



## ***Avila Energy Corporation Provides Operational Update and is pleased to announce the addition of 3<sup>rd</sup> Party Processing Services***

Calgary, Alberta, November 14, 2023 – Avila Energy Corporation (“**Avila**” or the “**Company**” or “**Avila Energy**”), trading symbol trading symbol, (CSE: VIK, OTCM: PTRVF and FRA:6HG0), provides an operational update and is pleased to announce the future addition of third (3<sup>rd</sup>) party processing services.

The Company upon closing its initial tranche of \$1,033,000 as announced on October 31, 2023, of the previously announced \$3,000,000 Private Placement on September 20, 2023, remains focused on three (3) priorities, the strengthening of its balance sheet, the recovery and improvements in its daily production and the commencement of Direct-to-Consumer sales of Avila’s Integrated Energy Solution.

### **Upstream Operations**

The company is currently completing its facilities maintenance and turn-arounds prior to winter setting in. It is preparing to commence additional remediation of wells which are anticipated to re-establish production to 1,000 boe/d; 15% oil production, 5% liquids and condensate and 80% natural gas., The Company’s product mix is expected to only vary less than 5% per 100 boe/d of growth as it continues to focus on the future development in 2024 of its approximately 58,000 acres in Alberta.

Avila’s upstream operations remain focused on the refinement of its goal to meet its first milestone of 650 boe/d where it is capable of consistently generating cash-flow that exceeds the total cost of the Company’s operational (Opex) and general and administrative (G&A) obligations. Avila has defined this to be its “Break-even Point” for its upstream operations. By the end of 2023, this “Break-even Point” is expected to be based on daily production of 650 boe/d (80% natural gas and liquids and 20% heavy crude oil and condensates), and assumes it will realize an average price of CDN \$2.50/mcf for natural gas and a blended price of CDN \$75.00/bbl for heavy crude oil, liquids and condensates. Furthermore, the Company assumes its production and future investments will continue to be focused on maintaining a product mix of 80% natural gas and liquids and 20% heavy crude oil and condensates and initially operating expenses including all fixed well and facilities costs of \$17.58 per boe.

Upon establishing operational “Break-Even”, the Company’s goal is to exit 2023 at a production rate ranging from 800 boe/d to up to 1,000(at/d at which time economies of scale are expected to reduce operating expenses to \$11.75 per boe (at 1,000 boe/d) and result in the capacity to generate operationally free cash-flow of approximately \$5.8 million per year in 2024.

The Company’s goal in 2024 is to continue to reduce operating expenses to \$7.50 boe/d upon reaching a production rate of 2,000 boe/d in the second half of 2024.

### 3<sup>rd</sup> Party Processing Services

As reported earlier, Avila commenced in late September and October the completion of our seasonal maintenance and turn-arounds along with the reconfiguration of our facilities in West Central Alberta. These efforts are in alignment with Avila receiving notice from an Alberta based producer in early September that it can expect new third (3rd) party volumes of natural gas to be processed at Avila's facilities in West Central Alberta.

Avila previously had been anticipating this was to occur as it is an important precursor to the sanctioning and construction of our proposed new Power Generation, Carbon Capture and CO2 Sequestration facilities in the region. The Company's two (2) facilities in West Central Alberta are currently capable of producing 15,000 mcf day and are expected to be operating at capacity by the end of 2024.

The additional 3rd party natural gas processing volumes are expected to be flowing prior to year-end 2023, however regulatory delays may result in the first volumes being received and processed by Avila in the 1st quarter of 2024.

The agreed rates are expected to increase annualized cash-flow by an additional \$1,500,000 in 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:	<a href="mailto:ron.s@avilaenergy.com">ron.s@avilaenergy.com</a>
	Peter Nesveda:	<a href="mailto:peter@intuitiveaustralia.com.au">peter@intuitiveaustralia.com.au</a>
	Leonard B. Van Betuw:	<a href="mailto:leonard.v@avilaenergy.com">leonard.v@avilaenergy.com</a>

### ON BEHALF OF THE BOARD

*Leonard B. Van Betuw*  
*President & CEO*

403-451-2786

## 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 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](http://www.sedar.com).