JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Financial Position *(unaudited)*
(in thousands of Canadian dollars)

	Note	**March 31, 2026**	December 31, 2025
ASSETS			
CURRENT			
Cash		**8**	1,541
Accounts receivable		**28,427**	24,639
Prepaid expenses and deposits		**9,182**	8,691
Financial derivative asset	14	**-**	1,333
Total current assets		**37,617**	36,204
Property, plant and equipment	2	**465,632**	457,415
Exploration and evaluation assets	3	**5,706**	5,664
Deferred income tax asset		**79,299**	76,852
Total assets		**588,254**	576,135
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		**39,083**	31,519
Bank debt	4	**12,528**	5,801
Term debt	4	**3,096**	8,981
Other loans	5	**375**	375
Lease obligations	8	**364**	545
Financial derivative liabilities	14	**7,988**	-
Decommissioning liabilities	7	**8,244**	8,244
Total current liabilities		**71,678**	55,465
Lease obligations	8	**63**	76
Financial derivative liabilities	14	**-**	315
Convertible debentures	6	**35,560**	35,396
Decommissioning liabilities	7	**130,667**	130,125
Total liabilities		**237,968**	221,377
EQUITY			
Share capital	9	**371,180**	371,180
Equity component of convertible debentures	6	**1,736**	1,736
Contributed Surplus		**115,721**	114,344
Deficit		**(138,351)**	(132,502)
Total equity		**350,286**	354,758
Total liabilities and equity		**588,254**	576,135
Commitments	16		
Subsequent events	20		

See accompanying notes.

APPROVED BY THE BOARD

***"Signed"* Steve Smith, Director**

***"Signed"* Alex G. Verge, Director**

JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Comprehensive Income (Loss)

For the three months ended March 31, 2026 and 2025

(unaudited) (in thousands of Canadian dollars, except per share data)

	Note	Three months ended March 31, **2026**	2025
REVENUE			
Petroleum and natural gas sales	15(c)	**47,989**	52,032
Processing and other income		**1,440**	1,575
Royalties		**(7,669)**	(9,148)
Realized loss on financial derivatives	14	**(1,297)**	-
Unrealized loss on financial derivatives	14	**(9,005)**	(1,950)
Net revenue		**31,458**	42,509
EXPENSES			
Operating		**20,627**	20,008
Depletion and depreciation	2	**9,765**	10,547
Finance	11	**3,192**	3,017
General and administrative		**3,279**	2,344
Transportation		**1,514**	1,038
Share based compensation	10	**821**	561
Exploration and evaluation	3	**-**	17
Transaction costs		**-**	81
Gain on disposition	2	**-**	(5,237)
Total expenses		**39,198**	32,376
NET INCOME (LOSS) BEFORE INCOME TAXES		**(7,740)**	10,133
Deferred income tax expense (recovery)	12	**(1,891)**	2,405
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		**(5,849)**	7,728
NET INCOME (LOSS) PER SHARE	13		
Basic		**(0.09)**	0.12
Diluted		**(0.09)**	0.12

See accompanying notes.

JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Changes in Equity *(unaudited)*
(in thousands of Canadian dollars)

	Note	Share Capital	Convertible Debentures – Equity Portion	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2026		371,180	1,736	114,344	-	(132,502)	354,758
Net loss and comprehensive loss		-	-	-	-	(5,849)	(5,849)
Share based compensation, net of deferred tax	10	-	-	1,377	-	-	1,377
Balance, March 31, 2026		**371,180**	**1,736**	**115,721**	**-**	**(138,351)**	**350,286**

	Note	Share Capital	Convertible Debentures – Equity Portion	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2025		367,989	1,736	115,232	-	(158,424)	326,533
Net income and comprehensive income		-	-	-	-	7,728	7,728
Share based compensation, net of deferred tax	10	-	-	561	-	-	561
Balance, March 31, 2025		367,989	1,736	115,793	-	(150,696)	334,822

See accompanying notes.

JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Cash Flows *(unaudited)*

For the three and nine months ended March 31, 2026 and 2025

(in thousands of Canadian dollars)

	Note	Three months ended March 31, **2026**	2025
CASH FLOWS PROVIDED BY THE FOLLOWING ACTIVITIES:			
OPERATING			
Net income (loss) and comprehensive income (loss)		**(5,849)**	7,728
Adjustments for items not affecting cash:			
Deferred income tax expense (recovery)	12	**(1,891)**	2,405
Share based compensation	10	**821**	561
Depletion and depreciation	2	**9,765**	10,547
Unrealized loss on financial derivatives	14	**9,005**	1,950
Gain on disposition	2	**-**	(5,237)
Non-cash finance charges	11	**1,849**	1,567
Exploration and evaluation	3	**-**	17
Decommissioning costs	7	**(1,740)**	(902)
Changes in non-cash working capital	15(a)	**2,407**	(4,974)
Cash flow provided by operating activities		**14,367**	13,662
FINANCING			
Repayment of term-debt	4	**(6,000)**	(18,248)
Advance of bank and term debt, net of issue costs	4	**6,609**	11,474
Lease payments	8	**(209)**	(191)
Cash flow (used in) provided by financing activities		**400**	(6,965)
INVESTING			
Property, plant and equipment expenditures	2	**(17,216)**	(12,737)
Exploration and evaluation expenditures	3	**(42)**	(68)
Proceeds from property dispositions	2	**225**	3,363
Property acquisitions		**-**	(132)
Changes in non-cash working capital	15(a)	**733**	1,566
Cash flow used in investing activities		**(16,300)**	(8,008)
CHANGE IN CASH AND CASH EQUIVALENTS		**(1,533)**	(1,311)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**1,541**	8,213
CASH AND CASH EQUIVALENTS, END OF PERIOD		**8**	6,902
Supplementary cash flow information	15(b)		

See accompanying notes.

Journey Energy Inc. ("Journey" or "the Company"), is a publicly traded company engaged in the exploration, development and production of crude oil and natural gas in the province of Alberta, Canada. Journey also develops and operates power generation assets. Journey's shares trade on the Toronto Stock Exchange and the OTCQX exchange in the U.S.

These condensed consolidated interim financial statements present the results of operations for the Journey group of entities.

The registered address for Journey is 4300, 888 3rd Street SW Calgary, Alberta, Canada and the corporate head office is located at 700, 517 - 10th Avenue SW, Calgary, Alberta, Canada.

1. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements as at March 31, 2026 (the "Financial Statements") are unaudited and have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited consolidated annual financial statements for the year ended December 31, 2025 (the "**2025 Annual Financial Statements**"). These financial statements have been prepared using material accounting policies consistent with those in the 2025 Annual Financial Statements, except as noted below. There were no new accounting standards or amendments to existing standards adopted in the three months ended March 31, 2026 that have a material impact on Journey's Financial Statements.

The Company's Board of Directors approved these Financial Statements on May 7, 2026.

b) Basis of measurement

Unless otherwise indicated, all references to dollar amounts in these Financial Statements and related notes are in thousands of Canadian dollars ("**$**"), which is the functional and presentation currency of the Company and its subsidiaries.

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value as detailed in the accounting policies disclosed in note 14 of these Financial Statements.

c) Significant estimates and judgements

The timely preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgements, estimates and assumptions made by management in these Financial Statements are consistent with those outlined in note 4 of the 2025 Annual Financial Statements.

2. PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
Balance, January 1, 2025	1,520,087	4,876	38,356	4,421	1,567,740
Additions	37,914	-	16,505	91	54,510
Additions of ROU assets	-	145	-	-	145
Dispositions	(20,265)	-	-	-	(20,265)
Changes in decommissioning liabilities	(4,947)	-	-	-	(4,947)
Balance, December 31, 2025	1,532,789	5,021	54,861	4,512	1,597,183
Additions	6,790	-	10,427	(1)	17,216
Dispositions	(225)	-	-	-	(225)
Changes in decommissioning liabilities	991	-	-	-	991
Balance, March 31, 2026	**1,540,345**	**5,021**	**65,288**	**4,511**	**1,615,165**

	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
Accumulated depletion, depreciation and impairment losses					
Balance, January 1, 2025	(1,093,007)	(4,306)	(1,465)	(4,341)	(1,103,119)
Provision for the period	(43,528)	(446)	(352)	(35)	(44,361)
Dispositions	7,712	-	-	-	7,712
Balance, December 31, 2025	(1,128,823)	(4,752)	(1,817)	(4,376)	(1,139,768)
Provision for the period	(9,594)	(73)	(88)	(10)	(9,765)
Balance, March 31, 2026	**(1,138,417)**	**(4,825)**	**(1,905)**	**(4,386)**	**(1,149,533)**

Carry amounts	Petroleum and natural gas assets	Right of use assets	Power assets	Other assets	Total
January 1, 2025	427,080	570	36,891	80	464,621
December 31, 2025	403,966	269	53,044	136	457,415
March 31, 2026	**401,928**	**196**	**63,383**	**125**	**465,632**

Future development costs for oil and natural gas reserves of $461,052 (December 31, 2025 - $461,052) were included in the depletion calculation.

Included in power assets at March 31, 2026 are $58,229 (December 31, 2025 - $47,802) of costs related to projects under development that are not currently being depreciated as they have not been placed into operation yet.

During the period ended March 31, 2025 the Company disposed of certain assets in its Countess CGU. The assets disposed had a property, plant & equipment net book value of $2,327, exploration and evaluation net book value of $280, with an associated decommissioning liability of $4,481. Net proceeds on sale, after closing adjustments amount to $3,363 which resulted in a gain on sale of assets of $5,237.

At the end of each reporting period, the Company assesses whether there were indicators of impairment or impairment reversal. The assessment for each CGU considered significant changes in the forecasted cash flows, reservoir performance, forecasted oil and natural gas commodity prices, forecasted future sales volumes, forecasted operating costs, forecasted royalty costs and forecasted future development costs. At March 31, 2026, management determined that testing for impairment or impairment reversal was not required.

3. EXPLORATION AND EVALUATION ASSETS

Balance, January 1, 2025	4,758
Additions	629
Acquisitions	929
Dispositions	(502)
Lease expiries (i)	(150)
Balance, December 31, 2025	5,664
Additions	42
Balance, March 31, 2026	**5,706**

(i) Amounts recognized as exploration and evaluation expense.

4. BANK CREDIT FACILITIES

	Operating Bank Facility	**Term Facility**
Amounts drawn	12,984	3,160
Unamortized financing costs	(456)	(64)
Carrying value	12,528	3,096
Current	12,528	3,096
Long-term	-	-

Effective March 17, 2025, Journey entered into a credit facility agreement with a Canadian chartered bank for a $55 million borrowing base credit facility. This credit facility consists of three components.

This first component is a $15.0 million revolving operating line of credit (the "Operating Facility") for general corporate and working capital purposes. The maturity date of the Operating Facility is March 17, 2027.

The second component is a $12.4 million term facility ("Term Facility"). The Term Facility was a single drawdown on the closing date of the credit agreement. The funds were used to repay in full the Company's previously existing term debt balance of $12.4 million. Mandatory repayments of the Term Facility of $3,000 are required each fiscal quarter with the initial payment due and made on October 1, 2025. The maturity date of the Term Facility is March 17, 2027

The third component is a $27.6 million delayed draw term facility ("Delayed Draw Facility"). Proceeds from the Delayed Draw Facility may be drawn, at Journey's option, to fund the Company's Duvernay joint venture capital requirements. Journey is permitted a maximum of five drawdowns on this facility. Any amounts repaid or prepaid may not be re-borrowed. The final advance date on the Delayed Draw Facility is the day of the fifth draw down. Mandatory repayments of the Delayed Draw Facility of $3,000 commence on the last banking day of each fiscal quarter commencing with the first full fiscal quarter following the earlier of the final advance date and March 17, 2026. The maturity date of the Delayed Draw Facility is the earlier of two years from the final advance date of the facility or March 17, 2028. As of March 31, 2026, no amounts have been drawn on this facility.

Until the repayment dates of the Term Facility and the Delayed Draw Facility, mandatory repayments are required on these facilities in an amount equal to 75% of excess cash flow for each fiscal quarter commencing with the fiscal quarter ending December 31, 2025. Excess cash flow is defined as consolidated earnings before interest, taxes, depreciation and amortization ("**EBITDA**") for the period less: capital and decommissioning expenditures, cash lease payments, cash taxes, aggregate interest expense, mandatory or voluntary repayments of any term facility and any cash extraordinary or non-recurring losses.

Interest on all drawn amounts under the facilities is payable monthly at a rate determined based on a pricing grid starting with either Canadian Prime, U.S. Base, Canadian Overnight Repo Rate Average ("CORRA"), and Secured Overnight Financing Rate ("SOFR"), plus a range of 2% to 7% depending on the type of facility, the base rate, and the Company's consolidated net debt to EBITDA ratio.

All credit facilities may be extended annually subject to lender approval, with a 364 day term-out period if not renewed. The credit facilities are subject to a semi-annual borrowing base review and redetermination in May and November. The credit facilities have the following financial covenants:

i) Consolidated net debt to EBITDA ratio as at the end of each fiscal quarter commencing with the full fiscal quarter following the closing date will not be greater than 2.00:1.00.
ii) Fixed charge coverage ratio at the end of each fiscal quarter will not be less than 2.00:1.00.

Covenant ratio	**Threshold**	**Compliance**
Net debt to EBITDA[2, 3]	Not greater than 2.00:1.00	Met
Fixed charge coverage[4]	Not less than 2.00:1.00	Met

(1) The covenants do not have standardized meanings under IFRS Accounting Standards and are calculated in accordance with the definitions in the credit agreements, as described further below.
(2) The net debt used in the covenant calculation primarily includes bank debt, convertible debentures, other borrowings and the working capital deficit, if any. Net debt excludes derivative financial instrument assets and liabilities which are not due and owing at the calculation date and the lease liabilities.
(3) EBITDA is defined as net income, plus or minus as required: tax expense; cash interest expense to the extent deducted in determining net income; depletion, depreciation and other amortization charges; mark-to market gains and losses on financial instruments; share based compensation; and gains and losses on dispositions. The definition of EBITDA is on a 12- month trailing basis, subject to adjustment for certain acquisitions or dispositions in excess of a threshold amount to give effect to the transaction as if it occurred at the beginning of the calculation period, among other potential adjustments.
(4) The fixed charge coverage ratio is calculated as the ratio of trailing twelve months EBITDA over the trailing twelve months scheduled principal repayments of debt and interest.

There are also non-financial covenants that the Company must maintain that are generally related to good operating and financial practices that are standard in the industry. At March 31, 2026 Journey is in compliance with all financial and non-financial covenants under the credit agreement

5. OTHER LOANS

As part of the Canadian federal and provincial government's COVID assistance plans, Journey obtained a partially forgivable, emissions reduction based, interest free loans. The March 31, 2026 amount outstanding was $375.

The table below summarizes the activity for other loans:

	$
Balance at January 1, 2025	417
Government loan	(42)
Balance at December 31, 2025 and March 31, 2026	**375**
Expected to be paid within one year	375
Expected to be paid beyond one year	-

6. CONVERTIBLE DEBENTURES

	Number of Convertible Debentures	Liability Component ($)	Equity Component ($)
Balance at January 1, 2025	38,000	34,782	1,736
Accretion	-	614	-
Balance at December 31, 2025	38,000	35,396	1,736
Accretion	-	164	-
Balance at March 31, 2026	**38,000**	**35,560**	**1,736**

On March 20, 2024, the Company issued $38.0 million principal amount of Senior Convertible Unsecured Subordinated Debentures (the "Debentures") at a price of $1,000 per debenture. Due to the conversion feature into common shares, the Debentures have both a liability and an equity component. The liability component was calculated by discounting the future cash flows (interest and principal) at an interest rate of a similar debt instrument but without a conversion option. The value of the equity component was the residual calculation assuming the share option value is equal to the difference between the total issue proceeds and liability component.

The Debentures will mature and be repayable on March 31, 2029. The Debentures bear interest at the rate of 10.25 percent per annum payable semi-annually in arrears on March 31 and September 30 of each year. At the holder's option, the Debentures are convertible into Common Shares at any time prior to the close of business on the earlier of the business day immediately preceding (i) the maturity date, or (ii) if called for redemption, the date fixed for redemption by the Corporation, iii) if called for repurchase in the event of a change of control, the payment date, at a conversion price of $5.00 per share, subject to adjustment in certain events. This represents a conversion rate of approximately 200 Common Shares for each $1,000 principal amount of the Debentures.

Holders converting their Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest from the date of the last interest payment date up to the date of conversion. Also, in the event of a change of control of the Corporation, holders of the Debentures will be entitled to convert them into Common Shares at the stipulated conversion price. In addition to the number of Common Shares they would otherwise be entitled to receive on conversion and depending on when and the price at which the acquisition of control occurs at, the holders may be entitled to an additional number of Common Shares according to the make-whole provisions contained in the indenture agreement.

The Debentures are direct, unsecured obligations of the Company, subordinated to all existing and future senior indebtedness of the Company. The Debentures will rank *pari passu* with one another and with such other series of Debentures issued under the indenture or other indentures supplemental to this indenture to the extent subordinated on the same terms.

The Debentures may not be redeemed by the Company prior to March 31, 2027. On or after March 31, 2027 and prior to March 31, 2029, the Debentures are redeemable by the Company, in whole or in part from time to time on not more than 60 days and not less than 30 days prior notice at a redemption price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the redemption date, provided that the current market price at the time of the redemption notice is at least 125 percent of the conversion Price.

7. DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations result from the net ownership interests in petroleum and natural gas assets, which includes well sites, pipelines, processing facilities, oil batteries, and power generation. The Company estimates the total undiscounted, un-escalated amount of cash flows required to settle its decommissioning obligations at March 31, 2026 to be $217,289 (December 31, 2025 - $216,321) the majority of which will be incurred at various times between 2026 and 2059. The present value of the future liability at March 31, 2026 has been calculated using an inflation rate of 2.1% (December 31, 2025 – 2.0%) for the costs and the discounted using the risk-free rate of 3.9% (December 31, 2025 – 3.9%).

Changes to decommissioning obligations during the respective periods below were as follows:

	March 31, 2026	December 31, 2025
Balance, beginning of period	**138,369**	163,026
Obligations acquired	**-**	112
Obligations disposed	**-**	(17,383)
Obligations settled	**(1,740)**	(7,717)
Net development activity	**92**	153
Revisions to estimates	**920**	11,798
Changes in discount rates	**(22)**	(17,009)
Accretion	**1,292**	5,389
Balance, end of period	**138,911**	138,369
Current provision	**8,244**	8,244
Non-current provision	**130,667**	130,125

8. LEASE OBLIGATIONS

The present value of Journey's lease obligations was as follows at the respective period ends:

	Total
Balance, January 1, 2025	1,194
Additions	144
Lease payments	(806)
Accretion	89
Balance, December 31, 2025	621
Lease payments	(209)
Accretion	15
Balance, March 31, 2026	**427**
Expected to be settled within one year	364
Expected to be settled beyond one year	63

The Company used an interest rate that approximated its incremental cost of borrowing at the inception of each lease to discount the future lease liabilities. The undiscounted lease liability at March 31, 2026 was $438 (December 31, 2025 - $647).

9. SHARE CAPITAL

The outstanding common shares of the Company at each respective period end are as follows:

	Common Shares (#)	Share Capital ($)
Balance, January 1, 2025	67,107	367,989
Issued on SPSU's, PPSU's and RSU's vesting	374	3,191
Balance, December 31, 2025 and March 31, 2026	**67,481**	**371,180**

On August 22, 2025, Journey announced it received approval from the Toronto Stock Exchange ("TSX") to undertake a renewal of its proposed normal course issuer bid ("NCIB") to purchase up to 3,400,000 common shares. The NCIB renewal commenced on August 26, 2025 and terminates on August 25, 2026. All common shares purchased under the NCIB will be cancelled, subject to TSX NCIB rules. Throughout 2025 and 2026 to date, there were no repurchases of share capital under the NCIB that occurred.

10. SHARE BASED COMPENSATION

The Company uses a combination of share-based, long-term incentives as part of its compensation plans for employees and directors. These share-based incentives are Restricted Share Units ("RSU's"); Peer Performance Share Units ("PPSU's"); and Share Price Performance Share Units ("SPSU's").

The following RSU's, PPSU's and SPSU's were outstanding at the end of the respective periods:

	RSU's	PPSU's	SPSU's
Balance at January 1, 2025	1,334	575	575
Granted	613	265	265
Settled	(414)	(147)	(147)
Forfeited	(59)	(20)	(20)
Balance at December 31, 2025 and March 31, 2026	**1,474**	**673**	**673**

11. FINANCE EXPENSE

Finance expense is comprised of the following:

	Three months ended March 31,	
	2026	2025
Interest and bank fees	**1,343**	1,450
Accretion of decommissioning obligations	**1,292**	1,320
Accretion of lease obligations	**15**	32
Accretion of term and bank debt	**378**	70
Accretion of convertible debentures	**164**	145
Total finance expense	**3,192**	3,017

12. DEFERRED INCOME TAX

Differences between the statutory and effective income tax rates for the three month periods ended March 31, 2026 and 2025 are accounted for as follows:

	Three months ended March 31, 2026	2025
Net income (loss) before income tax	**(7,740)**	10,133
Statutory income tax rate	**23.0%**	23.0%
Expected income tax expense (recovery)	**(1,780)**	2,331
Increase (decrease) resulting from:		
Share based compensation and other	**(111)**	74
Deferred income tax expense (recovery)	**(1,891)**	2,405

13. PER SHARE AMOUNTS

The following table summarizes the weighted average common shares used in calculating income (loss) per share:

	Three months ended March 31, 2026	2025
Net income (loss)	**(5,849)**	7,728
Weighted average shares - basic	**67,481**	67,107
Weighted average shares - diluted	**67,481**	67,107
Net income (loss) per share – basic	**($ 0.09)**	$ 0.12
Net income (loss) per share – diluted	**($ 0.09)**	$ 0.12

The net income (loss) per basic share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the respective periods. All potentially dilutive instruments were excluded from the per share calculation for the three month period ended March 31, 2026 as the Company reported a net loss and to include them would be anti-dilutive. The impact of the issuance of the convertible debentures for the three months period ending March 31, 2025, had an anti-dilutive effect and were therefore excluded from the calculation of diluted shares.

14. FINANCIAL INSTRUMENTS

(a) Risks

(i) Commodity price risk

Due to the volatility of commodity prices, the Company is exposed to adverse consequences in the event of declining prices. The Company entered financial derivate petroleum and natural gas contracts in order to partially protect its cash flow on future sales as part of a covenant in the credit facility agreement. These contracts reduce the fluctuation in sales prices by locking in prices with respect to future deliveries of petroleum and natural gas on the contracted volumes.

As at March 31, 2026, the Company had the following financial derivative contracts in place:

Term	Option traded	Daily Volume	Price	Reference	Fair Value
Apr 1, 2026 to Dec 31, 2026	Crude Oil Collar	750 bbl	$72.5-$98 CAD	WTI Nymex	(3,878)
Apr 1, 2026 to Sep 30, 2026	Crude Oil Collar	750 bbl	$60-$72.15 USD	WTI Nymex	(2,863)
Apr 1, 2026 to Dec 31, 2026	Crude Oil Swap	500 bbl	$67.57 USD	WTI Nymex	(2,418)
Apr 1, 2026 to Jun 30, 2026	Crude Oil Swap	750 bbl	$75 USD	WTI Nymex	(1,558)
Apr 1, 2026 to Mar 31, 2027	Crude Oil Collar	300 bbl	$61.55-$75 USD	WTI Nymex	(1,210)
Apr 1, 2026 to Mar 31, 2027	Natural Gas Swap	10,000 GJ	$2.90 CAD	NGX AB-NIT 7A	3,333
Nov 1, 2026 to Mar 31, 2027	Natural Gas Swap	5,000 GJ	$3.50 CAD	NGX AB-NIT 7A	606
Total financial derivative contract liability					**(7,988)**

The loss on derivative contracts for the respective periods ended were as follows:

	Three months ended March 31,	
	2026	2025
Unrealized loss on derivative contracts	**(9,005)**	(1,950)
Realized loss on derivative contracts	**(1,297)**	-
Total	**(10,302)**	(1,950)

(ii) Credit risk

A substantial portion of Journey's accounts receivable is with petroleum marketing entities. Receivables from these marketers are normally collected on the 25th day following the calendar month in which production has occurred. Journey has not experienced any material collection issues with its petroleum and natural gas marketers. Journey generally extends unsecured credit to these companies; therefore, the collection of accounts receivable may be affected by changes in economic or other conditions and may accordingly impact Journey's overall credit risk. Management believes the risk is mitigated by the size, reputation and diversified nature of the companies to which it extends credit.

Journey is exposed to losses in the event of non-performance by counterparties to financial risk management contracts. Journey minimizes credit risk associated with possible non-performance of these financial instruments by entering contracts with only investment grade counterparties, limiting exposure to any one counterparty and monitoring procedures around extending credit. Journey is managing this risk within its credit limit guidelines and procedures. While Management believes Journey's credit limit guidelines and procedures are sufficient to address credit risk, they are still subject to the volatility of the general financial credit environment. Journey's credit risk primarily relates to:

	March 31, 2026	December 31, 2025
Accounts receivable	**28,427**	24,639

At March 31, 2026, Journey estimated its provision for uncollectable accounts to be $1,053 (December 31, 2025 - $857). Accounts receivable balances outstanding greater than ninety days at March 31, 2025 were $3,235 (December 31, 2025 – $2,822).

(iii) Interest rate risk

The Company's convertible debentures bear interest at a fixed rate. The Company's credit facility loans bear interest depending on the Company's Consolidated Net Debt to EBITDA ratio and as well varies depending on the current Canadian Prime, U.S. Base, CORRA, and SOFR rates.

(iv) Foreign exchange risk

The Company is exposed to the risk of changes in the Canadian/U.S. dollar exchange rate on sales of commodities that are directly correlated to U.S. dollar benchmark prices.

(v) Liquidity risk

Journey is exposed to liquidity risk, which is the risk the entity may not be able to generate or obtain sufficient cash resources to meet its commitments as they become due. Journey works to mitigate this risk by management of cash and debt. Journey maintains short-term and long-term cash forecasting based on estimated production levels and estimated pricing in order to proactively enact changes to our capital spending.

The Company has a credit facility with a $55 million borrowing base (Note 4). The Company continues to make progress in reducing its overall net debt position primarily using the cash generated from operations. Commodity prices and the general economic environment continue to be volatile, increasing the risk that cash flow from operations could decline, which could result in Journey being unable to fund upcoming debt maturities. Journey is dependent on current commodity pricing to enable it to generate cash flow necessary to fund debt principal repayments and interest as they fall due. Journey also commenced a hedging program to secure minimum realized sales prices, which in turn will assist with debt repayments.

The following table details Journey's financial liabilities and other contractual obligations as at March 31, 2026:

	Total	**< 1 year**	**1-3 years**	**4-5 years**
Accounts payable and accrued liabilities	**39,083**	39,083	-	**-**
Bank debt	**12,528**	12,528	-	**-**
Term debt	**3,096**	3,096	-	**-**
Interest on term debt	**91**	91	-	**-**
Other loans	**375**	375	-	**-**
Financial derivatives	**7,988**	7,988	-	-
Convertible debentures	**35,560**	-	35,560	-
Interest on convertible debentures	**11,696**	3,895	7,801	-
Natural gas transportation	**2,057**	1,253	536	268
Leases, including non-lease components	**904**	904	-	-
Total	**113,378**	69,213	43,897	268

15. SUPPLEMENTAL INFORMATION

a) *Changes in non-cash working capital*

	Three months ended March 31,	
Sources (uses) of funds	**2026**	2025
Accounts receivable	**(3,788)**	4,620
Prepaid expenses and deposits	**(491)**	(3,823)
Accounts payable and accrued liabilities	**7,564**	(4,183)
	3,285	(3,386)

Related to:		
Operating activities (i)	**(2,552)**	(4,952)
Investing activities	**733**	1,566
	(3,285)	(3,386)

(i) Excluded from the changes in operating non-cash working capital on the statement of cash flows is $145 for the three months ended March 31, 2026 and $22 for the three months ended March 31, 2025 in relation to prepaid amortization of deferred financing charges. These expenses have been included in the non-cash financing charges of the operating activities in the statement of cash flows.

b) *Supplementary cash flow information*

	Three months ended March 31,	
	2026	2025
Interest paid	**2,346**	2,350

c) *Petroleum and natural gas sales by product type*

	Three months ended March 31,	
	2026	2025
Crude oil	**38,955**	41,068
Natural gas (i)	**4,970**	5,406
Natural gas liquids	**4,064**	5,558
Petroleum and natural gas sales	**47,989**	52,032

(i) During 2026, Journey held certain fixed-price physical natural gas delivery contracts as part of its commodity price risk management strategy. Revenue recognized from these physical gas contracts is included with the natural gas sales line item. The fixed pricing provided under these contracts results in revenue that may differ from prevailing market prices at the time of delivery.

16. COMMITMENTS

The Company has committed to firm-service contracts for transporting natural gas as well as payments under various operating leases. The amounts in the table below are the minimum cash obligations that the Company must pay under the terms of the contracts.

	Total	<1 year	1-3 years	4-5 years
Natural gas transportation	**2,057**	1,253	536	268
Leases, including non-lease components	**904**	904	-	-
Total	**2,961**	2,157	536	268

In addition to the commitments listed above, the Company has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Company's consolidated financial statements.

17. RELATED PARTY TRANSACTIONS

The Company considers its directors and executives to be key management personnel. As at March 31, 2026 there were twelve (March 31, 2025 – twelve) individuals that were considered key management personnel. Compensation for these individuals for the three month periods ended March 31 was comprised of the following:

	Three months ended March 31,	
	2026	2025
Salaries and fees	**517**	513
Short-term employee benefits	**43**	47
Share based payments (i)	**434**	378
Total	**994**	938

(i) These amounts represent the amortization of share-based compensation associated with the Company's share-based compensation plans.

The related party transactions above were recorded at the above disclosed exchange amounts. Management believes the amount agreed upon between the parties is reflective of comparable fair market value transactions.

18. SEGMENTED INFORMATION

The Company's operations are organized into two distinct reportable segments based on the nature of their products, activities, and the regulatory environments in which they operate.

i) Petroleum & Natural Gas: This segment focuses on the exploration, development, and production of crude oil and natural gas assets. It encompasses the full lifecycle of upstream oil and gas activities. As this represents the Company's core business, it aggregates all corporate and administrative functions, as these activities are primarily dedicated to supporting the upstream operations and are not separately allocated to the Power Generation segment.

ii) Power Generation: This segment involves the production and sale of electricity to the Alberta Electric grid and is intended to not only diversify Journey's revenue streams but also provide a natural hedge against its power consumption at different operating locations. During the three months ended March 31, 2026 this segment's assets became greater than 10% of Journey's total assets. Therefore, segmented information has been disclosed in accordance with IFRS 8.

	Petroleum and Natural Gas		Power Generation		Total	
Three months ended March 31,	**2026**	2025	**2026**	2025	**2026**	2025
Petroleum and natural gas sales	**47,989**	52,032	**-**	-	**47,989**	52,032
Processing and other income	**1,351**	1,423	**89**	152	**1,440**	1,575
Royalites	**(7,669)**	(9,148)	**-**	-	**(7,669)**	(9,148)
Realized and unrealized loss on financial derivatives	**(10,302)**	(1,950)	**-**	-	**(10,302)**	(1,950)
Net revenue	**31,369**	42,357	**89**	152	**31,458**	42,509
Operating costs	**20,580**	19,858	**47**	150	**20,627**	20,008
Depletion and depreciation	**9,677**	10,458	**88**	89	**9,765**	10,547
All other expenses excluding income tax	**8,806**	1,821	**-**	-	**8,806**	1,821
Net income (loss) before income tax	**(7,694)**	10,220	**(46)**	(87)	**(7,740)**	10,133
Deferred income tax expense (recovery)	**(1,880)**	2,425	**(11)**	(20)	**(1,891)**	2,405
Net income (loss)	**(5,814)**	7,795	**(35)**	(67)	**(5,849)**	7,728
Segmented assets	**525,023**	544,022	**63,231**	40,085	**588,254**	584,107

19. CAPITAL MANAGEMENT

Journey manages its capital structure with the goal of maintaining flexibility to respond to changing economic conditions, commodity prices, and the risk profiles of its assets. Journey has the ability to adjust its capital structure through various means, including issuing new shares and debt, repurchasing shares or debt, or changing capital expenditures relative to adjusted funds flow. Journey has established a long-term net debt target of less than 1.0 times adjusted funds flow, annualized for the current quarter. While the actual ratio may fluctuate on a quarterly basis due to factors such as facility outages, commodity price changes, capital expenditures, and the timing of acquisitions and dispositions, Journey actively monitors these variables to manage its capital structure effectively. As of March 31, 2026, Journey's net debt was 1.0 times its annualized first quarter 2026 adjusted funds flow (December 31, 2025 – 0.8 times). This ratio represents a proxy for the number of years it would take to pay off the net debt if no additional capital expenditures were made and adjusted funds flow remained consistent.

Management views the capital structure as working capital (current assets less current liabilities, but excluding the fair value of other liability, derivative contracts and decommissioning liabilities), share capital, term-debt, convertible debentures and other loans. The Company's key objectives when managing its capital structure are to: 1) meet its financial obligations as they come due; 2) to ensure sufficient financial flexibility to achieve its continuing business objectives including the replacement of production, funding future growth opportunities, expanding its developing power business, and the pursuit of accretive acquisitions; and 3) repay its borrowings at their maturity dates (or renegotiate existing debt agreements upon acceptable commercial terms). To accomplish this Management strives to optimize its cost of capital while at the same time managing its leverage. To manage its capital structure Journey may issue equity, term-debt, convertible debentures, adjust discretionary capital spending, use its credit facilities, or dispose of non-core assets.

The Company's primary source of funds is the cash provided from operating activities. Management believes the Company is well positioned to execute on its future strategic growth plans, including funding debt payments as they come due. Future exploration and development capital expenditures are expected to be mainly funded through cash generated from operating activities.

Journey continually monitors its capital structure and adjusts it throughout the year as a result of general economic conditions, the state of the petroleum industry and global events, all of which may affect commodity prices. Journey prepares an annual capital budget, which is approved by the

Board of Directors, and is updated quarterly for acquisition and divestiture activity as needed, changes in commodity prices, and drilling successes. Given the volatile commodity price environment, which is impacted significantly by both domestic and world events outside the control of the Company, the budget is intended to be flexible and is re-evaluated at each regularly scheduled board meeting. Journey's approach ensures its capital structure aligns with both short-term operational needs and long-term strategic goals, balancing liquidity with flexibility to support growth opportunities while maintaining financial strength.

Adjusted funds flow

Journey considers adjusted funds flow to be a key measure that provides a more comprehensive view of the company's ability to generate cash flow necessary for financing capital expenditures, meet its decommissioning obligations, and fulfilling its financial commitments. Adjusted funds flow is calculated by adjusting cash flow from operating activities to exclude changes in non-cash working capital and asset retirement expenditures. Management believes these elements are subject to timing variations in collection, payment, and occurrence. By excluding them, management is able to provide a more meaningful performance measure of Journey's ongoing operations. Specifically, expenditures on asset retirement obligations may fluctuate depending on the company's capital programs and the maturity of its operating areas.

The settlement of decommissioning obligations is managed through Journey's capital budgeting process, which incorporates the available adjusted funds flow. A reconciliation of adjusted funds flow is presented in the following table:

	Three months ended March 31,	
	2026	2025
Cash flow provided by operating activities	**14,367**	13,662
Add (deduct):		
Changes in non-cash working capital	**(2,407)**	4,974
Transaction costs	**-**	81
Decommissioning costs incurred	**1,740**	902
Adjusted Funds Flow[1]	**13,700**	19,619

(1) Adjusted funds flow as presented does not have any standardized meaning prescribed by IFRS Accounting Standards and therefore it may not be comparable with the calculation of similar measures of other entities. Management considers adjusted funds flow to be a capital management measure.

Net debt

Net debt is used by management to provide a more comprehensive understanding of Journey's capital structure and to assess the Company's liquidity. Journey calculates net debt by considering cash, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, short and long-term debt (the Credit Facility), senior unsecured notes, convertible debentures and other liabilities. Management uses total market capitalization and the ratio of net debt to annualized adjusted funds flow for the current quarter to analyze balance sheet strength and liquidity. Following is a summary of total market capitalization, net debt, annualized current quarter adjusted funds flow, and net debt to annualized current quarter adjusted funds flow:

	March 31, 2026	December 31, 2025
Principal amount of term debt	**3,160**	9,160
Principal amount of bank debt	**12,984**	6,375
Principal amount of convertible debentures	**38,000**	38,000
Accounts payable and accrued liabilities	**39,083**	31,519
Other loans	**375**	375
Deduct:		
Cash in bank	**(8)**	(1,541)
Accounts receivable	**(28,427)**	(24,639)
Prepaid expenses	**(9,182)**	(8,691)
Net debt[1]	**55,985**	50,558
Annualized current quarter adjusted funds flow	**54,800**	60,068
Net debt to annualized current quarter adjusted funds flow	**1.0**	0.8

1) Net debt as presented does not have any standardized meaning prescribed by IFRS Accounting Standards and therefore it may not be comparable with the calculation of similar measures of other entities. Management considers net debt to be a capital management measure.

20. SUBSEQUENT EVENTS

On April 16, 2026 Journey entered into a "put" option agreement to fix the floor price for 1,500 barrels of oil a day at $60 USD for the period of July 1, 2026 to December 31, 2027.