cushing Oklahoma US$/bbl Real	WTI at Cushing Oklahoma US$/bbl Current	Edmonton City Gate C$/bbl Real	Edmonton City Gate C$/bbl Current	WCS 20.5 Deg. API Hardisty C$/bbl Current	Bow River 25 Deg. API Hardisty C$/bbl Current	Heavy Oil 12 Deg. API Hardisty C$/bbl Current
H	2011	2.9%	2.9%	1.012	$111.96	$94.88	$112.74	$95.54	$77.12	$78.42	$69.60
i	2012	1.5%	1.5%	1.001	$107.81	$94.11	$99.17	$86.57	$73.10	$74.41	$64.07
s	2013	0.9%	0.9%	0.972	$110.46	$97.91	$105.33	$93.36	$74.97	$76.29	$65.49
t	2014	1.9%	1.9%	0.906	$104.23	$93.26	$105.05	$94.00	$81.06	$81.49	$73.70
o	2015	1.1%	1.1%	0.783	$53.38	$48.69	$62.49	$57.00	$44.80	$45.23	$39.63
r	2016	1.4%	1.4%	0.755	$46.77	$43.15	$56.60	$52.22	$38.90	$39.23	$34.08
i	2017	1.6%	1.6%	0.771	$54.35	$50.88	$66.10	$61.88	$49.51	$50.86	$45.01
c	2018	2.3%	2.3%	0.772	$68.26	$64.94	$72.63	$69.10	$49.89	$50.00	$45.34
a	2019	1.9%	1.9%	0.754	$58.53	$56.98	$70.90	$69.02	$57.33	$59.10	$55.11
l	2020	0.7%	0.7%	0.746	$39.52	$39.23	$46.03	$45.69	$36.09	$35.93	$31.48
2	12 Mths F	3.3%	3.3%	0.798	$67.65	$67.65	$79.80	$79.80	$67.65	$67.18	$64.04
0	0 Mths F	0.0%	0.0%	-	-	-	-	-	-	-	-
2											
1	Avg.	N/A	N/A	0.798	$67.65	$67.65	$79.80	$79.80	$67.65	$67.18	$64.04
F	2022	0.0%	0.0%	0.800	$69.00	$69.00	$81.25	$81.25	$67.50	$70.25	$63.00
o	2023	2.0%	2.0%	0.800	$64.00	$65.30	$73.75	$75.25	$62.50	$64.00	$57.90
r	2024	2.0%	2.0%	0.800	$59.00	$61.40	$67.50	$70.25	$57.20	$58.80	$52.55
e	2025	2.0%	2.0%	0.800	$59.00	$62.60	$67.50	$71.65	$58.35	$59.95	$53.60
c	2026	2.0%	2.0%	0.800	$59.00	$63.85	$67.50	$73.05	$59.55	$61.15	$54.65
a	2027	2.0%	2.0%	0.800	$59.00	$65.15	$67.50	$74.55	$60.70	$62.40	$55.75
s	2028	2.0%	2.0%	0.800	$59.00	$66.45	$67.50	$76.00	$61.95	$63.65	$56.85
t	2029	2.0%	2.0%	0.800	$59.00	$67.75	$67.50	$77.55	$63.20	$64.90	$58.00
	2030	2.0%	2.0%	0.800	$59.00	$69.15	$67.50	$79.10	$64.45	$66.20	$59.15
	2031	2.0%	2.0%	0.800	$59.00	$70.50	$67.50	$80.65	$65.75	$67.50	$60.35
	2032	2.0%	2.0%	0.800	$59.00	$71.90	$67.50	$82.30	$67.05	$68.85	$61.55
	2033	2.0%	2.0%	0.800	$59.00	$73.35	$67.50	$83.95	$68.40	$70.25	$62.80
	2034	2.0%	2.0%	0.800	$59.00	$74.85	$67.50	$85.60	$69.75	$71.65	$64.05
	2035	2.0%	2.0%	0.800	$59.00	$76.30	$67.50	$87.30	$71.15	$73.10	$65.35
	2036	2.0%	2.0%	0.800	$59.00	$77.85	$67.50	$89.05	$72.55	$74.55	$66.65
	2037	2.0%	2.0%	0.800	$59.00	$79.40	$67.50	$90.85	$74.00	$76.05	$67.95
	2038	2.0%	2.0%	0.800	$59.00	$81.00	$67.50	$92.65	$75.50	$77.55	$69.35
	2039	2.0%	2.0%	0.800	$59.00	$82.60	$67.50	$94.50	$77.00	$79.10	$70.70
	2040	2.0%	2.0%	0.800	$59.00	$84.25	$67.50	$96.40	$78.55	$80.70	$72.15
	2041	2.0%	2.0%	0.800	$59.00	$85.95	$67.50	$98.35	$80.10	$82.30	$73.55
	2041+	2.0%	2.0%	0.800	0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%

		Natural Gas Liquids Pricing Edmonton Par Prices				Natural Gas Pricing						Sulphur
		Ethane C$/bbl Current	Propane C$/bbl Current	Butane C$/bbl Current	Pentanes + Condensate C$/bbl Current	Alberta Reference Average Price C$/mcf Current	Alberta AECO Average Price C$/mcf Real	Alberta AECO Average Price C$/mcf Current	B.C. Direct Stn. 2 Sales C$/mcf Current	NYMEX Henry Hub US$/Mcf Real	NYMEX Henry Hub US$/Mcf Current	Alberta Plant Gate C$/lt Current
H	2011	$10.30	$52.41	$86.98	$105.24	$3.46	$4.28	$3.63	$3.34	$4.72	$4.00	$101.60
i	2012	$6.73	$30.80	$75.47	$99.67	$2.25	$2.74	$2.39	$2.29	$3.15	$2.75	$126.81
s	2013	$8.68	$38.54	$77.44	$103.52	$2.98	$3.58	$3.17	$3.11	$4.21	$3.73	$62.17
t	2014	$12.46	$42.93	$59.43	$101.47	$4.22	$5.03	$4.50	$4.16	$4.91	$4.39	$88.99
o	2015	$7.49	$5.35	$33.70	$55.15	$2.56	$2.95	$2.69	$1.81	$2.88	$2.63	$107.45
r	2016	$6.04	$8.71	$31.45	$52.43	$1.93	$2.34	$2.16	$1.75	$2.73	$2.52	$45.40
i	2017	$6.11	$27.92	$40.98	$63.65	$2.13	$2.34	$2.19	$1.56	$3.19	$2.99	$41.85
c	2018	$6.90	$29.76	$46.17	$75.74	$1.36	$1.62	$1.54	$1.26	$3.33	$3.17	$89.25
a	2019	$5.00	$15.82	$21.40	$67.57	$1.48	$1.86	$1.81	$1.02	$2.64	$2.57	$37.54
l	2020	$6.20	$16.11	$20.93	$47.14	$2.00	$2.27	$2.25	$2.20	$2.06	$2.04	$2.60
2	12 Mths F	$10.06	$45.92	$40.30	$81.87	$3.20	$3.61	$3.61	$3.30	$3.92	$3.92	$65.37
0	0 Mths F	-	-	-	-	-	-	-	-	-	-	-
2												
1	Avg.	$10.06	$45.92	$40.30	$81.87	$3.20	$3.61	$3.61	$3.30	$3.92	$3.92	$65.37
F	2022	$10.05	$44.70	$56.90	$85.30	$3.25	$3.65	$3.65	$3.55	$4.00	$4.00	$75.00
o	2023	$9.00	$33.85	$45.15	$79.00	$2.85	$3.20	$3.25	$3.15	$3.50	$3.55	$51.00
r	2024	$8.75	$31.65	$42.15	$73.75	$2.75	$3.05	$3.15	$3.05	$3.25	$3.40	$52.00
e	2025	$8.90	$32.25	$43.00	$75.25	$2.80	$3.05	$3.25	$3.15	$3.25	$3.45	$53.05
c	2026	$9.10	$32.90	$43.85	$76.75	$2.85	$3.05	$3.30	$3.20	$3.25	$3.50	$54.10
a	2027	$9.25	$33.55	$44.70	$78.30	$2.95	$3.05	$3.35	$3.25	$3.25	$3.60	$55.20
s	2028	$9.45	$34.25	$45.60	$79.85	$3.00	$3.05	$3.45	$3.30	$3.25	$3.65	$56.30
t	2029	$9.65	$34.90	$46.50	$81.45	$3.05	$3.05	$3.50	$3.40	$3.25	$3.75	$57.45
	2030	$9.85	$35.60	$47.45	$83.05	$3.10	$3.05	$3.55	$3.45	$3.25	$3.80	$58.60
	2031	$10.05	$36.35	$48.40	$84.75	$3.15	$3.05	$3.65	$3.55	$3.25	$3.90	$59.75
	2032	$10.25	$37.05	$49.35	$86.45	$3.25	$3.05	$3.70	$3.60	$3.25	$3.95	$60.95
	2033	$10.45	$37.80	$50.35	$88.15	$3.30	$3.05	$3.80	$3.65	$3.25	$4.05	$62.15
	2034	$10.65	$38.55	$51.35	$89.90	$3.35	$3.05	$3.85	$3.75	$3.25	$4.10	$63.40
	2035	$10.85	$39.35	$52.40	$91.70	$3.45	$3.05	$3.95	$3.80	$3.25	$4.20	$64.70
	2036	$11.10	$40.10	$53.45	$93.55	$3.50	$3.05	$4.00	$3.90	$3.25	$4.30	$65.95
	2037	$11.30	$40.90	$54.50	$95.40	$3.55	$3.05	$4.10	$3.95	$3.25	$4.35	$67.30
	2038	$11.55	$41.75	$55.60	$97.35	$3.65	$3.05	$4.20	$4.05	$3.25	$4.45	$68.65
	2039	$11.75	$42.55	$56.70	$99.30	$3.70	$3.05	$4.25	$4.15	$3.25	$4.55	$70.00
	2040	$12.00	$43.40	$57.85	$101.25	$3.80	$3.05	$4.35	$4.20	$3.25	$4.65	$71.40
	2041	$12.25	$44.30	$59.00	$103.30	$3.85	$3.05	$4.45	$4.30	$3.25	$4.75	$72.85
	2041+	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	0.0%	2.0%	2.0%

Notes:
- Data sources include: EIA, DOB, NRC, Flint Hills Resources, Alberta Government
- All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars
- Edmonton city gate prices based on historical light oil par prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API < 0.5% Sulphur)
- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point
- 1 Mcf is equivalent to 1 mmbtu
- Real prices listed in 2022 dollars with no escalation considered
- Alberta gas prices, except AECO, include an average cost of service to the plant gate
- NGL prices have been switched from a mix reference to a spec reference

Deloitte.

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PART 4

RECONCILIATIONS OF CHANGES IN RESERVES

The following table set forth a reconciliation of the Company's Proved Developed Producing, Total Proved, Probable, and Proved plus Probable oil reserves in Canada as at December 31, 2021, against such reserves as at December 31, 2020, based on forecast prices and cost assumptions.

TABLE 2
Avila Energy Corp.
RESERVES RECONCILIATION SUMMARY
Working Interest
Canada

Effective January 1 , 2022
Opening: Deloitte December 31, 2020 Forecast Pricing
Closing: Deloitte December 31, 2021 Forecast Pricing

	Proved Developed Producing				Total Proved				Probable				Proved + Probable			
	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe	Heavy Oil Mstb	Conventional Gas MMcf	NGL Mstb	BOE Mboe
Opening Balance	0.0	0.0	0.0	0.0	0.0	1,267.5	34.6	245.9	0.0	1,212.7	33.1	235.2	0.0	2,480.2	67.7	481.1
Production	0.0	-69.3	-1.3	-12.9	0.0	-69.3	-1.3	-12.9	0.0	0.0	0.0	0.0	0.0	-69.3	-1.3	-12.9
Technical Revisions																
Technical Revisions	0.0	673.5	12.2	124.5	0.0	70.7	-9.9	1.9	0.0	-177.3	-6.7	-36.3	0.0	-106.6	-16.6	-34.4
Working Interest Errors	0.0	0.0	0.0	0.0	0.0	-56.1	-1.5	-10.9	0.0	-825.3	-22.6	-160.2	0.0	-881.4	-24.1	-171.0
Extensions & Improved Recovery																
Drilling Extensions	0.0	0.0	0.0	0.0	0.0	2,350.2	42.5	434.2	33.1	888.3	17.3	198.5	33.1	3,238.5	59.8	632.7
Infill Drilling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recompletion Workover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.0	0.0	5.6	0.2	1.1	0.0	0.9	0.0	0.2	0.0	6.5	0.2	1.3
Closing Balance	0.0	604.2	10.9	111.6	0.0	3,568.6	64.6	659.4	33.1	1,099.3	21.1	237.4	33.1	4,667.9	85.7	896.8

- Technical Revisions - Technical revisions: It mainly relates to a production resumption of 4 Glauconite wells at Ferrybank, Alberta. Reserves category for these wells changed from Proved Developed Non-Producing to Proved Developed Producing.

- Technical Revisions - Working Interest Errors: One location and one recompletion have been removed from the Company reserves due to an error found on the Company's mineral interests at the Ferrybank area. The Company doesn't hold the rights of the targeted Formation in the section of land where the two entities were located.

- Extensions & Improved Recovery – Drilling Extensions: Primary relates to new locations at Ferrybank and Honeysuckle, Alberta, described under "Oil and Gas Properties".

PART 5

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

History of Attribution of Undeveloped Reserves

HISTORY OF ATTRIBUTION OF UNDEVELOPED OIL AND GAS RESERVES 2020 - 2022								
	LIGHT AND MEDIUM OIL Mbbl		**HEAVY OIL Mbbl**		**NATURAL GAS MMcf**		**NATURAL GAS LIQUIDS Mbbl**	
YEAR	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
PROVED UNDEVELOPED RESERVES								
Attributed at								
Prior December 31, 2020	Nil	Nil	Nil	Nil	832.8	832.8	Nil	Nil
Effective January 1st, 2021	Nil	Nil	Nil	Nil	483.0	483.0	13.2	13.2
Effective January 1st, 2022	Nil	Nil	Nil	Nil	2483.5	Nil	45	Nil
PROBABLE UNDEVELOPED RESERVES								
Attributed at								
Prior December 31, 2020	Nil	Nil	Nil	Nil	75	75	Nil	Nil
Effective January 1st, 2021	Nil	Nil	NIl	Nil	654	654	17.9	17.9
Effective January 1st, 2022	Nil	Nil	33.1	Nil	543.4	Nil	11	Nil

In General, the company is planning to develop all Proved Undeveloped and Probable Undeveloped reserves during 2022. There are a number of factors that could result in delayed or canceled development, including the following: (i) a change in the economic conditions due to commodity pricing, operating and capital expenditure fluctuations; (ii) a change in the technical conditions, including production anomalies; (iii) surface access issues related to weather conditions, regulatory and landowners.

SIGNIFICANT FACTORS OR UNCERTAINTIES

The production rates, Oil and Gas reserves and cash flow information contained in the Deloitte Report are only estimates and the actual production and ultimate reserves may be greater or less than the estimates prepared by Reliance. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

: Historical production;
: Government regulation;
: Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures;
: Timing of capital expenditures;
: Effectiveness of enhanced recovery schemes;
: Marketability of production;
: Operating costs and royalties;
: Initial production rates;
: Production decline rates;
: Ultimate recovery of reserves: and
: Future oil and gas prices.

Currently, Avila Energy Corporation does not anticipate any unusually high development costs or operating costs, the need to construct a major pipeline or other major facilities before production of reserves can begin. The Company does not anticipate any significant economic factors or significant uncertainties that could affect any particular components of the Reserves. However, reserves can be significantly affected by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance, and subsequent drilling results that are beyond the Company's control.

FUTURE DEVELOPMENT COSTS

The Corporation's source of funding for future development costs of the Corporation's reserves will be derived from a combination of cash flow, debt and new equity. Management of the Corporation does not anticipate that the costs of funding referred to above will materially affect the Corporation's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic.

The Corporation's petroleum and natural gas investing activities have been funded to date primarily through the issuance of common shares and expects that it will continue to be able to utilize this source of financing until it develops additional cash flow from operations.

For additional information regarding the future development of the Corporation's properties, see Part 6 – Oil and Gas Properties and Wells.

The following table details the development costs deducted in the estimation of future net revenue attributable to proved reserves of the Corporation (estimated and forecast prices and costs) and proved plus probable reserves of the Corporation (estimated using forecast prices and costs and constant prices and costs):

FUTURE DEVELOPMENT COSTS FORECAST PRICES AND COSTS DECEMBER 31, 2021		
Year	Total Proven Capital (M$C)	Proven Plus Probable Capital (M$C)
2022	1,587.5	2,337.5
2023	-	-
2024	-	-
2025	-	-
Remainder	-	-
Total (M$C)	1,587.5	2,337.5

ABANDONMENT AND RECLAMATION COSTS

Additional Information Concerning Abandonment and Reclamation Costs on producing wells.

The Corporation bases its estimates for the costs of abandonment and reclamation of surface leases, wells, facilities and pipelines on previous experience of management with similar well sites and facility locations, the table below summarizes the abandonments associated with wells producing or capable to produce at yearend 2021 on both Proven and Proven Plus Probable categories.

FUTURE ABANDONMENT COSTS
FORECAST PRICES AND COSTS
DECEMBER 31, 2021

Year	Total Proven Abandonment Net	Proven Plus Probable Abandonment Net
2022	-	-
2023	-	-
2024	-	-
Remainder	405.4	538.0
Total Wells (WI)	4.31	5.31
Total (M$C)	**405.4**	**538.0**

PART 6

OTHER OIL AND GAS INFORMATION

Producing and Non-Producing Wells

The following table summarizes Avila's interests as at December 31, 2021 in producing wells and in non- producing wells which Avila Energy Corporation believes are capable of producing oil or gas or both. The stated interests are working interests on a "before payout" basis and, in certain cases, are subject to lessor's and other royalties, in addition to usual Crown royalties or mineral taxes. All wells are "onshore" unless specifically identified as "offshore".

OIL AND GAS WELLS

PROVINCE	Producing				Non-Producing			
	Oil Wells		Gas Wells		Shut-In Oil Wells		Shut-In Gas Wells	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	Nil	Nil	4	1.81	Nil	Nil	Nil	Nil
Total	Nil	Nil	4	1.81	Nil	Nil	Nil	Nil

Production Forecasts

The following table represents sales gas production forecast for the Corporation's interest before royalties as at December 31, 2021 for total Proved Developed Producing reserves.

PRODUCTION FORECAST - COMPANY WORKING INTEREST BEFORE ROYALTIES
PROVEN DEVELOPED PRODUCING RESERVES
31-Dec-21

	Natural Gas		Natural Gas Liquids	
Year	Daily mcf/d	Annual MMcf	Daily bbl/d	Annual Mbbl
2022	207.5	75.7	3.8	1.4
2023	188.6	68.8	3.4	1.2
2024	172.3	62.9	3.1	1.1
2025	156.5	57.1	2.8	1.0
2026	142.6	52.1	2.6	0.9
2027	130.0	47.4	2.4	0.9
2028	118.8	43.4	2.1	0.8
2029	76.7	28.0	1.4	0.5
2030	67.3	24.6	1.2	0.4
2031	61.6	22.5	1.1	0.4
2032	56.4	20.6	1.0	0.4

Oil and Gas Properties

Avila Energy Corporation is focused on the conventional exploration and development of oil and natural gas reserves in Western Canada.

Producing Properties

Ferrybank, Alberta

The Ferrybank property is located in Townships 44 and 45, Range 27 W4M, approximately 45 miles south of Edmonton, Alberta. At Ferrybank. Avila Energy Corporation currently holds a non-operated working interest ranging between 31.3 and 50 percent in four producing natural gas wells. The Company also has plans for one recompletion and four proposed Natural Gas locations. Ferrybank has potential to produce Natural Gas and Natural Gas Liquids from the Basal Belly River, Viking and Glauconitic Formations. During 2022, the company expects to drill four proposed locations targeting the Basal Belly River and the Glauconite Sandstone.

Non-Producing Properties

Honeysuckle, Alberta

The Honeysuckle property is located in Townships 46, Ranges 25 and 26 W4M, approximately 40 miles south of Edmonton, Alberta. At Honeysuckle, Avila Energy Corporation holds 50% on two Heavy Oil Rex Locations. Currently, there are two horizontal oil wells in the immediate area that produce heavy oil from the Rex Formation offsetting these two locations. Due to the limited well control in the area, probable undeveloped reserves were assigned to the two Rex locations at this time. Reserves were assigned by Deloitte based on volumetric analysis, as well as comparison to analogous well review of Rex producing wells.

The Company also is planning to drill a vertical location targeting the Mannville Formation at Honeysuckle in 2022. Proven Undeveloped Reserves were assigned by Deloitte based on a review of analogous wells in the area, in conjunction with volumetric analysis.

Land Holdings

The following table sets forth the Company's developed and undeveloped oil and gas lease and mineral acreage as of December 31, 2021.

AVILA ENERGY CORPORATION
Developed and Undeveloped Land (Acres)
as of December 31, 2021

Developed Gross	Developed Net	Undeveloped Gross	Undeveloped Net	Total Gross	Total Net
4,461.0	1,043.5	3,200.0	1,600.0	7,661.0	2,643.5

In March 2021, Avila Energy Corporation acquired 2,560 acres of undeveloped mineral rights in West Central Alberta (net to the company). From this acquisition, 960 acres expired in 2021.

Undeveloped Land and Expiring Rights

The following table presents the undeveloped land held by Avila Energy Corporation by December 31st 2021.

	DECEMBER 31, 2021			
	Undeveloped Properties (Acres)		Expiring in 2022 (Acres)	
PROVINCE	Gross	Net	Gross	Net
Alberta	3,200	1,600	1,920	960
Total	**3,200**	**1,600**	**1,920**	**960**

Exploration and Development Activities

For the year ended December 31, 2021 the Corporation completed the following exploratory and development activities:

EXPLORATION AND DEVELOPMENT ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	Gross	Net
Oil	Nil	Nil
Gas	Nil	Nil
Service	4	1.81
Dry	Nil	Nil
Total	**4**	**1.81**

The Corporation's most important current and likely exploration and development activities are described under "Oil and Gas Properties".

Petroleum and Natural Gas Interest – Summary of Costs Incurred

The following table sets out Avila's property acquisition costs, exploration costs and development costs for the year ended December 31, 2021. This table includes all costs irrespective of whether such costs were capitalized or charged to expense.

	Years ended December 31, 2021	Years ended December 31, 2020	January 1 to December 31, 2021 Totals
Land, leases, property, & acquisitions	$ 1,750,191	$ 1,054,611	$ 695,580
Deferred costs:			
Geological expenditures	-	-	-
Intangible drilling expenditures	-	-	-
Intangible completion costs	-	-	-
Intangible carbon capture and sequestration	515,864	-	515,864
Well equipping	-	-	-
Plant and gathering equipment	-	-	-
Asset retirement obligations	109,116	-	109,116
Well abandonment	-	-	-
Pipeline & gathering	-	-	-
Royalties received	-	-	-
Total	**$ 2,375,171**	**$ 1,054,611**	**$ 1,320,560**

Forward Contracts

Avila Energy Corporation may use certain derivative financial instruments to manage its commodity prices. These financial instruments are entered into solely for hedging purposes and are not used for trading or other speculative purposes. At December 31, 2021 there were no contracts or options outstanding.

Tax Horizon

As at December 31, 2021 the Corporation has the following exploration and development expenditures, undepreciated capital costs and non-capital loss carry forwards which may be carried forward indefinitely to reduce future Canadian taxable income.

	Thousands $	Depreciation rate %
COGPE	0	10
CDE	0	30
CEE	0	100
CCA	0	30
Loss carry forward	8,335.0	

Production History

The table below summarizes the Natural Gas working interest production of Avila Energy Corporation during the year ended at December 31st 2021.

Historical Production Summary January - December 2021 Production			
Date	**Well Count**	**Raw Natural Gas MMcf**	**Sales Natural Gas MMcf**
Jan-21	-	0	0
Feb-21	1.31	4.4	4.0
Mar-21	1.81	6.1	5.6
Apr-21	1.81	5.8	5.3
May-21	1.81	5.9	5.5
Jun-21	1.81	2.9	2.7
Jul-21	1.81	10.2	9.3
Aug-21	1.81	8.8	8.1
Sep-21	1.81	8.3	7.6
Oct-21	1.81	7.6	7.0
Nov-21	1.81	7.6	7.0
Dec-21	1.81	7.8	7.2
Total		**75.3**	**69.3**

SCHEDULE "B" – NI 51-101F2 – REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

Deloitte.

NI 51-101 Form F2

Report on reserves data by
Independent qualified reserves evaluator or auditor

To the Board of Directors of Avila Energy Corp. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2021. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2021, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).

4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2021, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management/Board of Directors:

Independent qualified reserves evaluator or auditor	Effective date of evaluation report	Location of reserves (country or foreign geographic area)	Net present value of future net revenue (before income taxes; 10% discount rate)			
			Audited $M	Evaluated $M	Reviewed $M	Total $M
Deloitte LLP	December 31, 2021	Canada	-	**3,801.60**	-	**3,801.60**

6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.

8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Deloitte LLP
700, 850 – 2nd Street S.W.
Calgary, Alberta
T2P 0R8

Original signed by: "Andrew Botterill"
Andrew Botterill, P. Eng.

Execution date: March 11, 2022

SCHEDULE "C" – NI 51-101F3 – REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

FORM 51-101F3 REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Report of Management and Directors on Reserves Data and Other Information Management of Avila Energy Corporation (previously known as Petro Viking Energy Inc.) (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserve data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2021, estimated using forecast prices and costs. An independent qualified reserves evaluator evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report. The board of directors of the Company has (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator; (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with and gas activities and has reviewed that information with management. The board of directors has approved (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information; (b) the filing of Form 51-1-1F2 which is the report of the independent qualified reserves evaluator on the reserves data; and (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

"Leonard B. Van Betuw"
Leonard B. Van Betuw
Director

"Kyle Appleby"
Kyle Appleby
Director

"Tom Valentine"
Tom Valentine
Director

"Daniel Lucero"
Daniel Lucero
Director

"Michel Lebeuf"
Michel Lebeuf, Jr.
Director

SCHEDULE "D" – EVALUATION PREPARED BY AN INDEPENDENT QRE OF THE PROPOSED ASSETS BEING ACQUIRED FROM 611890 ALBERTA INC. AS OF DECEMBER 31, 2021

CAUTION: THE SCHEDULE IS NOT THE COMPANY'S RESERVES. IT IS AN EVALUATION PREPARED BY AN INDEPENDENT QRE OF THE PROPOSED ASSETS BEING ACQUIRED FROM 611890 ALBERTA INC. AS OF DECEMBER 31, 2021 AND IS NOT THE COMPANY'S INTERNAL STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION AS OF DECEMBER 31, 2021

Summary of Reserves

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests of the proposed Avila Asset acquisition from 611890 Alberta Inc., as prepared by an independent QRE, held by the Company for each of the product types that the Company has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. Due to rounding certain columns may not add exactly. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to the Company of funding required for that development.

Avila Energy Corp.

Total Reserves and **NPV** - Before Tax

Prices in Deloitte December 31, 2021 Forecast Pricing as of January 1, 2022

Canada

	Remaining Reserves WI	RI	Net	0.00 •/4	5.00"	8.00 •;.	10.00o/,	15.00o/,	20.00 •;.
				Net Revenue NPV (MSC)					
Proved Developed Producing									
Heavy Oil (Mbbl)	18.8		16.2	1,039.3	901.1	835.7	797.7	718.0	655.0
Gas(MMcry	1,182.3		1,015.9	3,682.0	2,821.4	2,480.2	2,298.3	1,951.2	1,705.6
Coal Bed Methane (MMcry	1,646.8		1,542.3	4,788.7	3,495.1	2,998.4	2,739.1	2,257.0	1,927.6
Propane (Mbbl)	13.8		11.4	350.8	276.6	246.6	230.5	199.2	176.7
Butane(Mbbl)	9.2		7.6	321.7	254.6	227.2	212.4	183.7	163.0
Pentane F>tus (Mbbl)	5.6		4.6	345.8	274.8	245.5	229.5	198.3	175.5
Sutphur (MLT)	0.1		0.1	3.8	3.3	3.1	2.9	2.6	2.4
Total				10,532.1	8,027.0	7,036.7	6,510.4	5,510.1	4,805.7
				Before Tax Cash Flow NPV!1! jMSCI					
				4,729.5	3,934.9	3,579.8	3,380.1	2,977.5	2,674.0
				Net Revenue NPV jMSCI					
Proved Developed Non.Producing									
Light and Medium Oil (Mbbl)	7.4		7.1	597.8	392.8	331.1	3018	251.8	220.0
Heavy Oil (Mbbl)	94.6		83.6	5,487.5	4,830.7	4,525.3	4,349.1	3,982.1	3,693.3
Gas (MMcry	2,746.4		2,381.4	9,321.8	6,517.4	5,597.2	5,143.2	4,336.1	3,802.6
Coal Bed Methane (MMcf)	410.8		362.1	1,107.5	828.0	718.4	660.4	550.8	474.3
Propane (Mbbl)	31.3		25.4	830.6	615.8	542.9	506.3	439.9	394.8
Butane (Mbbl)	20.7		17.2	775.2	575.1	506.9	472.5	410.0	367.4
Pentane Ptus (Mbbl)	12.6		10.1	799.3	601.6	532.3	497.0	431.9	386.9
Sulphur (MLT)	0.2		0.1	8.3	7.4	6.9	6.7	6.1	5.7
Total				18,9280	14,368.6	12,7609	11,937.0	10,408.8	9,345.0
				Before Tax Cash Flow NPV11 jMSC!					
				11,515.1	9,349.4	8,477.4	8,007.1	7,092.1	6,421.6
				Net Revenue NPV !MSC!					
Proved Undeveloped									
Heavy Oil (Mbbl)	222.0		210.4	13,526.7	11,522.3	10,591.2	10,055.0	8,942.2	8,072.4
Gas(MMc0	4,116.7		3,655.5	13,692.3	10,053.1	8,757.2	8,095.7	6,879.7	6,045.1
Propane (Mbbl)	41.7		35.4	1,119.3	836.3	733.9	681.2	583.5	515.6
Butane(Mbbl)	26.7		23.5	1,023.5	764.6	670.3	621.5	530.9	467.7
Pentane Ptus (Mbbl)	14.9		13.1	1,015.1	758.0	662.9	613.5	520.8	455.9
Sulphur (MLT)	0.1		0.1	4.3	3.5	3.1	2.9	2.5	2.1
Total				30,381.2	23,937.7	21,418.6	20,069.8	17,459.5	15,558.9
				Before Tax Cash Flow NPV !11 jMSC!					
				10,8461	8,0518	6,8165	6,1235	4,725.1	3,666.9
				Net Revenue NPV jMSC!					
Total Proved									
Light and Medium Oil (Mbbl)	7.4		7.1	597.8	392.8	331.1	301.8	251.8	220.0
Heavy Oil (Mbbl)	335.4		310.2	20,053.6	17,254.0	15,952.2	15,201.8	13,642.4	12,420.6
Gas (MMcry	8,045.4		7,052.7	26,696.1	19,391.9	16,834.6	15,537.2	13,167.0	11,553.4
Coal Bed Methane (MMcry	2,057.6		1,904.3	5,896.1	4,323.0	3,716.8	3,399.5	2,807.8	2,401.9
Propane (Mbbl)	86.9		72.2	2,300.7	1,728.7	1,523.5	1,418.0	1,222.6	1,087.1
Butane(Mbbl)	56.6		48.3	2,120.4	1,594.2	1,404.3	1,306.5	1,124.5	998.1
Pentane Ptus (Mbbl)	33.1		27.7	2,160.1	1,634.4	1,440.7	1,340.0	1,150.9	1,018.3
Sulphur (MLT)	0.3		0.3	16.4	14.1	13.1	12.5	11.2	10.2
Total				59,841.2	46,333.2	41,216.3	38,517.2	33,378.3	29,709.6
				Before Tax Cash FlowNPV(1) (MSC)					
				27,090.8	21,336.2	18,873.7	17,510.7	14,794.7	12,762.4
				Net Revenue NPV jMSCI					
Total Probable									
Light and Medium Oil (Mbbl}	3.0		2.7	283.0	107.7	75.4	63.1	45.8	36.8
Heavy Oil (Mbbl)	315.6		293.4	19,119.3	14,881.0	13,116.6	12,158.2	10,299.7	8,963.9
Gas (**MMcry**	3,127.7		2,717.6	11,8188	6,297.0	4,9068	4,295.1	3,320.3	2,747.5
Coal Bed Methane (MMcf)	040.6		875.3	3,268.0	1,533.0	1,060.2	853.5	539.5	374.0
Propane (Mbbl)	36.8		30.4	1,053.6	6027	480.8	425.2	333.4	277.5
Butane (Mbbl)	24.5		21.1	1,002.3	582.0	465.4	411.7	322.1	266.9
Pentane Ptus (Mbbl)	15.1		12.9	1,089.1	653.2	525.6	465.4	362.7	298.3
Sulphur (MLT)	O2		0.2	10.4	7.4	62	5.6	45	37
Total				37,644.4	24,664.8	20,637.0	18,677.8	15,228.0	12,968.6
				Before Tax Cash Flow NPV!1! jM$C!					
				18,471.5	12,423.2	10,276.8	9,176.0	7,141.1	5,743.4
				Net Revenue NPV jMSCI					
Total Proved -ι Probable									
Light and Medium Oil (Mbbl}	10.4		9.7	880.7	500.4	406.5	364.9	297.6	256.8
Heavy Oil (Mbbl)	651.0		603.6	39,172.9	32,135.1	29,068.8	27,360.0	23,942.1	21,384.5
Gas (MMcry	11,173.1		9,770.3	38,515.0	25,688.9	21,741.3	19,832.3	16,487.4	14,300.8
Coal Bed Methane (MMcry	2,998.3		2,779.7	9,164.1	5,856.9	4,777.0	4,252.9	3,347.3	2,775.9
Propane (Mbbl)	123.7		102.6	3,354.3	2,331.4	2,004.3	1,843.2	1,556.0	1,364.6
Butane(MUI.JI)	81.1		69.3	3,122.7	2,176.2	1,669.8	1,718.1	1,446.6	1,265.1
Pentane Plus (Mhbl)	-48.3		-40.6	3,2-49.2	2,287.5	1,966.-4	1,805.4	1,513.7	1,316.6
Sutphur (MLT)	0.6		0.5	26.8	21.5	19.3	18.1	15.7	13.9
Total				97,485.7	70,998.0	61,853.3	57,195.0	48,606.3	42,678.2
				Before Tax Cash Flow NPV (1) (MSC)					
				45,562.3	33,759.4	29,150.5	26,686.8	21,935.8	18,505.8

The following table provide a breakdown of various elements of future net revenue (undiscounted) attributable to proved reserves and proved plus probable (in total) of the Company estimated using forecast prices and costs and calculated without discount:

Avila Energy Corp.
Total Reserves and NPV - Before Tax
Prices in Deloitte December 31, 2021 Forecast Pricing as of January 1, 2022
Canada

	Remaining Equivalent Reserves (2) (MBOE)			Before Tax Cash Flow NPV/WI BOE ($C/BOE)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved									
Proved Developed Producing	518.9	-	466.0	9.1	7.6	6.9	6.5	5.7	5.2
Proved Developed Non-Producing	692.8	-	600.7	16.6	13.5	12.2	11.6	10.2	9.3
Proved Undeveloped	991.5	-	891.6	10.9	8.1	6.9	6.2	4.8	3.7
Total Proved	2,203.2	-	1,958.3	12.3	9.7	8.6	7.9	6.7	5.8
Total Probable	1,073.1	-	959.2	17.2	11.6	9.6	8.6	6.7	5.4
Total Proved + Probable	3,276.3	-	2,917.5	13.9	10.3	8.9	8.1	6.7	5.6

The following tables details by production group the net present value of future net revenue (discounted 10% before deducting future income tax expenses) estimated using forecast prices and costs.

Avila Energy Corp.
Total Reserves and NPV - Before Tax
Prices in Deloitte December 31, 2021 Forecast Pricing as of January 1, 2022
Canada

	Remaining Reserves			Net Revenue NPV (M$C)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved Developed Producing									
Heavy Oil (Mbbl)	18.8	-	16.2	1,039.3	901.1	835.7	797.7	718.0	655.0
Gas (MMcf)	1,182.3	-	1,015.9	3,682.0	2,821.4	2,480.2	2,298.3	1,951.2	1,705.6
Coal Bed Methane (MMcf)	1,646.8	-	1,542.3	4,788.7	3,495.1	2,998.4	2,739.1	2,257.0	1,927.6
Propane (Mbbl)	13.8	-	11.4	350.8	276.6	246.6	230.5	199.2	176.7
Butane (Mbbl)	9.2	-	7.6	321.7	254.6	227.2	212.4	183.7	163.0
Pentane Plus (Mbbl)	5.6	-	4.6	345.8	274.8	245.5	229.5	198.3	175.5
Sulphur (MLT)	0.1	-	0.1	3.8	3.3	3.1	2.9	2.6	2.4
Total				10,532.1	8,027.0	7,036.7	6,510.4	5,510.1	4,805.7
				Before Tax Cash Flow NPV (1) (M$C)					
				4,729.5	3,934.9	3,579.8	3,380.1	2,977.5	2,674.0
				Net Revenue NPV (M$C)					
Proved Developed Non-Producing									
Light and Medium Oil (Mbbl)	7.4	-	7.1	597.8	392.8	331.1	301.8	251.8	220.0
Heavy Oil (Mbbl)	94.6	-	83.6	5,487.5	4,830.7	4,525.3	4,349.1	3,982.1	3,693.3
Gas (MMcf)	2,746.4	-	2,381.4	9,321.8	6,517.4	5,597.2	5,143.2	4,336.1	3,802.6
Coal Bed Methane (MMcf)	410.8	-	362.1	1,107.5	828.0	718.4	660.4	550.8	474.3
Propane (Mbbl)	31.3	-	25.4	830.6	615.8	542.9	506.3	439.9	394.8
Butane (Mbbl)	20.7	-	17.2	775.2	575.1	506.9	472.5	410.0	367.4
Pentane Plus (Mbbl)	12.6	-	10.1	799.3	601.6	532.3	497.0	431.9	386.9
Sulphur (MLT)	0.2	-	0.1	8.3	7.4	6.9	6.7	6.1	5.7
Total				18,928.0	14,368.6	12,760.9	11,937.0	10,408.8	9,345.0
				Before Tax Cash Flow NPV (1) (M$C)					
				11,515.1	9,349.4	8,477.4	8,007.1	7,092.1	6,421.6

Pricing Assumptions

The following tables detail the benchmark reference prices (Deloitte – January 22, 2022) for the regions in which the Company operated as at December 31, 2021, reflected in the reserves data disclosed above under "Disclosure of Reserves Data".

Avila Energy Corp.
Total Reserves and NPV - Before Tax
Prices in Deloitte December 31, 2021 Forecast Pricing as of January 1, 2022
Canada

	Remaining Equivalent Reserves (2) (MBOE)			Before Tax Cash Flow NPV/WI BOE ($C/BOE)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved									
Proved Developed Producing	518.9	-	466.0	9.1	7.6	6.9	6.5	5.7	5.2
Proved Developed Non-Producing	692.8	-	600.7	16.6	13.5	12.2	11.6	10.2	9.3
Proved Undeveloped	991.5	-	891.6	10.9	8.1	6.9	6.2	4.8	3.7
Total Proved	2,203.2	-	1,958.3	12.3	9.7	8.6	7.9	6.7	5.8
Total Probable	1,073.1	-	959.2	17.2	11.6	9.6	8.6	6.7	5.4
Total Proved + Probable	3,276.3	-	2,917.5	13.9	10.3	8.9	8.1	6.7	5.6

Source: Deloitte Price Forecast, December 2021.

Significant Factors or Uncertainties

The production rates, Oil and Gas reserves and cash flow information contained in the Pristine Report are only estimates and the actual production and ultimate reserves may be greater or less than the estimates prepared by Reliance. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

- Historical production,
- Government regulation,
- Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures,
- Timing of capital expenditures,
- Effectiveness of enhanced recovery schemes,
- Marketability of production,
- Operating costs and royalties,
- Initial production rates,
- Ultimate recovery of reserves, and
- Future oil and gas prices.

Future Development Costs

The Company's source of funding for future development costs of the Company's reserves will be derived from a combination of cash flow, debt and new equity. Management of the Company does not anticipate that the costs of funding referred to above will materially affect the Company's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic.

The Company’s petroleum and natural gas investing activities have been funded to date primarily through the issuance of common shares and expects that it will continue to be able to utilize this source of financing until it develops additional cash flow from operations.

Production Forecasts

Production forecasts were based on historical trends or by comparison with other wells in the immediate area producing from similar reservoirs. Non-producing gas reserves were forecast to come on-stream within the first two years from the effective date under direct sales pricing and deliverability assumptions, if a tie-in point to an existing gathering system was in close proximity (approximately two miles). If the tie-in point was of a greater distance (and dependent on the reserve volume and risk), the reserves were forecast to come on-stream in years three or four from the effective date. These on-stream dates were used when the company could not provide specific onstream date information. For reserve volumes that meet all reserve category rules but are behind casing and waiting on depletion of the producing zone, these volumes are forecast to be brought on-stream following the end of the existing production

SCHEDULE "E" – SUMMARY OF FORMAL VALUATION

HEMENS LAWRITSEN
Valuation Group Ltd.
102 - 1228 Kensington Road NW, Calgary, AB T2N 3P7
www.hlvaluation.ca | 403.234.7709

April 12, 2022

Board of Directors
Avila Energy Corporation
Unit 201, 1439 17 Avenue Southeast
Calgary, Alberta
T2G 1J9

Attention: Mr. Lars Glimhagen, CFO and the Board of Directors

Dear Sirs:

Re: Report Disclosure Summary
Proposed asset purchase of 100% of 611890 Alberta Inc.'s interests in 53,835 Acres, 43,935 Acres (Net), of mineral rights, associated wells, pipelines and facilities.

The following constitutes only a summary of the HL Valuation Formal Valuation and is qualified in its entirety by the full text of the Formal Valuation, which describes the assumptions made, procedures followed, valuation approaches and other factors considered and limitations on the review undertaken by HL Valuation. The HL Valuation does not address the relative merits of the Proposed Acquisition as compared to other business strategies or transactions that might be available to Avila Energy or individual investors with interests in the Assets.

Valuation Requirement

As the Proposed Acquisition constitutes a "related party transaction" under MI 61-101, Avila was required to obtain a formal valuation of the Assets from a qualified independent valuator and to provide the Company with a summary of such valuation.

Engagement

Pursuant to the terms of an Engagement Agreement between the Board of Avila Energy and HL Valuation dated March 14, 2022 (the "Engagement Letter"), the Board retained HL Valuation to prepare and deliver to the Board of Directors the Formal Valuation. In retaining HL Valuation, it was concluded that, based in part on representations made by HL Valuation, that HL Valuation was independent and qualified to provide the Formal Valuation.

The Valuator was formally retained by the Board to prepare and deliver a written formal valuation report to the Audit Committee and the Board in connection with the Offer. The Valuator will receive a fee for its services for providing the Valuation and will be reimbursed for its reasonable out-of-pocket expenses. The Corporation has agreed to indemnify the Valuator, in certain circumstances, against certain claims, liabilities, damages, costs and expenses which may arise out of or relate to the services performed by the Valuator in connection with the Engagement Letter. Fees payable to the Valuator are not contingent in whole or in part on the success of the Offer or on the conclusions reached in the Valuation, and HL Valuation has no financial interest in Avila Energy or in any other Interested Party that may be affected by the Offer. The Board determined that the compensation paid for the services provided did not in any way interfere with HL

Valuation's Independence

The Formal Valuation has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinion of MI 61-101.

Credentials of Hemens Lawritsen Valuation Group Ltd.

HL Valuation has been determined by the Board to be qualified to produce the Valuation. HL Valuation was determined to be qualified on the basis of its qualifications, as presented to the Board and as set out in the Valuation. The professionals involved in the preparation of the Valuation include senior executives of HL Valuation who are experienced in mergers, acquisition and valuation matters. The Valuation represents the opinion of HL Valuation and the form and content of the Valuation has been reviewed by principals of HL Valuation.

HL Valuation is an independent valuation and financial litigation boutique. Their professional’s have completed hundreds of projects including business valuations, damage quantification analysis and specialized financial analysis across a wide variety of industries. Their area of expertise includes the provision of services related to business appraisals, fairness opinions, purchase price allocation analysis, the quantification of damages, and corporate finance advisory services.

Independence of HL Valuation

HL Valuation, (as such term is defined for the purposes of MI 61-101) (i) is not an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of Avila Energy, or any of their respective associates or affiliates, (ii) is not an advisor to Avila Energy or any of their respective associates or affiliates in connection with the Proposed Acquisition, or (iii) is not a manager or co-manager of a soliciting dealer group formed in respect of the Proposed Acquisition (or a member of such a group performing services beyond the customary soliciting dealer’s functions or receiving more than the per security or per security holder fees payable to the other members of the group).

HL Valuation has not been engaged to provide any financial advisory services to Avila Energy or any associates or affiliates in connection with the Proposed Acquisition other than the services provided under the Engagement

Definition of Fair Market Value

For the purpose of the Valuation and in accordance with MI 61-101, fair market value is defined as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. HL Valuation has not made any downward adjustment to the value of the Assets to reflect the liquidity of the Assets, the effect of the Proposed Acquisition on the Assets or whether or not the Assets form part of a controlling interest.

Approach to Value

The HL Valuation analysis is based upon the methodologies and assumptions that HL Valuation considered appropriate in the circumstances for the purposes of arriving at an opinion as to the range of fair market values of the Assets. Fair market value of the Assets was analyzed on a going concern basis.

Scope of Review

In connection with the Formal Valuation, HL Valuation reviewed, considered, and relied upon (without attempting to verify independently the completeness or accuracy thereof) or carried out, among other things, publicly available information as disclosed by Avila Energy; financial projections provided by management; discussions with senior management of Avila Energy; and such other corporate, industry and financial market information, investigations and analyses as HL Valuation considered necessary or appropriate in the circumstances. HL Valuation has not, to the best of its knowledge, been denied access by Avila Energy to any information requested by HL Valuation. HL Valuation did not meet with the auditors of Avila Energy as part of its review and has assumed the accuracy and fair presentation of and relied upon the financial information, as presented.

Distinct Material Benefit

Multilateral Instrument 61-101 requires the valuator to comment on "any distinctive material advantage that might accrue to an interested party as a consequence of the transaction, including the earlier use of available tax losses, lower income taxes, reduced costs or increased revenues."

Based on their review of these factors, we believe that Avila Energy will enjoy the following benefits:

- Liquidity for the shareholders of Avila Energy,
- A potential reduction in the Company's future cost of financing, and
- An accretive effect on the Company's current reported earnings per share.

It is their view that the quantum and likelihood of a monetary premium being paid for the Assets due to these benefits is speculative and therefore they have not incorporated such benefits into their analysis.

Hemens Lawritsen Valuation Formal Valuation

HL Valuation advised the Board that, based upon and subject to the analysis contained in the HL Valuation Formal Valuation, in addition to such other factors that it considered relevant, HL Valuation is of the opinion that, as of December 31, 2021, the fair market value of the Assets was in the range of $25 million to $27 million. We consent to the filing of the Formal Valuation with the securities regulatory authority and the inclusion of the formal valuation in this document.

Yours truly,

Scott Lawritsen

Hemens Lawritsen Valuation Group Ltd.
Per: Scott Lawritsen, CFA, CBV

SCHEDULE "F" – AUDIT COMMITTEE CHARTER

AVILA ENERGY CORPORATION

(the "Company")

CHARTER AUDIT COMMITTEE CHARTER

1. Purpose

1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders;

(b) enhance the independence of the external auditor;

(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;

(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2 Membership

2.1. Each member of the Audit Committee must be a director of the Company.

2.2. The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.

2.3. The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.

(c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1. The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;

(b) recommending to the Board of Directors the compensation of the external auditor;

(c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

(f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;

(g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;

(h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;

(i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to

Board approval and dissemination of financial statements to shareholders and the public;

(j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;

(k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to is dissemination to the public;

(l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;

(m) ensuring the integrity of disclosure controls and internal controls over financial reporting;

(n) resolving disputes between management and the external auditor regarding financial reporting;

(o) establishing procedures for:

i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and

ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.

(p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

(r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2. The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. **Meetings**

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the

Committee who are not officers or employees of the Company or of an affiliate of the Company.

5.3. The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.4. The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.5. The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.6. A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.7. The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

5.8. The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.9. The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.