

Journey Announces Second Quarter 2024 Financial and Operating Results

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Calgary, August 8, 2024 - [Journey Energy Inc.](#) (TSX: JOY) (OTCQX: JRNGF) ("Journey" or the "Company") is pleased to announce its financial and operating results for the three and six month periods ending June 30, 2024. The complete set of financial statements and management discussion and analysis are posted on [www.sedarplus.ca](#) and on the Company's website [www.journeyenergy.ca](#).

Highlights for the second quarter are as follows:

- Generated sales volumes of 11,235 boe/d in the first quarter (45% crude oil; 9% NGL's; 46% natural gas)
- Realized Adjusted Funds Flow of \$9.5 million or \$0.15 per basic share and \$0.14 per diluted share.
- Continued with the construction of the Gilby power generation asset. Completion of this project is currently scheduled for early in the fourth quarter.
- On May 7, 2024 Journey announced its participation in a 128 section Joint Venture land block with Spartan Delta Corp. to mutually develop the Duvernay in the west shale basin. The initial working interest within the block is 37.5% Journey and 62.5% Spartan Delta Corp. The partners currently control 94 sections within the block. Two wells are currently planned for later in 2024. Journey's share of the expenditures will be funded through a combination of internally generated cash flows and proceeds from the recent convertible debenture issuance.

Financial & Operating Highlights

	Three months ended June 30,			Six months ended June 30,		
Financial (\$000's except per share amounts)	2024	2023	% change	2024	2023	% change
Sales revenue	50,525	53,513	(6)	102,623	111,956	(8)
Net income (loss)	(2,328)	(1,773)	31	920	4,667	(80)
Basic (\$/share)	(0.04)	(0.03)	33	0.01	0.08	(88)
Diluted (\$/share)	(0.04)	(0.03)	33	0.01	0.07	(86)
Adjusted Funds Flow	9,507	11,292	(16)	27,227	29,251	(7)
Basic (\$/share)	0.15	0.19	(21)	0.44	0.49	(10)
Diluted (\$/share)	0.14	0.17	(18)	0.41	0.45	(9)
Cash flow provided by operating activities	8,258	12,335	(33)	16,252	23,796	(32)
Basic (\$/share)	0.13	0.20	(35)	0.26	0.40	(35)
Diluted (\$/share)	0.12	0.18	(33)	0.24	0.37	(35)
Capital expenditures, including A&D	3,355	14,006	(76)	17,642	20,824	(15)
Net debt	55,452	74,662	(26)	55,451	74,662	(26)
Share Capital (000's)						
Basic, weighted average	61,350	60,923	1	61,350	59,545	3
Basic, end of period	61,350	60,923	1	61,350	60,923	1
Fully diluted	68,387	67,869	1	68,387	67,869	1
Daily Sales Volumes						
Natural gas (Mcf/d)						
Conventional	25,910	29,946	(13)	26,596	30,276	(12)
Coal bed methane	4,612	4,170	11	4,304	4,224	2
Total natural gas volumes	30,522	34,116	(11)	30,900	34,500	(10)
Crude oil (Bbl/d)						

Light/medium	2,799	3,306	(15	)	3,075	3,497	(12)
Heavy	2,320	2,133	9		2,227	2,091	7	
Total crude oil volumes	5,119	5,439	(6	)	5,302	5,588	(5)
Natural gas liquids (Bbl/d)	1,029	1,275	(19	)	1,118	1,321	(15)
Barrels of oil equivalent (boe/d)	11,235	12,400	(9	)	11,570	12,659	(9)
Average Realized Prices (excluding hedging)								
Natural gas (\$/mcf)	0.97	2.43	(60	)	1.68	2.75	(39)
Crude Oil (\$/bbl)	93.38	82.92	13		86.74	80.73	7	
Natural gas liquids (\$/bbl)	46.12	41.20	12		46.52	45.38	3	
Barrels of oil equivalent (\$/boe)	49.42	47.28	5		48.73	48.68	-	
Operating Netback (\$/boe)								
Realized prices (excl. hedging)	49.42	47.42	4		48.73	48.86	-	
Royalties	(10.05	) (9.77	) 3		(9.71	) (10.08	) (4)
Operating expenses	(22.91	) (23.41	) (2	)	(20.64	) (21.57	) (4)
Transportation expenses	(1.47	) (0.63	) 133		(1.22	) (0.85	) 44	
Operating netback	14.99	13.61	10		17.16	16.36	5	

OPERATIONS

During the second quarter of 2024 Journey continued to move forward on all of its initiatives with a view to increasing free cash flow beginning in 2025 and with a long-term strategy of increasing its proved, developed, producing value on a per share basis. Journey experienced a number of one-time events that impacted the recent quarters' results, however, the medium-term outlook for the Company remains intact.

On March 20, 2024 Journey issued \$38 million in convertible debentures to not only term-out certain of its debt obligations, but also to increase the 2024 capital program adding planned capital programs in Herronton and Medicine Hat. These programs were originally scheduled to add 400-500 boe/d for the second half of 2024, providing comfort in Journey's previous guidance range. These programs have now been deferred to 2025 in order to fund the working interest participation in two Duvernay wells. Since the Duvernay wells are expected to come on-stream in late 2024 they will have a positive impact on 2024 exit rates but will result in reduced annual sales volume guidance for 2024.

Total capital spending for the second quarter of 2024 was \$4.7 million. These costs included continuing advancement of the power projects, injection projects in Matziwin and Medicine Hat, and decommissioning expenditures. Capital expenditures are expected to increase to \$16.5 million in the third quarter, with increased capital for power projects (\$7 million); the initiation of Duvernay drilling; facility debottlenecking in Cherhill; and expanding the polymer flood in Medicine Hat to new, unflooded areas.

In the second quarter of 2024, Journey had sales volumes of 11,235 boe/d (55% oil and liquids). Second quarter volumes were negatively impacted (approximately 500 boe/d) by second quarter turnarounds, road bans, and a royalty divestment. Journey completed a 4.0 (2.9 net) well program in the Medicine Hat area during the first quarter of 2024 and all wells were on-production throughout the second quarter. These new wells helped mitigate the second quarter downtimes. No additional wells were drilled in the second quarter.

The majority of the downtime in the second quarter was due to significant turnarounds in four of Journey's main producing areas. The impact from these turnarounds throughout the quarter was approximately 400 boe/d with approximately \$3 million in additional operating costs charged to the Matziwin, Ante Creek, Carrot Creek, and Gilby Gas properties. Extended downtime was observed in Matziwin and Ante Creek in order to redo the internal coating on separating and treating equipment in these central batteries. These facilities are normally inspected every five years and it is unusual to encounter these issues. Journey also experienced downtime due to wet road conditions for the new Poplar Creek wells. In all of these cases stated above the downtime was weighted heavily to oil wells. The combination of lost volumes and increased operating expenditures resulted in an approximately \$6 million reduction in Adjusted Funds Flow for the quarter.

At the beginning of August Journey was notified by a third party well operator that they were shutting in Journey volumes, which in turn had been going to a third party processing facility due to a dispute on processing fees. The majority of Journey's Stolberg production volumes will be impacted by this closure due to a lack of takeaway capacity for solution gas. These volumes were curtailed in late July, 2024 and are expected to reduce overall production by approximately 200 boe/d for the duration of the curtailment.

For the medium term, the primary purpose of the debenture was to extend a portion of the 2024 debt repayment obligations to 2029, thereby allowing for an expansion in exploration and development capital in 2024 and 2025 for projects including preliminary development of the Duvernay resource. Because of this financing Journey remains on track to achieve its exit rate guidance while meeting its 2024 debt repayments.

Duvernay Joint Venture

On May 7, 2024 Journey announced its participation in a 128 section joint venture land block with Spartan Delta Corp. ("Spartan") to mutually pursue the development of the Duvernay west shale basin. The initial working interest within the block is 37.5% Journey and 62.5% Spartan. The partners currently control 94 sections within the block. Two wells are planned to spud in the third quarter of 2024. Journey's share of these expenditures will be primarily funded through the convertible debenture financing, which closed in March. Initial capital expenditures for the joint venture are capped at gross amounts of \$30 million and \$100 million for 2024 and 2025 respectively. The cap on expenditures can be increased upon mutual agreement of both parties. The 2024 capital program is sufficient to drill, complete, equip and tie-in two wells on azimuth from a single pad.

With the revised term-out of the majority of its debt until 2029, and with future revenues from its power business, Journey is in a solid position to fund its working interest portion of this development. Journey believes it has found a quality partner in Spartan to help benefit from the economies of scale while minimizing the risk of single events on the Company's business plan. The Company's desire was to accomplish this without diluting the existing land position, while maximizing the net number on azimuth locations in the liquids window. Journey's working interest position in the joint lands is enough to support 60 net 2.5 mile on azimuth locations.

Expanding Journey's Power Business

Journey budgeted \$11 million to complete the Gilby power project in 2024. Journey forecasts spending the majority of its budgeted capital for this project by October 2024. The building for the Gilby project was completed in early April and the generators have now been placed in the building. Activity is currently ramping up with an overhauling of the engines and upgrading electronic components. Journey currently forecasts completion of the Gilby project early in the fourth quarter. However, the timeline for start-up remains outside of its control due to final regulatory and transmission approvals. For this reason, Journey's current guidance contains no power revenue from Gilby in 2024.

Journey has budgeted \$6.3 million for re-energizing the Mazeppa power project in 2024. Recent results of the Stage 2 cluster study were released at the end of June. Normally the cluster study would result in a payment due in July resulting in the projects moving to Phase 3. While awaiting final documentation on new legislation AESO has delayed the required payment to get to Phase 3 for new projects from July to the end of November. Journey has proactively reached out to the stakeholders involved to accelerate the required payment and move to Phase 3. These meetings are ongoing and Journey will provide further information as it becomes available.

Journey is planning to increase its power sales to the Alberta electricity grid by over 350% when the Gilby and Mazeppa projects come on-line. When the Gilby and Mazeppa power projects are on-stream, Journey will be in a position to more than offset its corporate power usage with power sales to the power grid. With all of Journey's power projects on-stream Journey's fund flow from power sales is forecast to exceed \$15 million per year based upon GLJ's pricing assumptions. Journey has approximately \$17 million in remaining expenditures to bring these projects on in order for the power to begin contributing meaningfully to cash flow in 2025.

FINANCIAL

Due to continued depressed natural gas prices resulting from a relatively warm winter, liquids revenues continued to account for a greater proportion of commodity revenues, becoming 95% for the second quarter. Even though realized natural gas prices declined by 59% in the second quarter of 2024 from the first quarter, overall commodity prices increased by 3% in this same period due to realized oil prices increasing by 16%. Operating costs were higher by 18% quarter over quarter in 2024 and this was mainly attributable to an

additional \$3.0 million in operating costs associated with turnarounds at four major facilities. Absent these incremental costs and associated production losses, operating costs would be more in line with both those experienced in the first quarter of 2024, and what Journey is projecting for the balance of the year. In the second quarter carbon taxes, property taxes and other government fees came in significantly higher than forecast. In addition to seasonally higher budgeted costs for property taxes, surface lease rentals, and AER fees, second quarter 2024 costs were negatively impacted by a \$2.4 million adjustment to prior periods for carbon taxes.

On the administrative side, costs were \$3.6 million for the second quarter. The increase over the first quarter was primarily due to the payment of annual bonuses during the second quarter along with a small increase in office lease costs. The \$2.8 million quarterly average in G&A costs for the first half of 2024, is considered more representative of Journey's ongoing G&A on a quarterly basis.

Combining the impact of lower natural gas prices, lower sales volumes, and higher non-recurring operating and general and administrative costs, Journey recorded Adjusted Funds Flow for the second quarter of 2024 of \$9.5 million as compared to \$17.7 million in the first quarter. Adjusted Funds Flow per share was \$0.15 on a basic weighted average basis and \$0.14 on a diluted basis. Applying an average quarterly G&A burden and removing the carbon tax adjustment would have had a \$3.2 million positive impact on Adjusted Funds Flow for the quarter.

Journey experienced a net loss of \$2.3 million in the second quarter of 2024. Net loss per basic and diluted share was \$0.04 for the second quarter. Cash flow from operations was \$8.3 million in the second quarter of 2024 (\$0.13 per basic share and \$0.12 per diluted share).

Journey continued to be prudent with its capital spending during the second quarter as it underspent its Adjusted Funds Flows. Total capital expenditures (including decommissioning obligations) in the second quarter were \$4.7 million. As a result, Journey's net debt was reduced from \$60.1 million at March 31, 2024 to \$55.5 million at June 30, 2024. Payment of \$38 million of this debt has been extended to March of 2029, through the convertible debenture issuance that closed in March 2024.

OUTLOOK & GUIDANCE

Journey is reducing its 2024 guidance from 11,500-12,000 boe/d to 11,200-11,500 boe/d. The following factors have impacted 2024 sales volumes:

- 200-250 boe/d due to the phasing of capital expenditures substituting Duvernay drilling for Herronton and Medicine Hat drilling;
- 200 boe/d due to the impact of divestments (75 boe/d) and the unplanned shut-in of Stolberg due to a third party dispute. (50-125 boe/d); and
- 100 boe/d due to second quarter turnarounds

Adjusted Funds Flow guidance has been impacted by reduced sales volume guidance and the declining price for natural gas. Natural gas pricing has now been reduced to \$1.75/mcf for 2024 resulting in a \$4 million forecast reduction in Adjusted Funds Flow. Journey has hedged one-third of 2025 natural gas volumes at a price of \$3.20/mcf. Although natural gas is a minor component of Journey's revenue, the difference between \$1.75/mcf and \$3.20/mcf is approximately \$12 million per year on an annualized basis. This bodes well for 2025 revenues.

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;

	Revised August 8, 2024	Previous May 9, 2024
Annual average daily sales volumes	11,200-11,500 boe/d (56% crude oil & NGL's)	11,500-12,000 boe/d (55% crude oil & NGL's)
Adjusted Funds Flow	\$60 - 62 million	\$70 - 73 million

Adjusted Funds Flow per weighted average share	\$0.96 - \$0.99	\$1.14 - \$1.19
Capital spending	\$48 million	\$51 million
2024 ending Net Debt	\$46 - \$48 million	\$40 - \$44 million
Net Debt to Adjusted Funds Flow ratio	0.8x	0.6x
Reference commodity prices:		
WTI (USD \$/bbl)	\$79.00	\$78.00
MSW oil differentials (USD \$/bbl)	\$4.35	\$4.50
WCS oil differentials (USD \$/bbl)	\$16.00	\$15.50
AECO natural gas (CAD \$/mcf)	\$1.75	\$2.25
CAD/USD foreign exchange	\$0.74	\$0.74

Notes:

1. The weighting of the corporate sales volumes guidance is as follows:
 1. Heavy oil: 21%
 2. MSW crude oil: 25%
 3. NGL's: 9%
 4. Coal-bed methane natural gas: 7%
 5. Conventional natural gas: 38%

IMPLEMENTING A NORMAL COURSE ISSUER BID (NCIB)

Although well positioned for 2025, the overall industry sentiment remains negative and at certain times the value of Journey's shares does not accurately reflect the underlying value of the asset base and future opportunities. At times such as these, Journey's shareholders could benefit from a re-allocation of capital toward the purchase of Journey shares for cancellation. On August 8, 2024 Journey's Board of Directors approved the implementation of a Normal Course Issuer Bid ("NCIB") and Journey is in the process of completing the regulatory paperwork to implement the NCIB. Journey has not included the purchase of shares for cancellation in its guidance and will provide further information in due course as it becomes available.

Journey has embarked on a careful and prudent expansion of its business plan to grow the Company profitably. Journey has been diligently reducing indebtedness since the October 2022 acquisition while continuing to prudently invest in its future. The \$38 million convertible debenture financing in March of 2024 has proven timely in light of the decline in commodity prices realized in the second quarter 2024. This capital provides the opportunity to meet near-term obligations while providing the mid-term capital that is critical for the anticipated growth in 2025.

In 2025, Journey expects forecasting higher revenues from: the power assets as they begin contributing meaningfully to cash flow; higher pricing for natural gas; an active capital program focused on volume growth; and the development of the vast Duvernay resource.

The Company's success would not be possible without the talented team at Journey, both in the office and the field. Management looks forward to updating you on Journey's progress on its development path.

About the Company

Journey is a Canadian exploration and production company focused on conventional, oil-weighted operations in western Canada. Journey's strategy is to grow its production base by drilling on its existing core lands, implementing water flood projects, and executing on accretive acquisitions. Journey seeks to optimize its legacy oil pools on existing lands through the application of best practices in horizontal drilling and, where feasible, with water floods. In addition, Journey is seeking to grow its power generation business. Journey currently produces approximately 4 MW of electricity and with the recently announced facility acquisitions is anticipating to expand its productive capacity to approximately 36 MW within the next year.

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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 Journey's 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 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. The reconciliation of GAAP measured cash flow from operations to the non-GAAP metric of Adjusted Funds Flow is as follows:

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Cash flow provided by operating activities	8,258	12,335	(33	) 16,252	23,796	(32
Add (deduct):						

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Changes in non-cash working capital	(53)	(1,845)	(97 )	) 9,312	2,435	282
Transaction costs	-	-	-	189	2	9,350
Decommissioning costs	1,302	802	62	1,474	3,018	(51)
Adjusted Funds Flow	9,507	11,292	(16 )	) 27,227	29,251	(7)

(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; other loans; and the principal amount of the contingent bank liability. 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. The reconciliation of Net Debt is as follows:

	June 30, 2024	June 30, 2023	% Change	June 30, 2024	Dec. 31, 2023	% Change
Term debt	28,063	43,763	(36 )	) 28,063	43,763	(36)
Convertible debentures	38,000	-	-	38,000	-	-
Vendor-take-back debt	-	31,000	(100)	-	17,000	(100)
Accounts payable and accrued liabilities	39,867	42,670	(7 )	) 39,867	47,214	(16)
Other loans	429	419	2	429	419	2
Deduct:						
Cash in bank	(18,905)	(9,789)	93	(18,905)	(17,715)	176
Accounts receivable	(22,616)	(28,512)	(21 )	) (22,616)	(24,734)	(9)
Prepaid expenses	(9,386)	(4,889)	92	(9,386)	(4,271)	120
Net debt	55,452	74,662	(26 )	) 55,452	61,676	(10)

(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 capital spending for A&D purposes has been adjusted to reflect the non-cash component of the consideration paid (i.e. shares issued). The following table details the composition of capital expenditures and its reconciliation to cash flow used in investing activities:

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
Cash expenditures:						
Land and lease rentals	178	1,231	(86 )	) 532	1,459	(64)
Geological and geophysical	83	53	57	116	278	(58)
Drilling and completions	676	29	2,231	7,699	2,185	252
Well equipment and facilities	1,935	867	124	5,569	3,183	75
Power generation	1,264	292	333	4,507	3,221	40
Total capital expenditures	4,136	2,472	68	18,423	10,326	78
PP&E acquisitions	-	11,539	(100)	-	11,539	(100)
PP&E dispositions	(787)	(5)	15,640	(787)	(1,041)	(24)
Net capital expenditures	3,349	14,006	(76 )	) 17,636	20,824	(15)
Other expenditures:						
Administrative	11	-	-	11	-	-
ARO costs incurred (internal plus grants)	1,302	802	62	1,474	3,185	(54)
Total capital expenditures	4,662	14,808	(69 )	) 19,121	24,009	(20)

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)
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)
VTB	Vendor-take-back term debt issued by Journey to Enerplus Corp. as partial payment of the purchase price for the asset acquisition on October 31, 2022
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.

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