



***Avila Energy Corporation announces final closing of \$5,000,000
Private Placement of Convertible Debenture Units***

Calgary, Alberta, July 5, 2022 – Avila Energy Corporation (“Avila” or the “Company”), trading symbol “VIK”, announces the final closing of a private placement (partially brokered) totaling \$5,000,230 (the “**Debenture Financing**”).

Each Unit (“**Unit**” or “**Units**”) of the Debenture Financing is comprised of a \$1,000 principal amount bearing interest at 4% per annum, which is convertible and unsecured, due on April 1, 2025.

Included in the Unit is a right held by the Holder (the “**Holder**”) of full (not partial) conversion of the entire principal and the accrued interest of the Units into Class A common shares of Avila (the “**Shares**”) at \$0.50 per Share (the “**Conversion**”) as well as, **upon Conversion**, to the issuance of one (1) additional share purchase warrant per Share issued on Conversion (the “**Conditional Warrants**”) entitling the Holder to purchase one (1) Share per each Share received on the Conversion at a price of \$0.75 for a period of two (2) years following the date of the Conversion. The Conversion and the Warrants are subject to standard anti-dilution rights.

Avila has paid negotiated brokerage fees for the Debenture Financing; and in particular, Avila has paid some brokerage fees to Research Capital Corporation, in series, being a percentage in money of their brokered financings raised for the Debenture Financing, as well as broker warrants associated therewith to purchase a total 431,200 Shares at \$0.75 per Share, with the last series exercisable until June 28, 2024.

The Company intends to use the proceeds from this private placement of the Debenture Financing for general working capital and business development.

The Units issued by the Company pursuant to this Debenture Financing will have the required Canadian regulatory escrow, being a four- month plus one-day escrow period from issuance.

The Canadian Securities Exchange ("CSE") has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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 through the implementation of a closed system of carbon capture and sequestration and an established path underway towards the material reduction of Tier 1, Tier 2 and Tier 3 emissions continues to work towards becoming an integrated low cost **Carbon Neutral Energy Producer**. The Company continues to grow and achieve its results by focusing on the application of a combination of proven geological, geophysical, engineering, and production techniques.

For further information, please contact:

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ON BEHALF OF THE BOARD

Leonard B. Van Betuw
President & CEO

All statements contained in this press release about anticipated future events constitute forward-looking statements. Forward looking statements are often, but not always, identified by the use of words such as "anticipate" and "expect". Forward-looking statements are subject to business risks and uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. The Company does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change except as required by applicable laws. Investors should not place undue reliance on forward-looking statements.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.