

## CSE - FORM 7

### Monthly Progress Report – April 2024

**Name of CSE Issuer:** Avila Energy Corporation (“Avila Energy,” the “Issuer” or the “Company”)

**Trading Symbol:** CN:VIK

**Number of Outstanding Listed Securities:** 163,681,454 common shares.

**Date:** May 3, 2024

#### 1. General Overview and Discussion

Avila Energy Corporation is a reporting company registered in Alberta under the Business Corporations Act and has its records and principal address located at 1439 17th avenue SE, Suite 201, Calgary, Alberta. On December 3, 2021, the Company changed its name to Avila Energy Corporation, which was formerly known as Petro Viking Energy Inc.

Avila Energy and its 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 and this is the foundation for the development of the business and the long-term growth of the Company.

Avila Energy through the implementation of a closed system of carbon capture and sequestration techniques in combination with an established path downstream, is focused on the material reduction of *Tier 1, Tier 2 and Tier 3* emissions. Avila’s business plan continues to advance based on established foundation of Proven Oil and Natural Gas Reserves and Power Generation Technologies towards becoming a sustainable **Vertically Integrated Carbon Neutral Energy Producer**.

#### 2. Activities of Management

The Company’s management remains focused on the allocation of its time and resources between the ongoing development of its oil and natural gas business and the implementation of its long-term business plans. The regulatory challenges within the energy sector and Canada at larger continue to be fluid and the Company has been diligently re-directing its time and resources to these challenges as they arise. The Company’s management and staff embrace the need to remain focused on fundamental growth in its oil and natural gas production as the financial foundation that will be the source of capital to become a sustainable Vertically Integrated Carbon Neutral Energy Producer that will commercially participating in the energy transition.

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. The first volumes were received by Avila on March 27, 2024 and during the initial test period combined rates have been 4,800 Mcf/d. It is expected the volume will increase to 10,000 Mcf/d by October 2024 when the third party completes a tie-in of a proposed pipeline to the Company’s gathering system. The Company continues to develop, upgrade and test the facilities to further increase its volume capacity.

The Company filed its Annual Financial Statements, Management Discussion Analysis and Oil and Gas regulatory reports during the month.

#### 3. New Exploration Activities

The Company has no new activities to report.

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**4. Exploration Activities**

The Company continues to remain focused on its Core properties in Western Canada as summarized on its website at [www.avilaenergy.com](http://www.avilaenergy.com).

**5. New Business Relationships**

None

**6. Expiry or Termination of Contracts or Financing Agreements**

None

**7. Acquisition or Disposition of Assets**

None.

**8. Acquisition or Loss of Customers**

The Company from time to time, changes suppliers and purchasers in the normal course of business but has not had any changes that were of material significance.

**9. New Developments or Effects on Intangible Assets**

The Company anticipates that it will be providing additional information on the business units' development over the course of the following 24 months.

**10. Employee Hiring and Terminations**

There have been no terminations of material significance other than those anticipated with the commencement and completion of capital projects, at the time of startup and upon their completion.

**11. Labor Disputes and Resolutions**

None

**12. Legal Proceedings**

None

**13. Indebtedness Incurred or Repaid**

None

#### 14. Securities Issued and Options or Warrants Granted

Security	Number Issued	Details of Issuance	Use of Proceeds
Shares	Nil		
Warrants	Nil		
Options	Nil		

#### 15. Loans to or by Related Parties

The Company does not have any loans to or from Related Parties other than in the normal course of operations.

#### 16. Changes in Officers, Directors, or Committee Members

The changes to the Officers, Directors, or Committee Members are indicated below. The current officers and directors of the Company are:

Name	Position(s)
Leonard B. Van Betuw	Chief Executive Office
Donica Igot-Candia <sup>(a)</sup>	Chief Financial Officer
Lars Glimhagen <sup>(b)</sup>	Chief Financial Officer / Corporate Secretary
Jeffrey Decter <sup>(c)</sup>	Director
Daniel Lucero <sup>(c)</sup>	Director
Chris Valentine <sup>(c)</sup>	Director

(a) Donica Igot-Candia resigned as Chief Financial Officer On April 22, 2024

(b) Lars Glimhagen was appointed Chief Financial Officer on April 22, 2024

(c) Members of Audit Committee

#### 17. Trends Impacting the Company

Many risks are discussed below, but these risk factors should not be construed as exhaustive. There are numerous factors, both known and unknown, that could cause actual results or events to differ materially from forecast results.

##### ***Risk inherent in the resources industries - oil & gas and mining***

Oil & gas and mining exploration involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company depends on its ability to find, acquire, develop, and commercially produce oil and natural gas reserves. The future increase in the Company's reserves will depend not only on the Company's ability to explore and develop any properties it may have from, time to time, but also on its ability to acquire suitable resource properties. The Company's principal risks include finding and developing economic resources efficiently and being able to fund the capital program.

##### ***Capital Risk***

The Company's need for capital is both short-term and long-term in nature. Short-term working capital will be required to finance accounts receivable, drilling deposits and other similar short-term assets. The

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acquisition and development of various resource properties or other business opportunities requires significant capital both short and long-term. In the longer-term management anticipates that capital requirements will be met through a combination of internal adjusted funds flow, debt instruments and/or equity financing. There is no assurance that debt and equity financing will be available on terms acceptable to the Company to meet its capital requirements.

### ***Interrelation of Business Components***

If any components of the Company's business plan are missing or incomplete, the Company may not be able to execute its' entire business plan.

### ***Environmental Risks***

All phases of the resource industries present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial, and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Although the Company intends to be in material compliance with current applicable environmental regulations, no assurance can be given that changes in environment laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects. Prior to drilling, the Company obtains insurance in accordance with industry standards to address certain of these risks. However, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liability. In addition, such risks may not, in all circumstances, be insurable. The payment for such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that was not fully insured could have a material adverse effect on the Company's financial position.

### ***Legislative Risk***

Included in the above risks is legislative risk. However, the mining and oil & gas industries internationally and particularly in Canada have become increasingly subject to public scrutiny. It is virtually impossible to predict how this scrutiny may result in new and unexpected legislation which may adversely affect the Company's ability to obtain capital, its valuations and/or its operations.

### ***Personnel Risk***

There is no guarantee that the personnel employed by the Company will continue to be employed in such a manner. They may experience health and or life changes that make this difficult. The Company mitigates this risk by sufficiently documenting its actions such that an appropriately trained and skilled replacement employee should be functional within a reasonable time. However, there is no guarantee that all knowledge or skill of existing or future employees will be retained should they depart the Company for any reason. The Company may retain the services of outside consultants from time to time.

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the CSE that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CSE Requirements (as defined in CSE Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 3, 2024

*"Lars Glimhagen"*

Lars Glimhagen  
Chief Financial Officer

<b>Issuer Details</b> <i>Name of Issuer</i>	<i>For Month End</i>	<i>Date of Report</i> (YY/MM/DD)
Avila Energy Corporation	April 2024	24/05/03
<i>Issuer Address</i>		
201, 1439 17 <sup>th</sup> Avenue SE.		
<i>City/Province/Postal Code</i>	<i>Issuer Fax No.</i>	<i>Issuer Telephone No.</i>
Calgary, AB T2G 1J9		((403) 451-2786
<i>Contact Name</i>	<i>Contact Position</i>	<i>Contact Telephone No.</i>
Lars Glimhagen	Chief Financial Officer	(403) 451-2786 (Ext. 202)
<i>Contact email address</i>	<i>Web Site Address</i>	
Lars.g@avilaenergy.com	www.avilaenergy.com	

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