

Avila Energy Corporation is Pleased to Announce the Transfer of Euro 2,500,000 Equity Interest in Micro Turbine Technology B.V. (MTT) From AVEX Energy and the Updated Filings of its Continuous Disclosure Obligations

CALGARY, AB / ACCESSWIRE / March 23, 2023 / Avila Energy Corporation (CSE:VIK) ("Avila" or the "Company") Avila Energy Corporation is pleased to announce the transfer of EURO 2,500,000 equity interest in Micro Turbine Technology B.V. ("MTT") from AVEX Energy (611890 Alberta Inc.) or ("AVEX") and the Updated Filings of its Continuous Disclosure.



Micro Turbine Technology

Upon completion of the transfer, the Company will become a shareholder, representing Seventeen-point Two Percent (17.2%) of the equity in Micro Turbine Technology B.V. (MTT) with all contracts and preferred license being transferred from AVEX to Avila Energy Corporation.

In the November 14, 2022 press release, the investment in MTT was disclosed as a Euro 5,000,000 cash investment. The initial investment in MTT was Euro 2,500,000 cash investment by AVEX who was the original party to the agreement with MTT. Avex sold the preferred license agreement to the Company for CAD \$8,228,111. During 2022, the Company has advanced \$2,340,000 to AVEX for the investment in MTT.

Effective January 31, 2023, the Letter of Confirmation and Working Appointments transferred all rights and obligations from AVEX to the Company. The Company will receive a Seventeen-point Two Percent (17.2%) equity stake in MTT and will assume the loan balance of Euro 2,500,000 due to MTT from AVEX. Once the Company advances the Euro 2,500,000 to MTT, the Company will convert the loan payments into shares and receive a total equity interest of Twenty-nine point Four (29.4%) in MTT.

The Company will be reimbursing AVEX for their initial cash investment of Euro 2,500,000 which is approximately CAD \$3,600,000, (Euro 2,500,000 times a foreign exchange rate of 1.44 equal to the rate on January 31, 2023) less the payments made in 2022 of CAD \$2,340,000 by the Company to equal a total outstanding balance owing to AVEX of \$1,260,000.

Continuous Disclosure Obligations

The Company has amended their September 30, 2022, MD&A to include related party disclosure for the North East British Columbia ("NEBC") acquisition costs and the initial investment in MTT. Amendments include the withdrawal from the forward-looking comments from the November 14, 2022 press release. Also, the amendments include the subsequent information disseminated in the December 23 and 29, 2022 press releases in regards to the raising of flow through shares. The amended MD&A will include recent material transactions disseminated in the January 26, 2023 and March 15, 2023 press releases about NEBC, the contemplated Insight acquisition and the updates on the investment in MTT from this current press release. In addition to the above-mentioned amendments, the amended MD&A will include risks and a capital budget that pertain to the Vertically Integrated Energy Business and the Western Central Alberta assets.

About, Avila Energy Corporation (CSE:VIK) ("Avila" or the "Company")

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.

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Cautionary and Forward-Looking Statements

Certain information set forth in this news release contains "forward-looking statements" with respect to the proposed business combination between the Company and IAC. Forward-looking statements may generally be identified by the use of words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "project," "forecast," "predict," "potential," "seem," "seek," "future," "outlook," "target" or other similar expressions (or the negative versions of such words or expressions) that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties that could cause the actual results to differ materially from the expected results. These statements are based on various assumptions, whether or not identified in this communication. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by an investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Many actual events and circumstances are beyond the control of the Company and IAC.

All statements in this news release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements, including, but not limited to entrance into a Business Combination Agreement, the occurrence of and the anticipated date of closing of the Transaction, the availability of financing for the Transaction and IAC at the time of signing, the anticipated price per share post-closing of the Transaction, and the post-Closing governance of the Resulting Company. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's and IAC's control, including completion of customary due diligence with respect to the Transaction, negotiation of the definitive documentation including the Business Combination Agreement, approval of the Transaction by Company and IAC shareholders, approval by the IAC shareholders of an extension of the time by which they must consummate an initial business combination, listing approval by a United States exchange and the impact of general economic conditions, industry conditions, the regulatory environment, volatility of commodity prices, currency fluctuations, environmental risks, operational risks, competition from other industry participants and stock market volatility. Although the Company and IAC believe that the expectations in its forward-looking statements are reasonable, its forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated, or implied in the forward-looking statements. Accordingly, readers are

cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. Risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in the Company's public disclosure documents available at www.sedar.com and IAC's public disclosure documents available through the EDGAR filing system at www.sec.gov. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, neither the Company nor IAC undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Abbreviations

bbls/d - barrels per day

BOE/d - barrels oil equivalent per day

NGLs - Natural Gas Liquids

Mboe - Thousands of barrels of oil equivalent

MMboe - Millions of barrels of oil equivalent

PDP - Proved Developed Producing

TP - Total Proved Reserves

TPP - Total Proved and Probable Reserves

IFRS - International Financial Reporting Standards as issued by the International Accounting Standards Board

WTI - West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade

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

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