



**Avila Energy Corporation announces the filing of its Audited Financials and MD&A for the Year ended December 31, 2023
And Provides a Corporate Update**

Calgary, Alberta, April 29, 2024 – Avila Energy Corporation (“Avila” or the “Company” or “Avila Energy”), trading symbol “CSE:VIK.CN”, Avila Energy Corporation announces the filing of its Audited Financials and MD&A for the Year ended December 31, 2023, and provides a Corporate Update.

The Company is pleased to report for the year ended December 31, 2023, the following year over year results as summarized below.

Currency used herein is CDN\$.

Avila Energy Corporation	<u>2023</u>	<u>2022</u>	<u>% Chg.</u>
Revenue	\$ 2,536,620	\$ 3,406,105	-26%
Volume (BOE)	120,155	82,338	146%
Price per BOE	\$21.11	\$41.37	-49%
Price per MCF (6:1)	\$3.52	\$6.89	-49%
 Land (acres) - net			
Developed	45,355.0	43,755.0	104%
Undeveloped	10,352.0	9,712.0	107%
Total	55,707.0	53,467.0	104%
 <u>Reserves (BOE net working interest)</u>	<u>2023</u>	<u>2022</u>	<u>% Chg.</u>
Proven Developed Producing	572,500	1,278,400	-55%
Proven Developed Non-Producing	1,008,500	1,020,100	-1%
Proven Undeveloped	555,800	1,479,100	-62%
Total Proven	2,136,800	3,777,600	-43%
Probable	841,800	1,478,600	-43%
Total Proven plus probable	2,978,600	5,256,200	-43%
 <u>NPV discounted 10%</u>			
Proven Developed Producing	\$ 3,968,000	\$ 7,859,200	-50%
Proven Developed Non-Producing	\$ 6,176,600	\$ 8,116,600	-24%
Proven Undeveloped	\$ 4,989,300	\$ 7,909,400	-37%
Total Proven	\$ 15,133,900	\$ 23,885,200	-37%
Probable	\$ 7,339,900	\$ 6,848,900	7%
Total Proven plus probable	\$ 22,473,800	\$ 30,734,100	-27%

**(6 Mcf = 1 BOE or Barrel of Oil Equivalent”)

Prior to yearend 2023, Avila Energy in conjunction with reviewing its business plans, and the economies of scale required to develop its oil properties; it became apparent that the Company in the near term needed to reduce its capital plans for the development of its upstream properties to \$4.8 million from a previous budgeted amount of \$17.6 million. The resulting technical revisions and additional economic factors were a result of the Company choosing in 2023 to defer the development of certain wells until it had more financial capacity and the current operation, was operating more efficiently, including the start-up of the mid-stream processing.

As at yearend 2023 the mid-stream processing had not commenced. Therefore, the anticipated reduction in expenses had not yet been realized. Once the mid-stream revenues improve, the resulting economies of scale will provide the Company a strong foundation for the development of its oil properties in combination with the start-up of its Power Generation, Carbon Capture and Sequestration in the region. This decision in combination with commodity pricing and the reduction in volumes per well in 2023 resulted in a technical revision needing to be recorded at December 31, 2023, and the recording of an impairment at yearend total \$12,239,831 that have resulted in the Company's accumulated tax losses being of benefit in the future. The Company sees the decision to remain conservative at this stage in the Company's development to be a practical step, that will be of benefit to Corporation in the 2025 and beyond.

Avila Energy, as part of its long-term plans, in the fourth quarter of 2023 remained focused on the first of three goals, the establishment of a resilient mid-stream business that is in a position from which it can continue to grow. The Company also continues to be steadfast, on that the foundation for Avila to become a resilient business it must become an integrated Company, that is as a producer, upstream, of low emissions Oil, Natural Gas and Liquids in combination with a mid-stream business that is capable of natural gas processing, the delivery of power generation for resale, carbon capture and CO2 sequestration. These are the initial two revenue streams of the three revenue streams that Avila has identified as being the core components of its full sweat of Vertically Integrated Energy Business.

SUBSEQUENT TO YEAR END THE COMPANY ACCOMPLISHED THE FOLLOWING

On January 29, 2024, convertible debentures with a stated value of \$128,796 (face value of \$150,000) were converted into 600,000 common shares (631,500 with accrued interest of \$7,875) at the holder's option. There were 600,000 conversion warrants valued at nil issued in connection with conversion, exercisable at \$0.75 for a period of 24 months.

On March 20, 2024, the Company received a notice from a third-party customer that Avila should expect additional volumes of up to 4,000 Mcf/d to be processed at an Avila facility by the end of March 2024. First, volumes were received by Avila on March 27th and during the initial test period combined rates were 4,800 mcf/d. It is expected the volume will increase to 10,000 Mcf/d by October 2024 when the third party completes additional tie-ins to the Company's gathering system.

CORPORATE UPDATE

The Company continues to advance negotiations towards the completion of its previously announced financing of an additional issue of equity for a total of CDN \$2 million. Avila is confident that the financing will be promptly completed upon reaching certain milestones on or about May 31, 2024. This includes one of Avila's mid-stream customers receiving approval from the Alberta Utilities Commission for the completion of its facilities upgrades and the commence of Off-Grid Power Generation and secondly the delivery of its first EnerTwin scheduled to be installed by Avila IES ("Integrated Energy Solution") utilizing the EnerTwin a Patented Microturbine CHP (Combined Heat and Power) generator in North America in the third (3rd) quarter of 2024.

The Company also reports that Donica Igot-Candia has stepped down as Chief Financial Officer of the Company, and Lars Glimhagen continues to fill the vacant position as Chief Financial Officer of the Company.

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 with the delivery of Direct-to Consumer energy sales to both residential and commercial consumers.

For further information, please contact: Peter Nesveda, Investor Relations, International or Leonard B. Van Betuw, President & CEO of Avila Energy Corporation.

Emails: 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

Contact phone number: (403) 451-2786

Cautionary and Forward-Looking Statements

Certain information set forth in this news release contains "forward-looking statements" with respect to the proposed business combination between the Company and IAC. Forward-looking statements may generally be identified by the use of words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "should," "would," "plan," "project," "forecast," "predict," "potential," "seem," "seek," "future," "outlook," "target" or other similar expressions (or the negative versions of such words or expressions) that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties that could cause the actual results to differ materially from the expected results. These statements are based on various assumptions, whether or not identified in this communication. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by an investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Many actual events and circumstances are beyond the control of the Company and IAC.

All statements in this news release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements, including, but not limited to entrance into a Business Combination Agreement, the occurrence of and the anticipated date of closing of the Transaction, the availability of financing for the Transaction and IAC at the time of signing, the anticipated price per share post-closing of the Transaction, and the post-Closing governance of the Resulting Company. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's and IAC's control, including completion of customary due diligence with respect to the Transaction, negotiation of the definitive documentation including the Business Combination Agreement, approval of the Transaction by Company and IAC shareholders, approval by the IAC shareholders of an extension of the time by which they must consummate an initial business

combination, listing approval by a United States exchange and the impact of general economic conditions, industry conditions, the regulatory environment, volatility of commodity prices, currency fluctuations, environmental risks, operational risks, competition from other industry participants and stock market volatility. Although the Company and IAC believe that the expectations in its forward-looking statements are reasonable, its forward-looking statements have been based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated, or implied in the forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements, as no assurance can be provided as to future results, levels of activity or achievements. Risks, uncertainties, material assumptions and other factors that could affect actual results are discussed in the Company's public disclosure documents available at www.sedar.com and IAC's public disclosure documents available through the EDGAR filing system at www.sec.gov. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, neither the Company nor IAC undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

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

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.