

PURCHASE AGREEMENT

THIS AGREEMENT made this 29th day of September, 2022 (the “**Effective Date**”).

BETWEEN:

AVEX ENERGY INC.
(formerly 611890 Alberta Inc.)
(herein “**AVEX**”)

AND

AVILA ENERGY CORPORATION
(herein the “**Purchaser**”)

PREAMBLE:

WHEREAS:

- A. AVEX is the licensee under a licensing agreement (the “**License**”) with Micro Turbine Technology B.V. (“**MTT**”) respecting the EnerTwin technology as referred to in the License (the “**EnerTwin Technology**”) for the USA and Canada (the “**Territory**”), a copy of the License being attached hereto as Schedule A and forming part hereof; which is held in escrow (the “**Escrow**”) until such time that AVEX completes the Loan (as defined in the License) and then AVEX converting the Loan into ordinary shares of MTT (the “**Conversion**”);
- B. The Purchaser is desirous of acquiring the License from AVEX (the “**Acquisition**”), and AVEX is agreeable to assigning, transferring and selling the License to the Purchaser on the terms set forth herein (the “**Transaction**”); and
- C. MTT The Purchaser and AVEX (collectively the “**Parties**”) are desirous of entering into this Agreement in order to set forth their respective rights and obligations in regard to the Transaction.

NOW THEREFORE THIS AGREEMENT (this “**Agreement**”) WITNESSETH that in consideration of the mutual covenants and premises herein set forth, the parties hereto mutually covenant and agree as follows:

ARTICLE 1 PURCHASE PRICE

1.01 For the amount of \$8,228,111 as paid hereunder (the “**Purchase Price**”) AVEX hereby bargains, sells, assigns, transfers and sets over to the Purchaser all and the entirety of AVEX’s interests in and to the License (the “**Acquisition**” or the “**Assignment**”), the receipt and sufficiency of which is hereby acknowledged so that AVEX and the Purchaser may be forever estopped from asserting anything contrary thereto .

1.02 This Assignment contains all and the entirety of the right, title, estate, interest, property, claim and demand whatsoever of AVEX of, in, to and out of the License and each and every part thereof.

1.03 The Parties hereby irrevocably confirm that the calculation and payment of the Purchase Price is fair and reasonable in all the circumstances, and it is stated so the Parties may be forever estopped from asserting the contrary.

1.04 The Purchaser hereby irrevocably confirms that it has conducted sufficient due diligence and accordingly accepts the Purchase Price as the true and accurate value of the License and it is stated so that the Purchaser may be forever estopped from asserting the contrary.

1.05 The Purchaser accepts and acknowledges that there are duties, liabilities, obligations and like matters (the “**Liabilities**”) that the Purchaser is assuming by the Assignment as the assignee of the License and the Purchaser shall hold AVEX absolutely harmless from any and all claims respecting these Liabilities.

ARTICLE 2 QUIET POSSESSION

2.01 Upon completion of the payment of the Note by the Purchaser, AVEX hereby represents and warrants that AVEX will have already completed, or will complete thereupon, the terms of the Conversion to release the License from the Escrow and thereafter the Purchaser may hold and enjoy the License and each and every part thereof with the appurtenances and all of the right, title and interest of AVEX thereto and therein aforesaid for its own use and benefit without any lawful interruption of, or by, AVEX (or any of them) or any other person whatsoever.

2.02 AVEX hereby represents and warrants that it has no outstanding judgments against it and has no debts that are in default.

ARTICLE 3 EFFECTIVE DATE

3.01 The effective time and date of this Agreement is the Effective Date.

3.02 Notwithstanding that the Closing Date of this Transaction shall occur on a day prior to or subsequent to the Effective Date, the date of the closing shall under no circumstances effect the Effective Date or any other aspect of the Transaction.

3.03 There shall be no interest payable on the Purchase Price from the Effective Date to the Closing Date and none thereafter.

ARTICLE 4 CLOSING

4.01 The closing hereof (the “**Closing**”) shall occur effective the Effective Date.

4.02 At the Closing the Purchaser shall make payment of the Purchase Price as follows: (i) the amount of \$1,700,000 (which AVEX confirms has already been advanced to AVEX by the Purchaser in anticipation of this Agreement and being referred to herein as the “**Cash Portion**”); and (ii) as to the

amount of \$6,528,111 by way of that promissory note executed by the Purchaser and attached hereto as Schedule B (the “Note”).

4.03 AVEX hereby represents and warrants that, if required, it will utilize the payments made by the Purchaser under the Note to complete the Loan (as defined in the License) and thereafter to complete the Conversion forthwith in order to release the License from the Escrow.

4.04 Receipt of the Purchase Price in accordance with Article 4.02 is hereby irrevocably acknowledged by AVEX. Accordingly, the License is hereby deemed transferred absolutely and in full to the Purchaser (subject only to the Escrow and full payment of the Note) and it is stated so AVEX may be forever estopped from asserting the contrary.

ARTICLE 5 FURTHER REPRESENTATIONS AND WARRANTIES

5.01 Subject only to the Escrow, AVEX hereby warrants and represents that the License is free and clear of any mortgages, liens, charges, pledges, security interests or encumbrances or any rights of others to acquire any ownership interest in the License and the Purchaser, subject only to the Escrow and payment of the Note, may hold and enjoy the License free and clear and absolutely released and discharged of any and all former and other bargains, sales, gifts, grants, titles, charges and encumbrances.

5.02 AVEX hereby warrants and represents that:

- (i) this Agreement constitutes valid and binding obligations of AVEX,
- (ii) Subject only to the Escrow, AVEX is now rightfully and absolutely possessed of and exclusively entitled to possess the License and to execute this Agreement, and
- (iii) Subject only to the Escrow, AVEX has (without any further act or deed) the good right and unencumbered title to the License and the right to transfer and assign the License to the Purchaser; all according to the true intent and meaning of these presents without any limitation whatsoever.

5.03 The Purchaser hereby warrants and represents that it is a body corporate and that this Agreement constitutes valid and binding obligations of the Purchaser.

ARTICLE 6 FURTHER ASSURANCES

6.01 AVEX shall and will from time to time and at all times hereafter, upon every reasonable request of the Purchaser, but without any further consideration, make, do, and execute, or cause or procure to be made, done and executed, all such further acts, deeds and assurances for the more effectual assigning and assuring the License to the Purchaser by the Assignment in the manner aforesaid, and according to the true intent and meaning of these presents, as by the Purchaser or its legal counsel shall be reasonably advised or required.

6.02 The Purchaser shall and will from time to time and at all times hereafter, upon every reasonable request of AVEX, but without any further consideration, make, do and execute, or cause or procure to

be made, done and executed, all such further acts, deeds and assurances for the more effectual assigning and assuring the transfer of the License by the Assignment to the Purchaser in the manner aforesaid, and according to the true intent and meaning of these presents, as AVEX or their legal counsel shall be reasonably advised or required.

**ARTICLE 7
GENERAL**

7.01 AVEX hereby confirms that payment of the Purchase Price represents full and final satisfaction of the obligations of the Purchaser in respect of the Acquisition and it is stated so that AVEX may be forever estopped from asserting the contrary.

7.02 The Parties covenant that this Agreement is confidential between them and accordingly there shall be no public release of information respecting the within Transaction unless mutually agreed in writing by the Parties in advance for a period of two years unless such information is in the public domain.

7.03 The Parties confirm that wherever the gender neuter is used throughout this Agreement, the same shall be construed as being the plural or masculine or feminine or a body corporate or politic where the context or the parties hereto so require.

7.04 The Parties represent that this Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta (and the applicable federal laws) and hereby attorn to the jurisdiction of the courts of the Province of Alberta, including without limitation for the interpretation of this Agreement.

7.05 The **PREAMBLE** forms part of this Agreement and these presents shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

7.06 There are no representations or warranties of any nature as and between the Parties other than as expressly set forth herein, including without limitation any verbal or written understandings, representations and agreements preceding this Agreement and it is stated so that the Parties may be forever estopped from asserting the contrary.

7.07 The terms hereof (including without limitation any representations, obligations, warranties and agreements) shall survive the Closing and remain in full force and effect, including without limitation, Article 7.02 shall survive any termination of this Agreement.

7.08 This Agreement may be executed in one or more separate counterparts by the Parties, each of which shall be deemed an original but all of which together shall constitute one agreement. Such counterparts may be delivered by PDF attached to email transmission.

**SIGNATURES ON NEXT PAGE.
BALANCE OF THIS PAGE IS BLANK.**

IN WITNESS WHEREOF the Parties have executed this Purchase Agreement, all as of the Effective Date.

AVILA ENERGY CORPORATION

Per:

A large black rectangular redaction box covering the signature of Lars Glimhagen.

LARS GLIMHAGEN

AVEX ENERGY INC.

Per:

A large black rectangular redaction box covering the signature of Leonard van Betuw.

LEONARD VAN BETUW

SCHEDULE A

LICENSE

(insert)

SCHEDULE B

PROMISSORY NOTE

\$ 6,528,111.00

September 29, 2022.

FOR VALUE RECEIVED, **AVILA ENERGY CORPORATION** (the “**Borrower**”) promises to pay to **AVEX ENERGY INC.** (the “**Lender**”), or order, the sum of SIX MILLION FIVE HUNDRED TWENTY-EIGHT THOUSAND ONE HUNDRED ELEVEN (6,528,111.00) DOLLARS (the “**Principal**”) to be paid in full upon the first of the following three events occurring:

- 1.) receipt of CSA approval by the Borrower of the MTT EnerTwin for use in Canada,
- 2.) upon the installation by the Borrower of 100 MTT EnerTwin units; or
- 3.) January 1, 2025 (the “**Due Date**”). has been reached and demand for payment has been delivered by the Lender to Borrower.

This Promissory Note is given pursuant to that Purchase Agreement respecting the License defined therein made between the Lender and the Borrower dated the 29th day of September, 2022.

The Borrower has the privilege of paying this Promissory Note in full or in part or parts, at any time and from time to time prior to the Due Date.

PRESENTATION of this Promissory Note for Payment and Notice of Protest or Dishonour is hereby waived.

AVILA ENERGY CORPORATION

Per: 

LEONARD VAN BETUW