Journey Energy Provides Preliminary 2025 Guidance and Term Debt Repayment Amendment

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Calgary, January 29, 2025 - Journey Energy Inc. (TSX: JOY) (OTCQX: JRNGF) ("Journey" or the "Company") is pleased to provide preliminary guidance for 2025 with a focus on advancing development activities within the Duvernay Joint Venture.

2025 CAPITAL PROGRAM

On January 6, 2025, Journey announced initial drilling results on the first 2.0 (0.71 net) wells in its Duvernay joint venture in Central Alberta. In the most recent corporate presentation Journey provided an updated type curve highlighting the economic opportunity this world class resource affords the Company over the long term. When the joint venture was announced on May 7, 2024, Journey announced a 2025 cap on joint venture drill, complete, equip and tie-in expenditures at $100 million gross dollars.

In addition to considerations pertaining to the cap on expenditures, the timing of spring runoff, and the logistical benefit of multi-well pad drilling and completions, creates a logical argument for winter drilling and spring completions. This results in 2025 capital being concentrated in the first half of 2025. Journey currently forecasts participating in all wells and spending approximately $30 million net dollars for drilling, completing, equipping and tieing-in 7 (2.1 net) wells. Current expectations are that all wells will be producing by mid-year 2025. The majority of these locations will be drilled from two-three well pads in order to maximize operational efficiencies and to minimize costs.

Total capital expenditures for Journey in 2025 are forecast to be $50 million. Capital for 2025 includes $30 million for the Duvernay program; $10 million of capital toward the completion of the ongoing power projects; with the remainder allocated to end-of-life, polymer, land, seismic acquisition, and miscellaneous other expenditures.

TERM-DEBT REPAYMENT UPDATE

Journey and its long-term capital provider and largest shareholder, Alberta Investment Management Corporation ("AIMCo"), have reached an agreement today to amend the repayment terms of the remaining outstanding balance as at February 28, 2025 of approximately $12.4 million. Under the existing agreement, monthly payments were scheduled to be made from March, 2025 until the final payment on August 31, 2025. Under the new repayment terms, payments of principal and interest from March 31, 2025 to August 31, 2025 will be paused. On September 30, 2025 equal principal payments of approximately $2.1 million, plus accrued interest, will resume and continue until a final payment on February 27, 2026. The deferral of the balance of approximately $12.4 million of near-term payments, coupled with the cash flows from the new Duvernay wells as well as Journey's existing operations, is intended to assist the Company with funding the Duvernay development program.

Journey continues to look at funding alternatives to simplify its capital structure and to accelerate Duvernay expenditures in 2026. The attractive cash flow profile provided by the early phase Duvernay wells presents an excellent opportunity to recuperate capital expenditures quickly while generating attractive rates of return.

OUTLOOK & PRELIMINARY GUIDANCE

The below guidance incorporates many material underlying assumptions including but not limited to:

- Forecasted commodity prices;
- No material changes to the current regulatory framework;
- Forecasted growth capital investment;
- Forecast operating costs, including forecasted prices for power;
- Forecast results and phasing in of production additions from the capital program.

In addition to the above, Journey has incorporated a number of specific assumptions which are unique to the company including but not limited to:

- No net asset sales or acquisitions for 2025 are included in the forecast;
- No power revenue is included in the forecast outside of the Countess power facility;
- Stolberg area production, shut in August 2024 due to a third party. The projected re-start date is August of 2025.

Journey intends to update its guidance at regular intervals throughout the year as assumptions are further refined.

	2025 Initial Guidance
Annual average daily sales volumes	10,800-11,200 boe/d (58% crude oil & NGL's)
Adjusted Funds Flow	$68 - $70 million
Adjusted Funds Flow per weighted average share	$1.01 - $1.05
Capital spending	$50 million
Year-end Net Debt	$41 - $43 million
Net Debt to Adjusted Funds Flow ratio	0.6x
Reference commodity prices:	
WTI (USD $/bbl)	$72.00
MSW oil differentials (USD $/bbl)	$4.00
WCS oil differentials (USD $/bbl)	$13.00
AECO natural gas (CAD $/mcf)	$2.05
CAD/USD foreign exchange	$0.70

Notes:

1. The weighting of the corporate sales volumes guidance is as follows:
    1. Heavy crude oil: 20%
    2. Light/medium crude oil: 27%
    3. NGL's: 9%
    4. Coal-bed methane natural gas: 6%
    5. Conventional natural gas: 37%

Future Update and Further Information

Journey management views 2025 as a pivotal year for the company as the groundwork laid in previous years begins to materialize. Journey's management remains focussed on long-term value creation for all stakeholders and are available to address shareholder inquiries upon request.

About the Company

Journey is a Canadian exploration and production company focused on conventional, oil-weighted operations in Alberta, Canada. Journey's strategy is to grow its production base by drilling on its existing core lands, implementing secondary and tertiary flood projects on its existing lands, and by executing on accretive acquisitions. In conjunction with its joint venture partner, the Company has recently begun development of its Duvernay light oil resource play. In addition, Journey is continuing with its plans to grow its power generation business through its projects at Gilby and Mazeppa.

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ADVISORIES

This press release contains forward-looking statements and forward-looking information (collectively "forward looking information") within the meaning of applicable securities laws relating to the Company's plans and other aspects of the anticipated future operations, management focus, strategies, financial, operating and production results, industry conditions, commodity prices and business opportunities. In addition, and without limiting the generality of the foregoing, this press release contains forward-looking information regarding decline rates, anticipated netbacks, drilling inventory, estimated average drill, complete and equip and tie-in costs, anticipated potential of the Assets including, but not limited to, EOR performance and opportunities, capacity of infrastructure, potential reduction in operating costs, production guidance, total payout ratio, capital program and allocation thereof, future production, decline rates, funds flow, net debt, net debt to funds flow, exchange rates, reserve life, development and drilling plans, well economics, future cost reductions, potential growth, and the source of funding Journey's capital spending. Forward-looking information typically uses words such as "anticipate", "believe", "project", "expect", "goal", "plan", "intend" or similar words suggesting future outcomes, statements that actions, events or conditions "may", "would", "could" or "will" be taken or occur in the future.

The forward-looking information is based on certain key expectations and assumptions made by management, including expectations and assumptions concerning prevailing commodity prices and differentials, exchange rates, interest rates, applicable royalty rates and tax laws; future production rates and estimates of operating costs; performance of existing and future wells; reserve and resource volumes; anticipated timing and results of capital expenditures; the success obtained in drilling new wells; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the state of the economy and the exploration and production business; results of operations; performance; business prospects and opportunities; the availability and cost of financing, labour and services; the impact of increasing competition; the ability to efficiently integrate assets and employees acquired through acquisitions, including the Acquisition, the ability to market oil and natural gas successfully and the ability to access capital. Although we believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Journey can give no assurance that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature they involve inherent risks and uncertainties. The actual results, performance or achievement could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. Management has included the above summary of assumptions and risks related to forward-looking information provided in this press release in order to provide security holders with a more complete perspective on future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other factors that could affect the operations or financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).These forward looking statements are made as of the date of this press release and we disclaim any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Journeys prospective results of operations, funds flow, netbacks, debt, payout ratio well economics and components thereof, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraphs. FOFI contained in this press release was made as of the date of this press release and was provided for providing further information about Journey's anticipated future business operations. Journey disclaims any intention or obligation to update or revise any FOFI contained in this press release, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein. Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, which involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Journey, including, without limitation, those listed under "Risk Factors" and "Forward Looking Statements" in the Annual Information Form filed on www.SEDAR.com on March 28, 2024. Forward-looking information may relate to the future outlook and anticipated events or results and may include statements regarding the business strategy and plans and objectives. Particularly, forward-looking information in this press release includes, but is not limited to, information concerning Journey's drilling and other operational plans, production rates, and long-term objectives. Journey cautions investors in Journey's securities about important factors that could cause Journey's actual results to differ materially from those projected in any forward-looking statements included in this press release. Information in this press release about Journey's prospective funds flows and financial position is based on assumptions about future events, including economic conditions and courses of action, based on management's assessment of the relevant information currently available. Readers are cautioned that information regarding Journey's financial outlook should not be used for purposes other than those disclosed herein. Forward-looking information contained in this press release is based on current estimates, expectations and projections, which we believe are reasonable as of the current date. No assurance can be given that the expectations set out in the Prospectus or herein will prove to be correct and accordingly, you should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to, we are under no obligation and do not undertake to update this information at any particular time except as required by applicable securities law.

Non-IFRS Measures

The Company uses the following non-IFRS measures in evaluating corporate performance. These terms do not have a standardized meaning prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculation of similar measures by other companies.

(1) "Adjusted Funds Flow" is calculated by taking "cash flow provided by operating activities" from the financial statements and adding or deducting: changes in non-cash working capital; non-recurring "other" income; transaction costs; and decommissioning costs. Adjusted Funds Flow per share is calculated as Adjusted Funds Flow divided by the weighted-average number of shares outstanding in the period. Because Adjusted Funds Flow and Adjusted Funds Flow per share are not impacted by fluctuations in non-cash working capital balances, we believe these measures are more indicative of performance than the GAAP measured "cash flow generated from operating activities". In addition, Journey excludes transaction costs from the definition of Adjusted Funds Flow, as these expenses are generally in respect of capital acquisition transactions. The Company considers Adjusted Funds Flow a key performance measure as it demonstrates the Company's ability to generate funds necessary to repay debt and to fund future growth through capital investment. Journey's determination of Adjusted Funds Flow may not be comparable to that reported by other companies. Journey also presents "Adjusted Funds Flow per basic share" where per share amounts are calculated using the weighted average shares outstanding consistent with the calculation of net income (loss) per share, which per share amount is calculated under IFRS and is more fully described in the notes to the audited, year-end consolidated financial statements.

(2) "Netback(s)". The Company uses netbacks to help evaluate its performance, leverage, and liquidity; comparisons with peers; as well as to assess potential acquisitions. Management considers netbacks as a key performance measure as it demonstrates the Company's profitability relative to current commodity prices. Management also uses them in operational and capital allocation decisions. Journey uses netbacks

to assess its own performance and performance in relation to its peers. These netbacks are operating, Funds Flow and net income (loss). "Operating netback" is calculated as the average sales price of the commodities sold (excluding financial hedging gains and losses), less royalties, transportation costs and operating expenses. There is no GAAP measure that is reasonably comparable to netbacks.

(3) "Net debt" is calculated by taking current assets and then subtracting accounts payable and accrued liabilities; the principal amount of term debt; and other loans. Net debt is used to assess the capital efficiency, liquidity and general financial strength of the Company. In addition, net debt is used as a comparison tool to assess financial strength in relation to Journey's peers.

(4) Journey uses "Capital Expenditures" to measure its capital investment level compared to the Company's annual budgeted capital expenditures for its organic capital program, excluding acquisitions or dispositions. The directly comparable GAAP measure to capital expenditures is cash used in investing activities. Journey then adjusts its capital expenditures for acquisition and divestiture ("A&D") activity to give a more complete analysis for its capital spending used for finding, development and acquisition purposes.

Measurements

All dollar figures included herein are presented in Canadian dollars, unless otherwise noted.

Where amounts are expressed in a barrel of oil equivalent ("boe"), or barrel of oil equivalent per day ("boe/d"), natural gas volumes have been converted to barrels of oil equivalent at nine (6) thousand cubic feet ("Mcf") to one (1) barrel. Use of the term boe may be misleading particularly if used in isolation. The boe conversion ratio of 6 Mcf to 1 barrel ("Bbl") of oil or natural gas liquids is based on an energy equivalency conversion methodology primarily applicable at the burner tip, and does not represent a value equivalency at the wellhead. This conversion conforms to the Canadian Securities Regulators' National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

Abbreviations

The following abbreviations are used throughout these MD&A and have the ascribed meanings:

AIMCo	Alberta Investment Management Corporation
API	American Petroleum Institute
bbl	Barrel
bbls	Barrels
boe	barrels of oil equivalent (see conversion statement below)
boe/d	barrels of oil equivalent per day
gj	Gigajoules
GAAP	Generally Accepted Accounting Principles
IFRS	International Financial Reporting Standards
Mbbls	thousand barrels
Mboe	thousand boe
Mcf	thousand cubic feet
Mmcf	million cubic feet
Mmcf/d	million cubic feet per day
MSW	Mixed sweet Alberta benchmark oil price at Edmonton Alberta
MW	One million watts of power
NGL's	natural gas liquids (ethane, propane, butane and condensate)
WCS	Western Canada Select benchmark oil price. This crude oil is heavy/sour with API gravity of 19-22 degrees and sulphur content of 1.8-3.2%.
WTI	West Texas Intermediate benchmark Oil price. This crude oil is light/sweet with API gravity of 39.6 degrees and sulfur content of 0.24%.

All volumes in this press release refer to the sales volumes of crude oil, natural gas and associated by-products measured at the point of sale to third-party purchasers. For natural gas, this occurs after the removal of natural gas liquids.

No securities regulatory authority has either approved or disapproved of the contents of this press release.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/238914