



Avila Energy Corporation is pleased to announce the filing of its Financial Report for the Three months ended March 31, 2023

Calgary, Alberta, May 31, 2023 – Avila Energy Corporation (“Avila” or the “Company” or “Avila Energy”), trading symbol “CSE:VIK.CN”, is pleased to announce the filing of its Financial Results for the Three months ended March 31, 2023.

Highlights

Revenues

Three months ended March 31,	2023	2022
Oil and natural gas revenue		
Heavy oil	\$ 199,373	\$ 166,761
Natural gas	733,218	313,890
Natural gas liquids	35,432	32,459
Total oil and natural gas revenue, gross	\$ 968,023	\$ 513,110
Less: Royalty expenses	(129,903)	(67,794)
Oil and natural gas revenue, net	\$ 838,120	\$ 445,316

Production

(\$, except where noted)	Three months March 31, 2023	Three months March 31, 2022	% change
<i>OPERATING</i>			
<i>Average daily production</i>			
Heavy oil and condensate (bbls/d)	21	20	5
Natural gas (Mcf/d)	2,376	732	225
NGLs (bbls/d)	5	8	(38)
Total (boe/d)	422	150	181
Average realized prices			
Heavy oil and condensate (\$/bbl)	107.89	94.66	14
Natural gas (\$/Mcf)	3.43	4.76	(28)
NGLs (\$/bbl)	79.44	45.11	76
Total (\$/boe)	25.51	38.10	(33)
Operating netback (\$/boe)			
Petroleum and natural gas sales	25.51	38.10	(33)
Royalty expense	(3.42)	(5.03)	(32)
Production and operating expense	(13.89)	(19.04)	(27)
Operating netback per boe	8.20	14.03	(42)
Wells drilled			
Gross	-	-	-
Net	-	-	-

⁽¹⁾ Funds flow from operations is calculated as cash flow from operations before changes in non-cash working capital. Funds flow from operations, funds flow from operations per share and funds flow netback represent net earnings measures adjusted for non-cash items on a boe and per share basis. The Company evaluates its performance based on these measures. The Company considers funds flow a key measure as it demonstrates the Company's ability to generate funds flow necessary to fund future growth through capital investment, repay debt and measures profitability relative to current commodity prices. Funds flow from operations, funds flow from operations per share and funds flow netback are non-GAAP measures, and as a result, these measures may not be comparable to other issuers.

Avila Energy Corporation's Financial Statements and Management Discussion & Analysis are filed and can be found on SEDAR.COM or the Company's website www.avilaenergy.com for the three (3) months ended March 31, 2023, and 2022.

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's long-term vision is to achieve through the implementation of a closed system of carbon capture and sequestration, an established path towards the material reduction of *Tier 1, Tier 2 and Tier 3* emissions and continues to work towards becoming a vertically **Integrated Carbon Neutral Energy Producer**. The Company's goals are to be achieved by focusing on the application of proven geological, geophysical, engineering, and production techniques in combination and the direct sale of energy to both residential and commercial consumers.

For further information,
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ON BEHALF OF THE BOARD

Leonard B. Van Betuw
President & CEO

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

Forward-Looking Information & Forward-Looking Statements Cautionary Statement

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.