



## JOURNEY ENERGY INC. ANNOUNCES NEW FINANCING

CALGARY, October 6, 2016 /CNW/ - Journey Energy Inc. (JOY – TSX) (“**Journey**” or the “**Company**”) announces that it has entered into a strategic financing partnership with Alberta Investment Management Corporation (“**AIMCo**”).

AIMCo’s investment into Journey has been made through the completion of a private placement of 30,000 units (the “**Units**”) at a price of \$1,000 per Unit for aggregate proceeds of \$30 million. Each Unit is comprised of: (i) one promissory note (a “**Note**”) with a par value of \$1,000 per Note which will bear interest at 7.65% per annum, payable semi-annually; and (ii) 165 common share purchase warrants (the “**Warrants**”).

The Notes mature on October 31, 2020 and all or a portion of the principal amount outstanding thereunder can be repaid without penalty after two years. Journey issued 4.95 million Warrants in connection with the private placement, with each Warrant entitling the holder to purchase one common share of Journey at a price per share of \$2.75 until October 7, 2018. This exercise price reflects a 40% premium to the ten-day weighted average trading price of the common shares of the Company prior to closing of the private placement.

Alex Verge, President of Journey says, “We are extremely happy that AIMCo has chosen Journey to make this strategic investment. The confidence they are showing with this investment in our team and our assets is reflective of the great strides we have made in 2016 to improve our cost structure, strengthen our balance sheet, and to establish a profitable and sustainable business that yields excellent returns at \$50 US/bbl for oil and \$2.90 CDN/mcf for natural gas. The investment from AIMCo will enhance the liquidity of our Company and provide us with the flexibility to expand our capital program to leverage on the opportunities presented by this extended period of low commodity prices.”

The proceeds of this private placement will initially be used to reduce bank borrowings. Upon the semi-annual review of our syndicated bank line, which is due to conclude by the end of October, Journey is anticipating sufficient liquidity into the foreseeable future for the execution of its growth-oriented capital program for 2017 and beyond.

### **ABOUT AIMCo**

AIMCo is one of Canada’s largest and most diversified institutional investment managers with more than \$90 billion of assets under management. AIMCo was established on January 1, 2008 with a mandate to provide superior long-term investment results for its clients. AIMCo operates at arms-length from the Government of Alberta and invests globally on behalf of 31 pension, endowment and government funds in the Province of Alberta. For more information on AIMCo please visit [www.AIMCo.alberta.ca](http://www.AIMCo.alberta.ca).

### **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 provide investors with growth plus a

sustainable yield by focusing on drilling its existing core lands, implementing water flood projects, executing on accretive acquisitions and growing its production base. Journey seeks to optimize its legacy oil pools through the application of best practices in horizontal drilling and, where feasible, with water floods.

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## **ADVISORIES**

*Information in this press release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, which involves substantial known and unknown risks and uncertainties, most of which are beyond the control of Journey, including, without limitation, those listed under “Risk Factors” and “Forward Looking Statements” in the Annual Information Form filed on [www.SEDAR.com](http://www.SEDAR.com) on March 31, 2016. Forward-looking information may relate to our 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 the use of the proceeds from the private placement, the results of the semi-annual review of Journey’s syndicated bank line and the future liquidity of Journey. 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. Forward-looking information contained in this press release is based on our current estimates, expectations and projections, which we believe are reasonable as of the current date. No assurance can be given that the expectations 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.*

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

*Readers are cautioned that the above list of risks and factors are not intended to be exhaustive. Additional information on these and other factors that could affect our operating and financial results are, or will be, included in reports filed with the applicable securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)).*