

SETTLEMENT AGREEMENT

Between Avila and MTT

This Settlement Agreement ("Agreement") dated June 26th, 2023, is by and between parties:

MICRO TURBINE TECHNOLOGY B.V., incorporated and registered in The Netherlands with company number 20108717 whose registered office is at 5633 AE Eindhoven, Esp 310 the Netherlands ("MTT"), and

AVILA ENERGY CORPORATION, an Alberta corporation whose registered address is 20 Silverstone PL NW, Calgary, Alberta, T3B4Y9 Canada ("Avila").

WHEREAS

- Avila has (partly) paid MTT an amount of 3.0 million as a loan under the above mentioned Subordinated Convertible Loan Agreement but fails to pay the remaining € 2.0 million due under this agreement.
- For this late and due payment(s) a Notice of Default was issued by MTT to Avila dated March 15th, 2023.
- MTT further terminated the License agreement with Avila for breach on April 13th, 2023.
- In response Notices of Default were issued by Avila to MTT dated April 13th, 2023 and May 22nd, 2023.
- Parties are willing to settle their above-mentioned disputes and Avila is willing and financial capable of pay the outstanding due payments as agreed below.



HEREINAFTER, the Avila and MTT ("Parties") agrees to the following:

1. In order to reach a settlement between them Parties shall terminate the following prevailing agreements between them with immediate effect after signing of this Settlement Agreement:
 - Subordinated Convertible Loan Agreement,
 - License agreement,
 - Security Agreement
 - Payment Agreement as well as
 - all other current additional signed agreements between Parties.
2. At the time of this Agreement, the Avila owes the MTT an amount of EURO (€ 2,160,000.-) ("Current Balance") for late payments of the remaining tranche due under Parties' Subordinated Convertible Loan Agreement dated 22 March 2022, the due SOW invoices (dated February 27th, 2023) and the interest invoices dated May 9th, May 30th, and June 19th, 2023
3. The Avila shall pay to the MTT in accordance with payment schedule below.

Sum	Date	Time
€ 160.000	June 30 th , 2023	13.00 hrs. CET payment A
€ 500,000	July 12 th , 2023	13.00 hrs. CET payment B
€ 500,000	July 19 th , 2023	13.00 hrs. CET payment C

4. Payment of the installments will be done in full. Any partial or late payment under this Agreement shall not be allowed and consider the Avila in default and interest is due.
5. Any Amount Owed by Avila to MTT shall bear interest at a rate of eight percent (8%) compounded annually.
6. Upon complete and full payment of the amounts under 3, MTT is prepared to sign a non-exclusive License Agreement as attached in Annex A, which will be subject to this Settlement Agreement.
7. If for any reason the Avila should not oblige to any section or portion of this Agreement, the Avila shall be considered automatically in default. Under such an event, the remaining balance of the Amount Owed shall be due within five (5) business days with the Avila liable to pay all reasonable attorney's fees and costs of collection of the MTT.
8. In case all payments under article 3 are fully paid and in time, an amount of € 2.5 million of the Loan already paid to MTT will be converted into non-voting shares in MTT at a share price of Euro 202,80; meaning without the benefit of voting rights or having a say in the management or control of the company but will benefit from dividends or sale of MTT. In such case, the following events will take place:
 - a. Avila will receive 12,328 (twelve-thousand three-hundred twenty-eight) non-voting shares, on this date representing 15% of the issued share capital of MTT (post money valuation, ESOP excluded, share price of Euro 202,80 per share). The shares remain in the custody of the notary (in escrow) who arranges the issuance of the shares for MTT until Avila has ordered and pre-paid 500 systems to MTT and totally sold 5,000 systems and has paid Royalties accordingly before July 1st. 2026.

- b. In case Avila fails to issue and/or pre-pay orders ordered 500 systems to MTT and totally sold 5,000 systems before July 1st. 2026, Avila will be obliged to return the shares and MTT will be obliged to repurchase the shares at a predetermined price of one Euro (€1) for all the shares owned by Avila.
 - c. An amount of € 1.5 million, being € 0.5 million of the Loan already paid to MTT and € 1.0 million (total of payments B+C) to be paid according to article 3 hereinabove, are used and will be considered as the Upfront License Fee payment for a new to be issued Non-exclusive License agreement between MTT and Avila for the terms according to the new License Agreement (as attached in ANNEX A).
 - d. Apart from invoices, royalties and payments due under the new License agreement, parties no longer have any claims against each other, their directors and/or each shareholder and will indemnify each other.
 - e. This Agreement, the new non-exclusive License Agreement and the Shareholders Agreement will then be the only surviving agreements that bind Avila with MTT. If required, the Shareholders agreement will be adapted by parties according to this Agreement.
9. In case Parties have signed this Settlement Agreement BUT if Avila FAILS to timely pay the amount as defined in Article 3 hereinabove, the paid amount of € 3.0 million of the Loan to MTT will NOT be converted into non-voting shares in MTT but will be considered and agreed upon as a non-refundable down payment of the Upfront License Fee of € 4.0 million for the new to be issued Non-exclusive License agreement between MTT and Avila, which License agreement will be adapted accordingly with regard to the payments mentioned therein. Avila will then have till December 24th, 2023 to complete the payments of the outstanding amounts under article 3 plus the accumulated interest as per article 5 hereinabove, MTT shall sign the adapted non-exclusive License agreement as attached in Annex A. In case Avila fails to make

the payments under article 3 and 5 before December 24th, 2023, all obligations between Parties will expire, all matters between Parties are considered to be settled in full and Parties have no obligations toward each other anymore.

10. Parties agree that all of the Agreements as defined under article 1 hereinabove will be terminated, the Notice of Default issued by MTT to Avila dated March 15th, 2023, and the Notices of Default issued by Avila to MTT dated April 13th, 2023 and on May 22nd, 2023 will be automatically and irrevocably considered to be withdrawn once this Settlement agreement has been signed.
11. This Agreements shall be governed by and construed in accordance with the Laws of the Netherlands and conducted in all respects in the English language. The parties irrevocably agree that the court of Den Bosch shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this agreement or its subject matter.
12. In case one of the Parties fails to sign this Settlement Agreement Parties agree that this Settlement Agreement and the new non-exclusive License Agreement will be null, and void and all Agreements, Notices of Default and all other signed additional agreements remain in effect.
13. Parties will jointly issue a press announcement. The content of the press announcement will mutually be agreed upon before it will be issued. The press release will not be issued before this Settlement Agreement has been signed by all parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the under-signed dates written below and will be co-signed for full consent by 611890 Alberta Inc. /AVEX Energy Inc., Willy Ahout and Leonard Van Betuw.

Signatures on the following page

date: June 26th 2023

AVILA ENERGY CORPORATION,

MICRO TURBINE TECHNOLOGY B.V.

[REDACTED]
Leonard Van Betuw
CEO

[REDACTED]
Willy Ahout
CEO

For full consent:

611890 Alberta Inc. /AVEX Energy Inc.

[REDACTED]
Leonard Van Betuw
CEO

Willy Ahout [REDACTED]
[REDACTED]

Leonard Van Betuw
[REDACTED]