



***Avila Energy Corporation announces the Launch of its Vertically Integrated Energy Business
Targeting its first Direct-to-Consumer Energy Sales in North America in 2023
And Net Zero Tier 3 (Scope 3) CO2 Emission Energy deliveries by 2027***

Calgary, Alberta, November 14, 2022 – Avila Energy Corporation (“Avila Energy” or the “Company” or “Avila”), trading symbol “CSE:VIK.CN”, announces the launch of its Vertically Integrated Energy Business, targeting its first Direct-to-Consumer Sales in North America in 2023 and Net Zero Tier 3 (Scope 3) CO2 Emission Energy deliveries in 2027.

Avila Energy’s investments to date in the Vertically Integrated Energy Business is projected to generate gross sales of up to \$25 million in 2024 and to establish the Company’s capacity to generate recurring energy revenues of approximately \$60 million annually, generating gross margins of up to 40%. The Vertically Integrated Energy Business is projected to be 25% of the projected annual revenues of the Company in 2024.

Based on presales received in 2023 and 2024, the Company has established a plan to ramp up from an initial capacity of 10,000 new customers per year to a capacity to add up to 50,000 customers annually by the end of 2026.

The launch of Avila Energy’s “**Vertically Integrated Energy Business**” is supported by over 10 years of investment in research and development, including a 5 (five) million Euro cash investment in **MICRO TURBINE TECHNOLOGY (“MTT”) B.V.**, a leader in Micro-turbine Combined Heat and Power Technology. See: <https://www.mtt-eu.com/> and <https://www.enertwin.com>.

MTT’s product is named the “**EnerTwin**” (the “**EnerTwin**”).

The **EnerTwin** is certified by KIWA (the “KIWA Certification”) in the Netherlands. See: <https://www.kiwa.com/en/>.

Pursuant to the Certification, the **EnerTwin** is approved for sales within the European Union and Britain, and by extension, to numerous additional countries in Europe, the Middle East and Africa.

Based on the order intake in 2022 by MTT of the “**EnerTwin**”, Avila Energy determined that MTT has resoundingly demonstrated, that Avila’s vision for the “**Vertically Integrated Energy Business**” which is the foundation Avila Energy sought to be in place to launch the division, preparations for manufacturing, and its Direct-to-Consumer Energy presales, of its integrated, environmentally responsible low carbon energy products in North America is on budget and ready to be implemented.

Avila Energy has obtained from MTT the preferred licensing rights to manufacture, sell, lease, and service the “**EnerTwin**” in Canada and the United States (the “**Licensing Rights**”), a market estimated by MTT and Avila Energy to exceed 90 million potential customers.

While the Canadian Standards Association (CSA) completes its review of the application submitted by the Company for approval of the **EnerTwin** and their review of the KIWA Certification in support of this application for CSA certification of the **“EnerTwin”** product line in Canada, the Company is positioning itself to commence manufacturing and initial deliveries in late 2023 in Canada for 2024.

Upon the receiving CSA approval, the sale and distribution of the **“EnerTwin”** in the United States is automatically approved by way of the agreements between Canada and the United States.

“Obtaining the Licensing Rights is in furtherance of Avila Energy’s vision to launch its Vertically Integrated Energy Business, and Direct-to-Consumer Sales potential; which is expected to have Avila Energy become a leading standard within the energy transition underway in North America; that is already being enthusiastically embraced by our employees and several our shareholders.” stated Leonard Van Betuw, Avila’s President & CEO.

“Avila Energy’s launch of its Vertically Integrated Energy Business based on MTT’s proven technology of the **EnerTwin** is an opportunity to strengthen Avila’s activities in the field of integrated energy supply to energy consumers with a high-tech micro-CHP generation system. The growing collaboration complements Avila’s portfolio in the most meaningful way possible and is a reassuring step towards its vision of delivering a vertically integrated energy solution. Further, the owned and operated assets of Avila provide a sound and reliable long-term source of energy to consumers, and we are very pleased to be launching in 2022 our **“Vertically Integrated Energy Business”** with the support of our highly competent licensor, MTT.

The highly efficient decentralized power and heat generation provided by the **“EnerTwin”** is only the start. Avila is enthused by the performance of MTT’s product, the 3.2 kWe, its proven base-line product, the continuous duty micro-CHP unit (the **EnerTwin**), and excited to be the licensee of MTT to produce and distribute the **EnerTwin** in North America. Avila looks forward to deepening our sustainable energy competence with MTT in the future.” said Leonard Van Betuw.

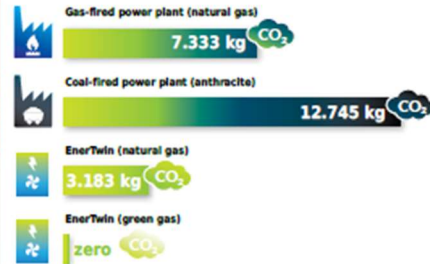
“We at MTT are excited to welcome Avila as strategic partner. Partnering with Avila is perfectly in line with MTT’s continued expansion into providing its high-end micro turbine technology to a global market. We were extremely impressed with Avila management’s strategic approach towards low-cost carbon neutral energy supply and discovered great synergies. With an ever-increasing global demand for sustainable energy supply, we are excited with the opportunity to help Avila’s customers in North America make their power, heat, and cooling consumption suitable for the future of reducing carbon emissions. In addition, the investment of Avila in MTT is supporting the scale-up of production and distribution of MTT’s **EnerTwin** solution within the European Market,” said MTT’s CEO Willy Ahout.



CO₂ emission reduction with EnerTwin

A simple calculation shows that EnerTwin can significantly reduce CO₂ emissions. In contrast to a power plant, hardly any heat is lost with locally generated electricity and there are no transport losses.

CO₂ emissions (when generating 16.000 kWh of electricity):



When generating this same amount of electricity, an EnerTwin can reduce CO₂ emissions by more than 9,5 tons compared to a coal-fired power plant! These savings are further increased when using green gas or biomethane.

Avila Energy Corporation's rationale for the Launch of the Vertically Integrated Energy Business

Avila Energy is committed to delivering Direct-to-Consumer Energy solutions that are both environmentally responsible and financially sustainable, in accordance with Avila's vision of **"Empowering Life with Confidence"**

Upon completing the initial ramp -up of the Vertically Integrated Energy Business by Avila Energy in 2024, the Direct Consumer Energy solutions offered by Avila are anticipated to (for every 1,000 customers brought on-line by Avila) result in the reduction of up to **20,000 tons** annually in collective **Tier 3 (Scope 3)** CO₂ emissions; based on current estimates for North American consumers of 16 tons per year per person.

See: [CO₂ Emissions per Capita - Worldometer \(worldometers.info\)](https://worldometers.info)

The Company is projecting to install its first 50,000 **"EnerTwin"** units in Canada and the United States, a market estimated by Avila Energy to exceed 90 million potential customers by the end of 2025. By the end of 2026, the Company projecting to be adding 50,000 customers annually from no less than 5 regional distribution and service offices in North America for its manufacturing, distribution, and services.

"The economically sustainable delivery of Carbon Neutral to Net Zero Energy Sales by 2027 of vertically integrated Natural Gas and Oil products has been the goal and driving force of Avila Energy Corporation's vision since its inception. The Integration of the Company's current and future proven and probable production, resources, and engineering, in combination with its relentless focus on the issues related to the installation of equipment for **Tier 1, 2 (Scope 1,2)** and more importantly the financially viable introduction of Direct-to-Consumers sales to address **Tier 3 (Scope 3) Emissions** results in the fact that the Company is now positioned to launch in 2022 its Vertically Integrated Energy Business. The integrated delivery of energy to consumers' homes and places of business in the 21st Century is the foundation of the Company's mission to become a leading producer recognized worldwide as a supplier of environmentally responsible energy to consumers." said Leonard Van Betuw, President & CEO of Avila Energy.

As part of Avila's vision (in its view, corporate responsibility) to offer Net Zero Energy by 2027, the Company's **first stage** is scheduled to fully be implemented in 2024, this stage being the demonstration of the Company's ability to be sustainable and financially profitable as an **integrated low-cost Carbon Neutral Energy Producer** that addresses our obligation as a conventional energy producer of natural gas and oil to manage and overcome the Company's Tier 1 and 2 emissions. This is to be achieved within the upstream division of Avila's business through the integration of its extraction and production activities with the installation of an independently commercially viable power generation with the integrated carbon capture of associated emissions to be sequestered in the Company's energy fields in West Central Alberta.

Avila Energy's, **second stage** is to offer the "**EnerTwin**" in combination with integrated engineered products through its **Vertically Integrated Energy Business** in quantity by 2024; setting that stage for the Company to deliver consumers a proven (24/7) commercial off grid solution that has the estimated capacity to reduce average households **Tier 3 (Scope 3) Emissions** by 40% (See: Note 1); delivering electricity, heating and cooling, including rapid charging for fully electric and chargeable hybrid vehicles.

Avila Energy's **third stage** is upon reaching critical mass of over 250,000 installed customers, Avila will also provide the option to customers to convert to Avila's developing hydrogen fueled solution; anticipated to be available commercially in 2027; which would result in a further reduction of the consumers environmental CO2 footprint towards 0 ("zero" or "nil").

About Avila Energy Corporation

The Company is an emerging CSE listed corporation trading under the symbol ('VIK'), and in combination with an expanding portfolio of 100% Owned and Operated oil and natural gas production, pipelines and facilities is a licensed producer, explorer, and developer of energy in Canada. The Company, through the implementation of a closed system of carbon capture and sequestration and an established path underway towards the material reduction of Tier 1, Tier 2 **and** Tier 3 emissions, continues to work towards becoming a **Vertically Integrated low-cost Carbon Neutral Energy Producer**. The Company continues to grow and achieve its results by focusing on the application of a combination of proven geological, geophysical, engineering, and production techniques.

About Micro Turbine Technology (MTT)

MTT is a high-tech scale-up company located in Eindhoven, the Netherlands, that developed a patented micro turbine technology to be used in several applications. The first application has been the development of the EnerTwin micro-Combined Heat Power system, a small high end 3,2kWe power plant for domestic and SME applications. Because of its very high efficiency the EnerTwin can be classified as clean tech product. It operates on Natural gas, (Bio)LPG, Green gas, Biomethane or a gas mixture containing at present up to 23% of Hydrogen, to be increased to 100% Hydrogen expected to be commercial by 2027, offering a future proof solution for the energy transition. MTT has invested the new capital from Avila in the ramp up of operations at of its owned and operated production facilities in Eindhoven to facilitate the increased sales and distribution of the EnerTwin in the European market.

For further information, please contact:

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ON BEHALF OF THE BOARD

Leonard B. Van Betuw
President & CEO

Note 1 - [CO2 Emissions per Capita - Worldometer \(worldometers.info\)](http://worldometers.info)

Abbreviations

bbls/d - barrels per day
boe - barrels of oil equivalent
boe/d - barrels oil equivalent per day
NGLs - Natural Gas Liquids
Mboe - Thousands of barrels of oil equivalent
MMboe - Millions of barrels of oil equivalent
PDP - Proved Developed Producing
TP - Total Proved Reserves
TPP - Total Proved and Probable Reserves
IFRS - International Financial Reporting Standards as issued by the International Accounting Standards Board
WTI - West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade

Forward-Looking statements

Certain information in this news release, including the operations at the Company's properties, constitute forward-looking statements under applicable securities laws. Although Avila Energy Corporation believes that the expectations reflected in these forward-looking statements are reasonable, undue reliance should not be placed on them because Avila Energy Corporation can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. It should not be assumed that the estimates of net present value of future net revenue attributable to the Company's reserves presented above represent the fair market value of the reserves. The recovery and reserve estimates of the Company's oil, NGL, and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Further, there is no assurance that the forecast prices and costs assumptions will be attained, and variances could be material. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. Barrel ("bbl") of oil equivalent ("boe") amounts may be misleading particularly if used in isolation. All boe conversions in this report are calculated using a conversion of six thousand cubic feet of natural gas to one equivalent barrel of oil (6 mcf=1 bbl) and is based on an energy conversion method primarily applicable at the burner tip and does not represent a value equivalency at the well head. This news release shall not constitute an offer to sell or the solicitation of any offer to

buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Trading in the securities of Avila Energy Corporation should be considered highly speculative. Neither the Canadian Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Stock Exchange) accepts responsibility for the adequacy or accuracy of this release. For more information on the Company, Investors should review the Company's registered filings which are available at www.sedar.com.