Journey Energy Inc. Generates $19.6 Million in Adjusted Funds Flow in the First Quarter of 2025

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Calgary, May 8, 2025 - Journey Energy Inc. (TSX: JOY) (OTCQX: JRNGF) ("Journey" or the "Company") announces its financial results for the first quarter of 2025. The complete set of financial statements and management discussion and analysis for the periods ended March 31, 2025 and 2024 are posted on www.sedarplus.ca and on the Company's website www.journeyenergy.ca.

Highlights for the first quarter:

- Generated sales volumes of 10,997 boe/d in the first quarter (46% crude oil; 10% NGL's; 44% natural gas). Liquids volumes (crude oil and natural gas liquids) accounted for 6,523 boe/d of total volumes sold or 59% of total volumes during the fourth quarter.
- Generated net income of $7.7 million or $0.12 per basic weighted average share.
- Realized Adjusted Funds Flow of $19.6 million or $0.29 per basic and diluted share.
- Reduced net debt to $53.2 million from $60.3 million at year-end 2024.
- Closed a new $55 million credit facility with a Canadian Chartered bank on March 19. This facility, along with corporate cash flows will provide the resources and liquidity to enable Journey to participate fully in the Duvernay joint venture as well as finish bringing on-stream the two power generation projects currently under development.

	Three months ended March 31,		
Financial ($000's except per share amounts)	2025	2024	% change
Production revenue	52,032	52,098	-
Net income	7,728	3,248	138
Per basic share	0.12	0.05	140
Per diluted share	0.12	0.05	140
Adjusted Funds Flow	19,619	17,720	11
Per basic share	0.29	0.29	-
Per diluted share	0.29	0.27	7
Cash flow from operations	13,662	7,994	71
Per basic share	0.20	0.13	54
Per diluted share	0.20	0.12	67
Net capital expenditures	9,574	14,287	(33)
Net Debt	53,199	60,131	12
Share Capital (000's)			
Basic, weighted average	67,107	61,350	9
Diluted, weighted average	67,107	66,689	1
Basic, end of period	67,107	61,350	9
Fully diluted	69,492	68,378	2
Daily Sales Volumes			
Natural gas (Mcf/d)			
Conventional	22,044	27,281	(19)
Shale	910	-	-

Coal bed methane	3,891	3,966	(2)
Total natural gas volumes	26,845	31,277	(14)
Crude oil (Bbl/d)			
Light/medium	2,731	3,227	(15)
Tight	440	-	-
Heavy	2,160	2,258	(4)
Total crude oil volumes	5,331	5,485	(3)
Natural gas liquids (Bbl/d)	1,192	1,208	(1)
Barrels of oil equivalent (boe/d)	10,997	11,906	(8)
Average Realized Prices[1]			
Natural gas ($/mcf)	2.24	2.37	(5)
Crude Oil ($/bbl)	85.60	80.53	6
Natural gas liquids ($/bbl)	51.81	46.83	11
Barrels of oil equivalent ($/boe)	52.57	48.09	9
Operating Netback ($/boe)			
Realized prices[1]	52.57	48.08	9
Royalties	(9.24)	(9.38)	(1)
Operating expenses	(19.06)	(18.54)	3
Transportation expenses	(1.05)	(0.99)	6
Operating netback	23.22	19.17	21

Note:

1. Realized prices include physical hedging gains.

OPERATIONS

In the first quarter of 2025, Journey had sales volumes of 10,997 boe/d (59% crude oil and NGL's), which was consistent with the fourth quarter, 2024 volumes of 10,815 boe/d (59% crude oil and NGL's). The two initial wells from the joint venture with Spartan Delta Corp. were drilled and placed on-production in the fourth quarter of 2024. For the first quarter of 2025 these two wells averaged approximately 600 boe/d (78% liquids) net to Journey, which helped offset existing production declines and the sale of Brooks assets in mid-February. The success of these initial Duvernay wells has led Journey to upwardly revise its Duvernay type curve. As shown in Journey's March, 2025 corporate presentation, the wells continue to outperform the revised type curve.

In response to the initial success of Journey's 2024 Duvernay joint venture program, an expanded program for 2025 has been planned. As of May 8th, the 2025 drilling program with Spartan Delta Corp. is well underway. Of the 8 well program, 7 wells have been drilled and 3 completed from three separate surface pad sites. The final well has now reached its total depth.

Completion activities on the three well pad at 6-4-43-3W5 have finished, generally as programmed. The next operations planned will be the completion of the 4 well pad at 2-22-42-4W5, and flowback and testing at 6-4.

Pad Location	2025 Wells	Current Operation	Testing/On Production
1-19-43-3W5	103/2-9-43-3W5	drilled and cased	2026
6-4-43-3W5	102/7-27-43-3W5	completed	June
	102/9-27-43-3W5	completed	June
	103/12-2643-3W5	completed	June
2-22-42-4W5	102/4-12-42-4W5	drilled and cased	July/August
	100/6-12-42-4W5	drilled and cased	July/August
	100/10-12-42-4W5	drilled and cased	July/August
	102/15-12-42-4W5	drilling	July/August

Average lateral lengths of the 2025 drilling program with five released lateral lengths are approximately 3,900 meters, whereas the two-well 2024 program lateral length averaged 3,580 meters. Journey's joint venture partner continues to evaluate the optimization for both drilling and completion design in the 2025 program to drive cost efficiencies and meaningful productivity gains on a per well basis.

Total capital spending for the first quarter of 2025 was $9.6 million. $8.4 million of this amount was spent on drilling and completing 4 (1.2 net) Duvernay wells and a fifth well was also spud during the first quarter. In addition, $3.4 million was spent on advancing the Gilby and Mazeppa power projects during the quarter. Journey spent $0.9 million in respect of abandonment and reclamation work during the quarter. Journey sold a minor, non-core asset in the Brooks area for proceeds (after closing adjustments) of $3.4 million. This asset was producing approximately 330 boe/d (63% liquids) and had a minimal impact on sales volumes in the quarter. Approximately $7 million of asset retirement obligations were disposed of with this sale.

Total capital expenditures for 2025 have been increased to $55 million from the original guidance of $50 million. Approximately half of this increase is related to increased power expenditures, primarily associated with 3rd party costs related to the grid connection. Additional capital has also been allocated for increasing end-of-life costs to 1.2 times the Alberta Energy Regulator minimum required spending, as well as minor adjustments to facility and land expenditures.

FINANCIAL

Journey achieved Adjusted Funds Flow of $19.6 million during the first quarter of 2025. While sales volumes were 8% lower than the comparable quarter of 2024, average realized commodity prices were 9% higher with natural gas prices being 5% lower, crude oil was 6% higher and NGL prices were 11% higher. Journey's overall liquids volume weighting continued to strengthen with its Duvernay drilling results. Liquids volumes increased to 59% of total volumes as compared to 56% in the same quarter of 2024. Crude oil sales volumes for the first quarter of 2025 represented 48% of total boe volumes but contributed 79% of total revenues. Natural gas sales volumes contributed 41% of total boe volumes in the first quarter of 2025 while contributing 10% of total revenues.

Journey achieved efficiencies in its field operations during the quarter. Compared to the immediately prior quarter operating expenses declined to $19.06/boe in the first quarter of 2025 as compared to $23.09/boe in the fourth quarter of 2024. For 2025 aggregate operating expenses were $18.9 million, which was 6% lower than the $20.1 million from the same quarter of 2024 and 18% lower than the fourth quarter of 2024. A significant portion of the decrease from the prior quarter is related to reduced spending on workovers, and facility turnarounds. Royalty expense was consistent at $9.24/boe as compared to $9.05/boe in the fourth quarter of 2024 and $9.38/boe in the first quarter of 2024.

Journey's general and administrative ("G&A") costs in the first quarter of 2025 were $2.3 million as compared to the $2.6 million in the fourth quarter of 2024 and consistent with the $2.3 million in the first quarter of 2024. Lower costs in 2025 were mainly attributable to a reduction in staffing during the quarter. On a per boe basis, Journey's G&A costs were $2.37/boe for the first quarter of 2025 as compared to $2.65/boe in the fourth quarter of 2024 and $1.91/boe for the first quarter of 2024.

Interest expense decreased 7% to $1.5 million in the first quarter of 2025 from $1.6 million in the fourth quarter of 2024 and $1.6 million in the first quarter of 2024. The reduction in the first quarter of 2025 was mainly attributable to the lower outstanding balances on term debt due to principal repayments in the quarter.

Journey generated net income of $7.7 million in the first quarter of 2025 or $0.12 per basic and diluted share as compared to $32,48 of net income in the first quarter of 2024 or $0.05 per basic and diluted share. Adjusted Funds Flow of $19.6 million in the first quarter of 2025 was 79% higher than the $11.0 million realized in the fourth quarter of 2024 and 11% higher than the $17.7 million realized in the comparable quarter of 2024.

Total capital expenditures in the first quarter were $13.0 million including $8.4 million for the drilling and completion activities on the 5 (1.5 net) Duvernay wells that were either rig-released or started in the first quarter. In addition, the Company spent $3.4 million on the continuing work on its power generation projects. Journey also sold a small, non-core asset in Brooks, Alberta in mid-February for proceeds of $3.4 million. Journey exited the first quarter of 2025 with net debt of $53.2 million, which was 12% lower than the $60.3 million of net debt at the beginning of the year.

On March 17, 2025 Journey entered into a new credit facility with a Canadian Chartered Bank for an aggregate amount of $55 million consisting of three separate credit facilities. The first facility is a two-year amortizing term-loan, the proceeds of which have been used to repay the then remaining balance of the Alberta Investment Management Corporation term debt of $12.4 million. The second facility is a $15 million operating facility to be used for working capital needs on a revolving basis. The third facility is a delayed-draw term facility of a maximum of $27.6 million that will be used as needed to fund Journey's Duvernay development. As at March 31, 2025 only $0.8 million was drawn on the operating facility and nothing was drawn on the Duvernay development loan.

OUTLOOK & GUIDANCE

Journey has updated its 2025 capital spending and production guidance as per below. While sales volumes guidance has not changed, the Company has made minor changes to increase its capital spending plans to $55 million from the previous guidance of $50 million. Adjustments have been made to increase each of the main categories including: land, facilities, power projects, drilling and completions. The majority of Journey's capital for 2025 is forecast to be expended within the first half of the year.

Recently, changes to Canadian-U.S. trade policies and increasing recession fears have resulted in significant near-term headwinds for commodity prices. Journey management remains confident that the Company is well positioned to navigate this uncertain period. However, the unprecedented volatility in pricing, for oil in particular, makes it challenging to provide reliable guidance as it pertains to associated funds flow and year-end debt levels at this time.

Journey will update its guidance at regular intervals throughout the year and as circumstances materially change.

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

- Forecasted commodity prices by month;
- Forecasted operating costs, including forecasted prices for power;
- Forecasted costs for the capital program and the timing of the spending; and
- Forecasted results and phasing of production additions from the capital program;

	Original January 29, 2025	Revised May 8, 2025
Annual average daily sales volumes	10,800-11,200 boe/d (58% crude oil & NGL's)	10,800-11,200 boe/d (58% crude oil
Capital spending	$50 million	$55 million

Notes:

1. The weighting of the corporate sales volumes guidance is as follows:
    1. Heavy crude oil: 20%
    2. Light/medium crude oil: 25%
    3. Tight oil: 4%
    4. NGL's: 10%
    5. Coal-bed methane natural gas: 6%
    6. Conventional natural gas: 33%
    7. Shale gas: 1%

Journey's low corporate decline, high working interest project inventory, operated infrastructure, and favorable mineral lease expiry profile allow the Company to weather periods of lower than forecast commodity prices by proactively deferring portions of the capital program on a temporary basis. Journey is focused on adjusting its capital program to meet its near-term obligations without sacrificing the longer-term priorities of sustainability and enhancing shareholder value.

Annual General Meeting

Journey's annual general meeting ("AGM" or the "Meeting") is scheduled for 3:00 pm (Calgary time) on May 22, 2025. Shareholders not attending in person must vote on the matters not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the

Meeting. Journey is offering shareholders an opportunity to listen to the business to be conducted at the Meeting by teleconference. Further instructions on how to listen to the Meeting and how to vote in advance of the Meeting can be found in Journey's management information circular that is posted on the Company's website and on SEDARPLUS. Journey expects to only have a minimum number of in-person attendees present to conduct the formal business of the Meeting and does not intend to provide a corporate presentation after the Meeting.

About the Company

Journey is a Canadian exploration and production company focused on 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.

For further information contact:

Alex G. Verge	or	Gerry Gilewicz
President and Chief Executive Officer		Chief Financial Officer
403-303-3232		403-303-3238
alex.verge@journeyenergy.ca		gerry.gilewicz@journeyenergy.ca

Journey Energy Inc.
700, 517 - 10th Avenue SW
Calgary, AB T2R 0A8
403-294-1635
www.journeyenergy.ca

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, labor 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.sedarplus.ca). 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.SEDARplus.ca on March 31, 2025. 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, Management believes 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.

		3 months ended March 31,		
($000's)		2025		2025
Cash flow provided by operating activities		13,662		7,994
Add (deduct):				
Changes in non-cash working capital		4,974		9,365
Transaction costs		81		189
Decommissioning costs incurred		902		172
Adjusted Funds Flow		19,619		17,720
Adjusted Funds Flow per basic (diluted) weighted average share	$	0.29/ $0.29	$	0.29/ $0.27

(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 months ended March 31,			
($/boe)	2025		2024	
Realized price	52.57		48.08	
Royalties	(9.24	)	(9.38	)
Operating expenses	(19.06	)	(18.54	)
Transportation expenses	(1.05	)	(0.99	)
Netback	23.22		19.17	

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

($000's)	March 31, 2024		March 31, 2024	
Principal amount of term debt	13,202		31,063	
Principal amount of convertible debentures	38,000		38,000	
Accounts payable and accrued liabilities	36,994		43,537	
Other loans	417		429	
Deduct:				
Cash in bank	(6,902	)	(20,907	)
Accounts receivable	(20,838	)	(26,809	)
Prepaid expenses	(7,055	)	(5,182	)
Other receivable	(619	)	-	
Net debt	53,199		60,131	

(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 A&D activity to give a more complete analysis for its capital spending used for FD&A purposes. The following table details the composition of capital expenditures and its reconciliation to cash flow used in investing activities:

	3 Months ended March 31,	
	2025	2024
Land and lease rentals	199	354

	3 Months ended March 31,	
	2025	2024
Geological & geophysical	(11)	33
Drilling and completions	8,428	7,023
Well equipment and facilities	1,037	3,634
Power generation assets	3,353	3,243
Total capital expenditures	13,006	14,287
PP&E dispositions	(3,363)	-
Other dispositions	(69)	-
Net capital expenditures	9,574	14,287
Other:		
Decommissioning expenditure	902	172
Total capital expenditures	10,476	14,459

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 this press release and have the ascribed meanings:

A&D	acquisition and divestiture of petroleum and natural gas assets
bbl	barrel
bbls	barrels
boe	barrels of oil equivalent (see conversion statement below)
boe/d	barrels of oil equivalent per day
E&D	exploration and development activities as defined in the COGE Handbook
gj	gigajoules
GAAP	Generally Accepted Accounting Principles
IFRS	International Financial Reporting Standards
Mbbls	thousand barrels
MMBtu	million British thermal units
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
MWh	Mega-watt hours of electricity
NGL's	natural gas liquids (ethane, propane, butane and condensate)
WCS	Western Canada Select benchmark oil price
WTI	West Texas Intermediate benchmark oil price

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.

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