



Avila Energy Corporation announces the signing of a Term Sheet for a secured Two-Year Loan of CDN \$3,000,000 and provides Update on MTT

Calgary, Alberta, July 5, 2023, Avila Energy Corporation (“Avila” or the “Company” or “Avila Energy”), trading symbol “CSE:VIK”, “OTCM:PTRVF”, “FRA:6HGO”, is pleased to announce the signing of a term sheet on July 5, 2023, with a private Canadian investments company for a secured two (2) year term loan of CDN \$3,000,000 and provides an update on MTT.

The \$3,000,000 loan is to be funded after the execution of all necessary documentation and registration of the associated securities instruments as would be contemplated with a loan of this nature, including a registered General Security Agreement over all the assets of the Company. Funding is anticipated to occur in approximately 2 to 3 business days.

The terms of the financing are interest only paid monthly, at an annualized rate of 12% plus the accrual of an additional annual administration fee of 10%, payable at the time of repayment of the term loan. In addition to the General Security Agreement being provided by the Company, the President & CEO of the Company, Mr. Leonard B. Van Betuw has agreed to provide a personal guarantee for the amount CDN\$3,000,000 for which he shall be compensated for providing this guarantee by the Company an amount of 0.25% per month calculated monthly on the amount outstanding at the end of each month.

The Company has also negotiated its ability, at the Company’s sole election monthly, to make additional payments on the principle amount outstanding on the term loan, or as funding becomes available from future financings underway, the full repayment of the principle and accrued administrative fees outstanding at anytime without penalty prior to the end of the 2-year term.

“The Company is pleased to have come to agreement on the Term Loan of \$3,000,000 which in combination with its on going equity funding efforts positions the Company to accelerate the advancement its business as outlined in its Corporate Presentation available on the Company’s website”. said Leonard B. Van Betuw, President & CEO of Avila Energy Corporation.

Furthermore, the use of proceeds will result in the release of the License for the Sales and manufacturing of the Ener Twin in Canada and the United States upon the payment all amounts outstanding as negotiated to Micro Turbine Technology’s (MTT) and announced on June 26, 2023. The remaining balance of approximately \$1.5 million shall be additional working capital for the Company to be used as deemed necessary. Initially as stated previously, the Company’s plan is to remain conservative and continue to strengthen and grow our upstreaming production in combination with the measured launch of pre-sales of Avila’s Vertically Integrated Energy Business in the 3rd quarter of 2023, with initial installations to take place in the 4th quarter of 2023 ramping and ramping up into 2024.

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,
please contact:

Ronnie Shporer, Investor Relations, North America or
Peter Nesveda, Investor Relations, International or
Leonard B. Van Betuw, President & CEO

Emails: Ronnie Shporer: ron.s@avilaenergy.com
Peter Nesveda: peter@intuitiveaustralia.com.au
Leonard B. Van Betuw: leonard.v@avilaenergy.com

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 for 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 Share Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Share 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.