



Avila Energy Corporation is pleased to announce the Completion of all Terms of Settlement with MTT and the Issuance of the Licensed Rights for the Manufacturing, Sale, Supply and Servicing of MTT's EnerTwin in Canada and the United States of America

Calgary, Alberta, July 26, 2023, Avila Energy Corporation ("Avila" or the "Company" or "Avila Energy"), trading symbol "CSE:VIK", "OTCM:PTRVF", FRA:6HG0, is pleased to announce the completion of all terms of settlement with MTT and the Issuance of the Licensed Rights for the Manufacturing, Sale, Supply and Servicing of MTT's EnerTwin in Canada and the United States of America

Avila Energy Corporation is pleased to confirm that all financial obligations have been paid in full to MTT and that as of July 25th, 2023, Avila's investments to date of € 4,160,000 have resulted in the following:

- 1.) Avila Energy Corporation and MTT confirms that Avila's license, as agreed on June 26, 2023, to manufacture, sell and service the EnerTwin in Canada and the United States of America is now in effect as of July 25, 2023, and has been released from escrow by MTT. The up-front license fee paid being € 1,500,000, or approximately CDN \$ 2,205,000.**
- 2.) Avila Energy Corporation is to receive 12,328 (twelve-thousand, three-hundred twenty-eight) non-voting shares of MTT (the "Shares"), at this moment representing 15% of the issued share capital of MTT at a price of € 202.80 per Share, the total investment being € 2,500,000, or approximately CDN \$ 3,675,000.** The shares are subject to the provisions that in the event Avila does not sell 5,000 EnerTwin units on or before July 1, 2026, MTT retains the right to repurchase the shares for cancellation at a cost of one (1) Euro.
- 3.) Initiation of CSA and UL Certification at a cost € 135,350.40 and interest expense totaling € 26,649.60

**Assumes an exchange rate of 1 Euro = CDN \$ 1.47

"MTT is pleased that the issues between companies now have been fully resolved. In accordance with the License Agreement, MTT looks forward to start working on Phase 2, of the adaptations required to acquire CSA/UL certification for the EnerTwin and to continue to support Avila with the introduction of the EnerTwin to the Canadian and North American markets." Said Willy Ahout, CEO of MTT.

"Avila is also pleased to have reached this milestone and looks forward to collaborating with MTT on the technical transfer and ramp up sales in North America." said Leonard B. Van Betuw, President & CEO. "The Company anticipates that it will be commencing the acceptance of orders by late August of 2023, that will be conditional on their application and/or the timing of the CSA/UL certification".

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.

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.

For further information,
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ON BEHALF OF THE BOARD

Leonard B. Van Betuw
President & CEO

Caution; see attached Forward-Looking Information & Forward-Looking Cautionary Statements

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 Cautionary Statements

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 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.