Journey Announces Third Quarter 2024 Financial and Operating Results

08.11.2024 | Newsfile

Calgary, November 7, 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 nine month periods ending September 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 third quarter:

- Generated sales volumes of 11,152 boe/d in the third quarter (47% crude oil; 9% NGL's; 44% natural gas).
- Realized Adjusted Funds Flow of $13.6 million or $0.22 per basic share and $0.20 per diluted share.
- Continued with the construction of the Gilby power generation asset. Completion of this project is currently scheduled for the first quarter of 2025, subject to third party approvals.
- Reduced Net Debt to $52.7 million, representing a 15% decrease from year-end 2023. $38 million of net debt is in the form of a Convertible Debenture (March 20, 2024) and is not due until March 2029.

Subsequent to the end of the quarter:

- Negotiated an amendment to the AIMCo term debt agreement on October 10 to defer and amortize the balloon payment of $11.1 million previously due on October 31. Monthly payments will be extended to August 31, 2025 from April 30, 2025.
- Closed a divestment of Central Alberta assets to a private company for nominal value On October 1. Production from this minor divestment was 130 boe/d (35% liquids). The divested assets, along with Journey's ongoing asset retirement program is forecast to reduce Journey's end-of-life-costs by over $20 million. The divestment is neutral to PDP value and adjusted funds flow.
- Two wells have been drilled to date from a 05-18-042-03W5 pad as part of the Joint Venture (JV) with Spartan Delta Corp. ("Spartan Delta") in the Duvernay in the west shale basin. 03-26-042-04W5 was drilled to a lateral length of 3560 meters and 09-05-042-03W5 was drilled to a lateral length of 3,720 meters. Completion operations have begun and both wells should be completed prior to the end of November. The partners currently control 104 sections within the JV block. Journey's current working interest within the block is 31.38%. The initial production data reported on the Spartan Delta wells with shorter lateral lengths released on November 5, 2024 bodes well for the future development of this world class resource.

Financial & Operating Highlights

	Three months ended September 30,			Nine months ended September 30,		
Financial ($000's except per share amounts)	2024	2023	% change	2024	2023	% change
Sales revenue	47,046	57,279	(18)	149,669	169,235	(12)
Net income	598	7,712	(92)	1,518	12,379	(88)
Basic ($/share)	0.01	0.13	(92)	0.02	0.21	(90)
Diluted ($/share)	0.01	0.11	(91)	0.02	0.19	(89)
Adjusted Funds Flow	13,552	18,513	(28)	40,779	47,764	(15)
Basic ($/share)	0.22	0.30	(27)	0.66	0.80	(18)
Diluted ($/share)	0.20	0.28	(29)	0.61	0.72	(15)

Cash flow provided by operating activities	6,249	11,569	(46)	22,501	35,565	(36)
Basic ($/share)	0.10	0.19	(47)	0.37	0.59	(37)
Diluted ($/share)	0.09	0.17	(47)	0.34	0.54	(37)
Capital expenditures, including A&D	8,132	3,004	171	25,768	23,828	8
Net debt	52,676	59,781	(12)	52,676	59,781	(12)
Share Capital (000's)						
Basic, weighted average	61,350	60,922	1	61,350	60,009	2
Basic, end of period	61,350	60,922	1	61,350	60,923	1
Fully diluted	68,346	67,868	(1)	68,346	67,868	(1)
Daily Sales Volumes						
Natural gas (Mcf/d)						
Conventional	24,826	28,356	(12)	26,001	29,629	(12)
Coal bed methane	4,319	4,162	4	4,309	4,203	3
Total natural gas volumes	29,145	32,518	(10)	30,310	33,832	(10)
Crude oil (Bbl/d)						
Light/medium	3,097	2,929	6	3,082	3,279	(6)
Heavy	2,149	2,233	(4)	2,201	2,166	2
Total crude oil volumes	5,246	5,162	2	5,283	5,445	(3)
Natural gas liquids (Bbl/d)	1,048	1,174	(11)	1,095	1,271	(14)
Barrels of oil equivalent (boe/d)	11,152	11,756	(5)	11,430	12,355	(7)
Average Realized Prices (including hedging)						
Natural gas ($/mcf)	0.51	2.39	(79)	1.30	2.83	(54)
Crude Oil ($/bbl)	85.45	95.26	(10)	86.31	85.66	1
Natural gas liquids ($/bbl)	46.10	45.28	2	46.36	45.35	2
Barrels of oil equivalent ($/boe)	45.86	52.96	(13)	47.79	50.18	(5)
Operating Netback ($/boe)						
Realized prices (excl. hedging)	45.86	52.96	(13)	47.79	50.18	(5)
Royalties	(7.79)	(10.90)	(29)	(9.08)	(10.34)	(12)
Operating expenses	(19.60)	(20.72)	(5)	(20.30)	(21.30)	(5)
Transportation expenses	(1.15)	(0.93)	24	(1.20)	(0.87)	38
Operating netback	17.32	20.41	(15)	17.21	17.67	(3)

OPERATIONS

During the third 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 and adjusted funds flow on a per share basis.

On March 20, 2024 Journey issued $38 million in convertible debentures to term-out a portion of its debt obligations, and to also increase its 2024 capital program. On May 7, 2024 Journey entered into the joint venture agreement with Spartan Delta to jointly develop lands concentrated in the liquids rich portion of the Duvernay in the West Shale Basin. Journey is using a portion of the proceeds from the convertible debenture issuance to fund its working interest participation in the initial two Duvernay wells. The Duvernay wells are expected to come on-stream in late 2024 and have a positive impact on 2024 exit rates. Journey's working interest in the initial wells is 31.38%.

Total capital spending for the third quarter of 2024 was $10.6 million. These costs included continuing development of the power projects; facility upgrades in Cherhill; polymer and waterflood optimization in Medicine Hat; a portion of drilling expenditures for the first two Duvernay wells; and decommissioning expenditures. Capital expenditures are expected to increase to $16.5 million in the fourth quarter, with increased capital for the Duvernay wells and ongoing expenditures for the power business.

In the third quarter of 2024, Journey had sales volumes of 11,152 boe/d (56% oil and liquids). Volumes were negatively impacted (approximately 300 boe/d) by third-party shut-in volumes at the Stolberg property. No additional wells, outside of the two Duvernay wells (0.63 net) are planned for the fourth quarter of 2024.

At the beginning of August, Journey was notified by a third-party operator that they were shutting in Journey volumes in Stolberg, which had been going to a third-party processing facility due to a dispute on processing fees and compounded by low natural gas prices. The majority of Journey's Stolberg production volumes are impacted by this closure due to a lack of takeaway capacity in that area for solution gas. These volumes were curtailed in late July, 2024 and are expected to reduce sales volumes by approximately 300 boe/d for the duration of the curtailment. Journey is currently pursuing redirection options for the solution gas.

In October, Journey closed the divestment of certain Central Alberta assets to a private company for nominal consideration. Production from this minor divestment was 130 boe/d (35% liquids). The divestment is neutral to Journey's proved, developed, producing value and Adjusted Funds Flow. The assets contained 153 gross wells, the majority of which were shut-in or abandoned. The assets had approximately $14 million of end-of-life costs associated with it. The divested assets, along with Journey's ongoing asset retirement program is forecast to reduce Journey's end-of-life-costs by over $20 million in 2024.

Joint Venture with Spartan Delta

On May 7, 2024 Journey announced its participation with Spartan Delta in a 128-section joint venture in the Duvernay west shale basin. Journey's current working interest within the block is 31.38%. The partners currently control 104 sections within the block.

Two wells have been drilled to date from a 05-18-042-03W5 pad as part of the Joint Venture (JV) with Spartan Delta Corp. ("Spartan Delta") in the Duvernay in the west shale basin. 03-26-042-04W5 was drilled to a lateral length of 3560 meters and 09-05-042-03W5 was drilled to a lateral length of 3,720 meters. Completion operations have begun and both wells should be completed prior to the end of November. Journey's share of expenditures for the first two wells will be primarily funded through the convertible debenture financing, which closed in March. Initial gross capital expenditures for the joint venture are capped at gross amounts of $30 million for 2024 and $100 million for 2025. 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 from a single pad. The two wells are strategically located to satisfy drilling commitments for the retention of freehold lands and their positioning will allow for the booking of at least 30 additional offset locations at year end. Recent negotiations on freehold lands within the joint venture block allow for the retention of a significant portion of lands for up to 11 years under certain circumstances, providing both a runway and land tenure to economically develop this world class resource.

The initial production data on Spartan Delta wells north of the joint venture block, press released on November 5, 2024, significantly exceeds the current type curves for wells on the joint venture block on a length adjusted basis. Journey believes the results of these wells are a good indicator of the productive capability of the resource contained within the joint venture lands.

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 Delta to help benefit from the economies of scale while minimizing the risk of single events on the Company's business plan. Journey's plan is to maintain its net acreage position with a smaller working interest in a larger land block. This strategy will maximize the net number of azimuth locations in the liquids window. Journey's working interest position in the joint lands is enough to support 60 net 2.5 mile wells 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 year-end although a small portion may be deferred to early 2025. Journey currently forecasts substantial completion of the Gilby project in the first quarter of 2025. 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. Journey has already made its Generating Unit Owners Contribution payment to AESO to move the Mazeppa power project to phase 3 by the end of November. At this time Journey has not been provided with an initial start date for Mazeppa by AESO.

Journey is planning to increase its power sales to the Alberta electricity grid to over 30 megawatts 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 $13 million in remaining expenditures to complete these two projects in order for the power to begin contributing meaningfully to cash flow in 2025.

FINANCIAL

Generationally low natural gas prices, due to an oversupply of Canadian gas, continued in the third quarter with Journey achieving a realized price of $0.51/mcf. Crude oil and NGL revenues continued to account for a significant proportion of commodity revenues, rising to 97% for the third quarter. Natural gas prices declined by 79%, crude oil prices declined 10% and NGL prices saw a 2% increase in the third quarter of 2024 as compared to the third quarter of 2023. Across all commodities there was an overall decline in realized commodity prices of 7% in the third quarter compared to the second quarter of 2024.

Operating costs were lower by 14% in the third quarter compared to the second quarter of 2024 and this was mainly attributable to lower power prices and much lower expenditures on workovers and turnarounds. During the third quarter Journey spent $2.1 million on workovers and turnarounds as compared to $5.2 million in the second quarter. Also assisting in lowering the comparative quarter cost structure were within the royalty, administrative and finance categories. Royalties were $2.3 million lower in the third quarter and this was mainly attributable to both lower prices and volumes sold. Administrative costs were $3.4 million for the third quarter as compared to $4.6 million in the second quarter. The second quarter administrative costs included annual compensation costs related to 2023 and were non-recurring throughout the rest of 2024. Borrowing costs of $1.9 million in the third quarter were consistent with the $1.8 million in the second quarter. Journey continued to pay down its AIMCo term debt in monthly principal instalments of $1.0 million during the third quarter. On October 10, 2024 Journey entered into an amendment of its term debt facility with AIMCo wherein the $11.1 million balloon payment that was due on October 31 was deferred and amortized on a monthly basis until August 31, 2025. This restructuring was intended to provide Journey with additional flexibility in its participation in the Duvernay joint venture development with Spartan Delta Corp.

Despite lower natural gas prices and the resulting lower sales volumes from shutting-in uneconomic, natural gas production, Journey offset this with various operating cost efficiencies and thereby recorded higher Adjusted Funds Flow than the previous quarter. The Company realized $13.6 million in Adjusted Funds Flow in the third quarter as compared to $9.5 million in the second quarter of 2024. For the third quarter, Adjusted Funds Flow per share was $0.22 on a basic weighted average basis and $0.20 on a diluted basis.

Journey realized net income of $0.6 million in the third quarter of 2024 or $0.01 basic and diluted per share for the third quarter. This brings the year-to-date net income to $1.5 million or $0.02 per basic and diluted share. Cash flow from operations was $6.2 million in the third quarter of 2024 ($0.11 per basic share and $0.10 per diluted share).

Journey spent $8.1 million in capital (net of dispositions) during the third quarter and underspent its Adjusted Funds Flows of $13.6 million. As a result, Journey's net debt decreased from $55.5 million at June 30, 2024 to $52.7 million at September 30, 2024.

OUTLOOK & GUIDANCE

Journey is maintaining its 2024 guidance of 11,200-11,500 boe/d. However, due to lower realized natural gas and crude oil prices, Adjusted Funds Flow guidance has been lowered. Natural gas pricing has now been reduced to $1.45/mcf for 2024 and average WTI price has been lowered from $79 to $76 resulting in an approximate $6 million reduction in forecasted Adjusted Funds Flow.

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 November 7, 2024	Previous August 8, 2024
Annual average daily sales volumes	11,200-11,400 boe/d (56% crude oil & NGL's)	11,200-11,500 boe/d (56% crude oil & NGL's)
Adjusted Funds Flow	$53 - 55 million	$60 - 62 million
Adjusted Funds Flow per weighted average share	$0.86 - $0.88	$0.96 - $0.99
Capital spending	$48 million	$48 million
2024 ending Net Debt	$52 - $54 million	$46 - $48 million
Net Debt to Adjusted Funds Flow ratio (trailing)	1.0x	0.8x
Reference commodity prices:		
WTI (USD $/bbl)	$76.00	$79.00
MSW oil differentials (USD $/bbl)	$4.00	$4.35
WCS oil differentials (USD $/bbl)	$15.00	$16.00
AECO natural gas (CAD $/mcf)	$1.45	$1.75
CAD/USD foreign exchange	$0.73	$0.74

Notes:

1. The relative weighting of the corporate sales volumes guidance is as follows:
    1. Heavy oil: 19%
    2. MSW crude oil: 28%
    3. NGL's: 9%
    4. Coal-bed methane natural gas: 6%
    5. Conventional natural gas: 38%

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.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 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 Sep. 30,			Nine months ended Sep. 30,		
	2024	2023	% Change	2024	2023	% Change
Cash flow provided by operating activities	6,249	11,569	(46)	22,501	35,365	(36)
Add (deduct):						
Changes in non-cash working capital	4,831	6,442	(25)	14,143	8,877	59
Transaction costs	-	22	(100)	189	24	688
Decommissioning costs	2,472	480	415	3,946	3,498	13
Adjusted Funds Flow	13,552	18,513	(27)	40,779	47,764	(15)

(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:

	Sep 30, 2024	Sep. 30, 2023	% Change	Sep 30, 2024	Dec. 31, 2023	% Change
Term debt	25,061	43,763	(43)	25,061	43,763	(43)

	Sep 30, 2024	Sep. 30, 2023	% Change	Sep 30, 2024	Dec. 31, 2023	% Change
Convertible debentures	38,000	-	-	38,000	-	-
Vendor-take-back debt	-	25,000	(100)	-	17,000	(100)
Accounts payable and accrued liabilities	31,894	42,751	(25)	31,894	47,214	(32)
Other loans	417	419	-	417	419	-
Deduct:						
Cash in bank	(14,016)	(14,065)	-	(14,016)	(17,715)	(21)
Accounts receivable	(20,699)	(32,275)	(36)	(20,699)	(24,734)	(16)
Prepaid expenses	(7,857)	(5,812)	35	(7,857)	(4,271)	84
Other receivable	(124)	-	-	(124)	-	-
Net debt	52,676	59,781	(12)	52,676	61,676	(15)

(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 proposes 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 Sep. 30,			Nine months ended Sep. 30,		
	2024	2023	% Change	2024	2023	% Change
Cash expenditures:						
Land and lease rentals	180	102	76	712	1,561	(54)
Geological and geophysical	20	-	-	136	278	(51)
Drilling and completions	1,757	2,283	(23)	9,456	4,468	112
Well equipment and facilities	2,579	1,494	73	8,148	4,677	74
Power generation	3,930	1,958	101	8,437	5,179	63
Total capital expenditures	8,466	5,837	45	26,889	16,163	66
PP&E acquisitions	23	1,770	(99)	23	13,309	(100)
PP&E dispositions	(363)	(4,603)	(92)	(1,150)	(5,644)	(85)
Net capital expenditures	8,126	3,004	171	25,762	23,828	8
Other expenditures:						
Administrative	-	-	-	11	-	-
ARO costs incurred (internal plus grants)	2,472	480	415	3,946	3,665	8
Total capital expenditures	10,598	3,484	204	29,719	27,493	8

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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