



MANAGEMENT'S DISCUSSION AND ANALYSIS – FOURTH QUARTER, 2025

The following Management's Discussion and Analysis ("MD&A") was prepared on March 11, 2026 and is management's assessment of Journey Energy Inc.'s ("Journey" or the "the Company") financial and operating results for the three and twelve month periods ended December 31, 2025 and 2024. This MD&A should be read in conjunction with the audited, consolidated, (the "Financial Statements") of the Company for the twelve months ended December 31, 2025 and 2024 along with the notes related thereto.

Journey prepares its Financial Statements in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Forward-looking statements contained in this MD&A are made as of the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

This MD&A contains forward-looking statements. More particularly, this MD&A contains statements concerning anticipated: (i) timing and completion of the acquisitions, expectations and assumptions concerning timing of receipt of required regulatory approvals and the satisfaction of other conditions to the completion of the acquisitions, (ii) potential development opportunities and drilling locations associated with the acquisitions, expectations and assumptions concerning the success of future drilling and development activities, the performance of existing wells, the performance of new wells, the successful application of technology and the geological characteristics of the acquisitions, (iii) oil and natural gas production growth (iv) debt and bank facilities, (v) capital expenditures, (vi) primary and secondary recovery potentials and implementation thereof, (vii) decline rates, (viii) Adjusted Funds Flow from operations, (ix) operating and Adjusted Funds Flow netbacks, (x) operating expenses, (xi) general and administrative expenses, and (xii) realization of anticipated benefits of acquisitions.

The forward-looking statements are based on certain key expectations and assumptions made by Journey, including expectations and assumptions concerning the performance of existing wells and success obtained in drilling new wells, anticipated expenses, Adjusted Funds Flow and capital expenditures, the application of regulatory and royalty regimes, prevailing commodity prices and economic conditions, development and completion activities, the performance of new wells, the successful implementation of polymer and waterflood programs, the availability of and performance of facilities and pipelines, the geological characteristics of Journey's properties, the successful application of drilling, completion and seismic technology, prevailing weather conditions, exchange rates, licensing requirements, the impact of completed facilities on operating costs and the availability, costs of capital, labor and services, and the creditworthiness of industry partners.

Although Journey believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Journey can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and constraint in the availability of services, adverse weather or break-up conditions, and uncertainties resulting from potential delays or changes in plans with respect to exploration, development or power projects. Certain of these risks are set out in more detail in this MD&A under the heading 'Risk Factors'.

NON-GAAP MEASURES

In this MD&A, we refer to financial measures that do not have any standardized meaning as prescribed by generally accepted accounting principles (“GAAP”). These non-GAAP financial measures are line items, headings or subtotals in addition to those required under GAAP, and financial measures disclosed in the notes to the most recently audited consolidated Financial Statements, which are relevant to an understanding of the Financial Statements and are not presented elsewhere in the Financial Statements. These measures have been described and presented herein to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. Users are cautioned that non-GAAP financial measures presented by the Corporation may not be comparable with measures provided by other entities. Below are the non-GAAP measures that Journey uses.

“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; transaction costs; and decommissioning costs. Journey also presents Adjusted Funds Flow per share where per share amounts are calculated using the weighted average and diluted shares outstanding, which is consistent with the calculation of net income 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. 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, Journey believes these measures are more indicative of performance than the GAAP measured “cash flow provided by operating activities”. In addition, Journey excludes transaction costs from 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, fund future growth through capital investment, and fund future asset decommissioning obligations. Journey’s determination of Adjusted Funds Flow may not be comparable to that reported by other companies. The reconciliation between cash flow provided by operating activities on the consolidated Financial Statements, and Adjusted Funds Flow can be found in the table below..

The reconciliation of Adjusted Funds Flow to the GAAP measured cash flow from operating activities is presented in the following table:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Cash flow provided by operating activities	12,752	13,121	(3)	50,304	35,622	41
Add (deduct):						
Changes in non-cash working capital	(350)	(5,399)	(94)	12,877	8,744	47
Transaction costs	-	-	-	81	189	(57)
Decommissioning costs incurred	2,615	3,229	(19)	7,717	7,175	8
Adjusted Funds Flow	15,017	10,951	37	70,979	51,730	37

“Expenses related to borrowings” include interest incurred on the Company’s credit facilities and convertible debentures. It excludes all other financing-related items such as accretion, amortization of financing costs, bank fees, realized and unrealized gains or losses on foreign exchanges fees or other financial instruments, and interest income. Management believes this measure provides meaningful information as it isolates the core, recurring cash cost of debt, offering a clear view of the Company’s direct borrowing costs. It also enhances comparability with peers by removing non-cash and non-recurring financing impacts, and assists in evaluating leverage, liquidity, and debt service capacity.

“Netbacks” is a term used throughout this MD&A. 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 three types of netbacks to assess its own performance and its performance in relation to its peers. These netbacks are operating, Adjusted Funds Flow and net income. **“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. **“Adjusted Funds Flow netback”** begins with the operating netback and deducts general and administrative costs, interest costs and then adds or deducts any realized gains or losses on derivative contracts. To calculate the **“net income netback”**, Journey takes the Adjusted Funds Flow netback and then adds or deducts: unrealized gains/losses on derivative contracts; share-based compensation expense; depletion; depreciation; accretion; loss and gains on dispositions; asset impairments and reversals; exploration and evaluation expenses; and deferred income taxes. There is no GAAP measure that is reasonably comparable to netbacks.

“Net operating expenses” are calculated by taking the operating expenses in the statement of comprehensive income and subtracting the ancillary resource related income related to Journey’s field activities, which is reflected in the consolidated statement of comprehensive income as “other income”. The activities that generate this income include: processing income from jointly or wholly owned natural gas plants and oil batteries; oil treating income; transporting third party natural gas and oil through gathering and sales pipelines; and water disposal fees. Journey considers this income ancillary to its main operations as the various operations which generate this income also process Journey’s production. They are not considered separate profit centers and immaterial internal resources are devoted to generating this income. Therefore, for purposes of this MD&A, Journey considers it more relevant to show this income as a cost recovery and therefore nets these amounts with field operating expenses. In addition, operating expenses related to Journey’s power generation asset in Countess are subtracted from the operating expenses in the Financial Statement to arrive at net operating expenses that relate solely to the Company’s exploration and production operations. Management believes that showing this adjusted operating expense number provides better information to make decisions on its primary business and allows for better peer company comparisons.

“Net debt” is used to assess the efficiency, liquidity and general financial strength of Journey and is also used to compare this financial strength to its peers. Net debt as at the end of each year is calculated as follows:

	Dec 31, 2025	Dec 31, 2024	%
			Change
Term debt ¹	9,160	18,248	(50)
Bank debt ¹	6,375	-	-
Convertible debentures ¹	38,000	38,000	-
Accounts payable and accrued liabilities	31,519	41,177	(23)
Other loans ¹	375	417	(10)
<u>Deduct:</u>			
Cash in bank	(1,541)	(8,213)	(81)
Accounts receivable	(24,639)	(25,458)	(3)
Prepaid expenses and deposits	(8,691)	(3,232)	169
Other receivable	-	(619)	(100)
Net debt	50,558	60,320	(16)

1. Principal amount of the debt.

“Net Capital Expenditures” includes total cash expenditures for petroleum and natural gas assets, including cash paid for acquisitions of producing properties or other capital assets, less the proceeds received on dispositions of petroleum and natural gas assets. Net capital expenditures specifically exclude costs to settle decommissioning obligations and other administrative capital costs. Management believes this is a useful supplemental measure for readers as it reflects the net cash invested in long-term operating assets during the period. Net capital expenditures

also provides insight into the Company's capital allocation decisions, investing activities, and the extent to which capital spending is directed towards sustaining and growing assets. By incorporating both acquisition and disposition activity, net capital expenditures presents the net impact of investing activities on the Company's asset base and liquidity.

Abbreviations and BOE Advisory

The following abbreviations are used throughout this MD&A and have the ascribed meanings:

<i>API</i>	<i>American Petroleum Institute</i>
<i>bbbl</i>	<i>Barrel</i>
<i>bbls</i>	<i>Barrels</i>
<i>boe</i>	<i>barrels of oil equivalent (see conversion statement below)</i>
<i>boe/d</i>	<i>barrels of oil equivalent per day</i>
<i>CGUs</i>	<i>Cash Generating Units as defined in IFRS</i>
<i>gj</i>	<i>Gigajoules</i>
<i>GAAP</i>	<i>Generally Accepted Accounting Principles</i>
<i>IFRS</i>	<i>International Financial Reporting Standards</i>
<i>Mbbls</i>	<i>thousand barrels</i>
<i>Mboe</i>	<i>thousand boe</i>
<i>mcf</i>	<i>thousand cubic feet</i>
<i>Mmcf</i>	<i>million cubic feet</i>
<i>Mmcf/d</i>	<i>million cubic feet per day</i>
<i>MSW</i>	<i>Mixed sweet Alberta benchmark oil price quoted at Edmonton Alberta</i>
<i>MWh</i>	<i>One million watts of power generated per hour</i>
<i>NGL's</i>	<i>natural gas liquids (ethane, propane, butane and condensate)</i>
<i>WCS</i>	<i>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%.</i>
<i>WTI</i>	<i>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%.</i>

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 six (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.

In this MD&A, where the Company uses the term "crude oil" it is referring to the aggregate of light, medium, tight and heavy crude oil volumes or dollars as is required. Where the Company uses the term "natural gas" it is referring to the aggregate of conventional natural gas, shale, and coal-bed methane natural gas volumes or dollars as is required.

All volumes in this MD&A 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.

Amounts

All dollar amounts quoted are in thousands of Canadian dollars unless otherwise noted. All share data is quoted in thousands of shares, except per share data or as specifically otherwise noted.

HIGHLIGHTS FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

Financial

Average realized commodity prices including hedging were 7% lower in the current quarter as compared to the same quarter of 2024. Royalty expenses were 27% lower in the fourth quarter of 2025 as compared to the same quarter in 2024. The decrease was mainly due to a Crown royalty, gas cost allowance re-filing for a prior year. Net operating expenses were 20% lower, and attributable to lower carbon tax and workover/turnaround expense. G&A costs were higher by 15% with royalty consulting fees and incremental professional fees causing the increase. Finance expenses related to borrowings were lower by 12% as lower priced bank borrowings took over from higher priced term debt. Taken together, Journey generated Adjusted Funds Flow of \$15,017 (\$0.22 per basic and diluted share) in the fourth quarter of 2025 as compared to \$10,951 (\$0.17 per basic and diluted share) in the fourth quarter of 2024. Journey realized net earnings of \$9,690 (\$0.14 per weighted average basic and diluted share) in the fourth quarter of 2025 as compared to net earnings of \$3,626 (\$0.06 per weighted average and diluted share) in the same quarter of 2024. Cash flow from operating activities was \$12,752 in the fourth quarter of 2025 as compared to \$13,121 in the fourth quarter of 2024.

Capital spending

The Company spent \$6,554 on its oil and gas development and power capital programs during the fourth quarter of 2025, excluding any acquisitions or dispositions. Drilling and completion spending declined in the quarter as the Duvernay capital spending program was weighted towards higher spending in the first half of the year. 8 (2.4 net) Duvernay wells were drilled in 2025. 7 (2.1 net) wells came on-production in 2025 with results exceeding Management's expectations. In addition, \$4,203 of capital was spent on completing the Gilby project and continuing to advance the Mazeppa power project during the quarter. Journey spent \$2,615 in respect of abandonment and reclamation work during the fourth quarter of 2025.

Sales volumes

Journey achieved sales volumes of 11,226 boe/d (51% crude oil and 12% NGL's) in the fourth quarter of 2025. Sales volumes were 4% higher in the quarter compared to 10,815 boe/d in the fourth quarter of 2024. Quarter over quarter volumes were 5% lower between the fourth quarter of 2025 when compared to the third quarter of 2025 of 11,862 boe/d. The increase in sales volumes is attributable to the successful drilling program in the Duvernay play but was offset marginally by dispositions of producing assets that reduced quarterly volumes by approximately 156 boe/d and 420 boe/d for the year.

Liquidity

Net debt was \$50,558 at the end of 2025, which was 16% lower than year-end 2024. The decrease in net debt is largely due to Adjusted Funds Flows and the proceeds from asset sales exceeding capital spending. The net debt to annualized fourth quarter Adjusted Funds Flow ratio at December 31, 2025 was 0.8 times. The principal balance of all borrowings on Journey's bank facilities at the end of the fourth quarter was \$15,535.

Outlook

Uncertainty surrounding both divestments and the timing and magnitude of non-operated Duvernay expenditures creates challenges for stakeholders with respect to near-term capital and sales volume guidance. Recent events in the Middle East highlight the importance of oil as worldwide commodity and the recent price spike creates a tremendous opportunity for companies like Journey to increase the growth trajectory of their businesses. However, the duration and magnitude of this spike remains uncertain and the commodity price curve has significant backwardation. The factors listed above make forecasting guidance challenging for 2026 and therefore, Journey is currently providing only volume guidance on a wide capital spending range. The influence of the Duvernay on the

medium-term business outlook provides a window into its bright future and Journey intends to update its guidance at regular intervals throughout the year as assumptions are further refined.

	2026 Initial Guidance
Annual average daily sales volumes	10,800–11,200 boe/d (61% crude oil & NGL's)
Exit average daily sales volumes	11,200–12,400 boe/d (61% crude oil & NGL's)
Capital spending	\$70-85 million
Asset decommissioning spending	\$7.7 million

Notes:

1. The approximate weighting of the corporate sales volumes guidance is as follows:
 - a. Heavy crude oil: 18%
 - b. Light/medium crude oil: 22%
 - c. Tight oil: 11%
 - d. NGL's: 12%
 - e. Conventional natural gas: 28%
 - f. Tight (shale) natural gas: 4%
 - g. Coal-bed methane natural gas: 5%

DETAILED FINANCIAL REVIEW

PRODUCTION REVENUE AND VOLUMES

Daily Sales Volumes

Total daily sales volumes increased 4% to 11,226 boe/d for the fourth quarter of 2025 from 10,815 boe/d in the fourth quarter of 2024. The increase in the period can be attributed to the successful Duvernay drilling program, which more than offset the dispositions in 2025 consisting of: i) the Brooks area assets, which closed in February and had 330 boe of daily volumes associated with it (63% liquids); ii) two minor northern Alberta non-core assets with aggregate daily sales volumes of approximately 285 boe/d (85% natural gas) and which closed in September; and iii) a non-core asset in the Ferrier area with 165 boe of daily volumes (68% natural gas) which closed in October. The cumulative impact on daily boe volumes was a reduction of approximately 156 boe/d in the fourth quarter and approximately 420 boe/d for the year in 2025.

	Three months ended			Twelve months ended		
	2025	2024	Change %	2025	2024	Change %
Natural gas (mcf/d)						
Conventional	18,649	22,653	(18)	20,892	25,160	(17)
Shale	2,903	-	-	1,996	-	-
Coal bed methane	3,531	4,131	(15)	3,718	4,264	(13)
Total natural gas volumes	25,083	26,784	(6)	26,606	29,424	(10)
Crude oil (bbl/d)						
Light/medium	2,412	3,229	(25)	2,545	3,112	(18)
Tight (shale)	1,262	-	-	974	-	-
Heavy	2,070	2,135	(3)	2,064	2,191	(6)
Total crude oil volumes	5,744	5,364	7	5,583	5,303	5
Natural gas liquids (bbl/d)	1,301	987	32	1,244	1,068	16
Barrels of oil equivalent (boe/d)	11,226	10,815	4	11,261	11,275	-

Volumetric Product Mix

For the fourth quarter of 2025 natural gas sales contributed 37% (2024 – 41%) of total sales volumes; crude oil volumes were 51% (2024 – 50%) and NGL’s were 12% (2024 – 9%). The volumetric mix continues to shift towards crude oil as the wells drilled in the Duvernay light oil play come on-stream. Management expects the sales volume mix to continue to this shift towards crude oil as the Duvernay play is developed.

% of Aggregate Production	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Crude oil	51	50	2	50	47	6
Natural gas	37	41	(10)	39	44	(11)
Natural gas liquids	12	9	33	11	9	22
Total	100	100		100	100	

Average Benchmark Prices

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Crude Oil						
WTI (US\$/bbl)	59.14	70.24	(16)	64.81	77.55	(16)
Canadian light sweet (CDN\$/bbl)	76.54	92.69	(17)	85.66	99.95	(14)
WTI/light sweet differential (US\$/bbl)	(4.25)	(2.42)	76	(3.57)	(4.24)	(16)
WCS (CDN\$/bbl)	66.87	81.32	(18)	75.25	84.76	(11)
WTI/WCS differential (US\$/bbl)	(11.20)	(12.56)	(11)	(11.13)	(15.51)	(28)
Natural Gas						
NYMEX (US \$/Mmbtu)	3.75	2.44	54	3.53	2.11	67
AECO - Daily (CDN\$/mcf)	2.28	1.48	54	1.69	1.35	25
Foreign Exchange						
Canadian to US	1.395	1.399	-	1.398	1.360	3
US to Canadian	0.717	0.715	-	0.716	0.735	(3)

WTI oil prices decreased 16% in the fourth quarter of 2025 to average \$59.14 US/bbl as compared to \$70.24 US/bbl in the fourth quarter of 2024. A variety of factors caused this change including, interest rate and tariff concerns, ongoing crude oil inventory builds, global demand, and OPEC’s announced supply increases. Canadian light sweet prices decreased 17% to \$76.54/bbl in the fourth quarter of 2025 while \$92.69/bbl was realized in the same quarter of 2024. The WTI/Light Sweet oil price differential increased by 76% to \$4.25/bbl in the fourth quarter of 2025 from \$2.42/bbl in the fourth quarter of 2024. The WCS benchmark price was 18% lower for the fourth quarter of 2025 compared to the fourth quarter of 2024 while the WTI/WCS differential decreased by 11% from the same period in 2024. Approximately 36% of Journey’s crude oil sales for the fourth quarter of 2025 was exposed to WCS prices.

United States natural gas prices are usually referenced to the New York Mercantile Exchange Henry Hub in Louisiana (NYMEX), while in Canada the generally recognized benchmark is the AECO hub in Alberta. AECO Natural gas prices are influenced by a variety of factors such as: weather patterns; LNG exports; storage levels in western Alberta; pipeline capacity for Alberta exports; mainline maintenance schedules, demand in eastern Canada and the United States, relative storage levels in North America and conversions to alternative fuel sources from fossil fuels. AECO benchmark pricing was 54% higher at \$2.28/mcf in the fourth quarter of 2025 as compared to \$1.48/mcf during the same period in 2024.

Realized Prices

a) Realized prices excluding physical commodity contract gains were as follows:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Natural gas (\$/mcf)	2.05	1.32	55	1.48	1.31	13
Crude oil (\$/bbl)	67.08	81.41	(18)	76.5	85.07	(10)
Natural gas liquids (\$/bbl)	32.46	44.56	(27)	41.68	45.94	(9)
Average (\$/boe)	42.66	47.72	(11)	46.03	47.77	(4)

Average realized per boe prices (before hedging) were 11% lower at \$42.66/bbl in the fourth quarter of 2025 as compared to \$47.72/bbl in the fourth quarter of 2024. This overall realized decrease was comprised of a 18% and 27% decrease for crude oil and NGL's respectively, and a 55% increase in natural gas prices. For the twelve months year-to-date, there was a 4% decrease in average commodity prices from 2024 with the most significant declines coming from crude oil at 10% and NGL's at 9%.

b) Journey had physical oil hedges during the first twelve months of 2025. Realized prices including physical commodity contract gains are as follows:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Natural gas (\$/mcf)	2.76	1.32	109	2.03	1.31	55
Crude oil (\$/bbl)	67.08	81.41	(18)	76.50	85.07	(10)
Natural gas liquids (\$/bbl)	32.46	44.56	(27)	41.68	45.94	(9)
Average (\$/boe)	44.26	47.72	(7)	47.32	47.77	(1)

There were no physical hedges in place for the twelve months of 2024.

RISK MANAGEMENT ACTIVITIES

Realized and unrealized gains and losses on Journey's commodity risk management program are as follows:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Realized gain (loss) on financial derivatives	(28)	-	-	875	-	-
Unrealized gain on financial derivatives	987	-	-	1,018	-	-
Total	959	-	-	1,893	-	-

At December 31, 2025, the Company had the following physical commodity contracts:

a) Electricity supply

Journey periodically enters into contracts with its power supplier to fix the price of electricity for its field operations. Below are the contracts that Journey currently has in place.

Commodity	Contract	Volume	Reference Index	Strike \$/MWh	Term Remaining
Electricity	Fixed price	5 MWh	AESO Monthly	\$78.97	Jan 1, 2026 to Dec 31, 2026
Electricity	Fixed price	2 MWh	AESO Monthly	\$77.83	Jan 1, 2026 to Dec 31, 2026

b) Natural gas sales

Commodity	Contract	Volume	Strike (\$/GJ)	Term Remaining
Natural gas	Fixed price	10,000 gj/d	CAD \$3.06	Jan 1, 2026 to Mar 31, 2026

At December 31, 2025, the Company had the following financial derivative commodity contracts in place:

Commodity	Contract	Volume	Reference Price	Strike	Term Remaining
Crude Oil	Put	2,000 bbl/d	WTI Nymex	\$50 USD	Jan 1, 2026 to Mar 31, 2026
Crude Oil	Call	2,000 bbl/d	WTI Nymex	\$85 USD	Jan 1, 2026 to Mar 31, 2026
Natural Gas	Swap	5,000 GJ/d	NGX AB-NIT 7A	\$2.90 CAD	Jan 1, 2026 to Mar 31, 2026
Crude Oil	Collar	500	WTI Nymex	\$55-\$68.45 USD	Jan 1, 2026 to Mar 31, 2026
Crude Oil	Collar	500	WTI Nymex	\$60-\$72.50 USD	Jan 1, 2026 to Mar 31, 2026
Natural Gas	Swap	10,000 GJ/d	NGX AB-NIT 7A	\$2.90 CAD	Jan 1, 2026 to Mar 31, 2027
Natural Gas	Swap	5,000 GJ/d	NGX AB-NIT 7A	\$3.50 CAD	Nov 1, 2026 to Mar 31, 2027

PETROLEUM AND NATURAL GAS (“P&NG”) SALES

During the fourth quarter of 2025, aggregate P&NG sales were 4% lower at \$45,711 as compared to \$47,480 for the same period in 2024. The decrease in sales was primarily the result of a 7% decrease in average realized prices (including hedges) but was offset somewhat by a 4% increase in boe sales volumes. Crude oil revenue made up the most significant portion of total revenues at 78% while contributing 51% to total boe sales volumes. Realized crude oil pricing (including hedges) decreased 18% while oil production increased 7%. Natural gas sales and NGL sales made up 14% and 8% of revenues for the fourth quarter 2025 respectively. Realized natural gas pricing increased 109% (including hedges) while sales volumes declined 6%. Realized NGL pricing decreased 27% while sales volumes increased 32% mainly due to positive Duvernay drilling results.

For the twelve months ended December 31, aggregate P&NG sales decreased by 1% to \$194,493 in 2025 from \$197,149 in 2024. Year to date sales revenues decreased due to the 1% decrease in average realized prices (including hedges). Journey’s crude oil revenue, which realized 10% lower per boe prices (including hedges), made up 80% of corporate revenues for the year to date in 2025 while contributing 51% to total boe production.

\$	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Natural gas	4,721	3,257	45	14,386	14,074	2
Crude oil	35,447	40,177	(12)	155,897	165,119	(6)
Natural gas liquids	3,885	4,046	(4)	18,924	17,956	5
Physical natural gas hedging	1,658	-	-	5,286	-	-
P&NG sales	45,711	47,480	(4)	194,493	197,149	(1)

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	Change %	2025	2024	Change %
Sales Contribution by Product (%)						
Natural gas	14	7	100	10	7	43
Crude oil	78	85	(8)	80	84	(5)
Natural gas liquids	8	8	-	10	9	11
Total	100	100		100	100	

ROYALTIES

For the three months ended December 31, royalties were \$6,538 in 2025 as compared to \$9,006 for the same period in 2024 and representing a 27% decrease. On a per boe basis, the royalty rate decreased by 30% to \$6.33/bbl in 2025 as compared to \$9.05/bbl from the same quarter of last year. As a percentage of revenue, the rate for the fourth quarter of 2025 was 25% lower in 2025 at 14.3%, as compared to 19.0% for the same quarter of 2024. This decrease was caused by a 18% decrease in oil commodity prices, and the new Duvernay wells qualifying for the Alberta Crown royalty Enhanced Recovery Program royalty rate. Also, in the fourth quarter of 2025, the Company refiled its 2022 gas cost allowance submission and realized a recovery of approximately \$1.2 million.

For the twelve months ended December 31, aggregate royalty expense was \$31,356 in 2025 as compared to \$37,435 for the same period in 2024. On a per boe basis, the royalty rate decreased 16% to \$7.63 in 2025 as compared to \$9.07 in 2024. As a percentage of revenue, the rate for the twelve months of 2025 was 16.1% or 15% lower than the 19.0% realized in 2024.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	Change %	2025	2024	Change %
\$						
Crown	3,616	6,788	(47)	19,532	26,031	(25)
Freehold/gross over-riding	2,922	2,218	32	11,824	11,404	4
Total royalties	6,538	9,006	(27)	31,356	37,435	(16)
Royalties (as a % of P&NG sales)	14.3	19.0	(25)	16.1	19.0	(15)

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	Change %	2025	2024	Change %
\$/boe						
Crown	3.50	6.82	(49)	4.75	6.31	(25)
Freehold/gross over-riding	2.83	2.23	27	2.88	2.76	4
Total royalties	6.33	9.05	(30)	7.63	9.07	(16)

PROCESSING AND OTHER INCOME

Processing and other income is comprised of the following components. First, third-party natural gas processing fees; oil treating; natural gas gathering and compression fees are what Journey considers to be operating cost recoveries and are directly tied to, or are ancillary to the Company's own field operations. For presentation in this MD&A Journey nets this income with field operating costs (see Operating Expense section below). Second is Journey's electricity generation business and is comprised of one operating facility at Countess, Alberta (see full analysis below). Third, is miscellaneous other income. The breakdown of processing and other income by category is as follows:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Processing and other cost recoveries ¹	880	1,118	(21)	4,040	4,182	(3)
Electricity income before expenses ²	203	289	(30)	740	1,525	(51)
Other income	629	298	111	1,839	1,187	55
Processing and other income	1,712	1,705	-	6,619	6,894	(4)

Notes:

1. Processing income and other cost recoveries are netted with operating expenses as described below in the Operating Expense section.
2. See electricity income analysis below.

Electricity income

In the fourth quarter 2025 Journey's Countess power facility generated 1,411 MWh of electricity compared to 2,776 MWh of electricity in the fourth quarter 2024. While benchmark power prices decreased 16% in the fourth quarter of 2025 compared to the same quarter in 2024, Journey operates this facility during peak prices throughout the quarter. This peaking strategy, along with Option M credits resulted in Journey realizing prices significantly greater than the AESO pool price. Journey realized \$93.71/MWh for the fourth quarter of 2025, which was 117% higher than the AESO reference price of \$43.20. For the twelve month periods, Journey realized \$143.15/MWh, which was 226% higher than the AESO reference price for the period.

Net electricity income for the three and twelve months ended December 31 of 2025 was \$126 and \$314 respectively compared to net income of \$121 and \$442 for the same respective periods of 2024. The 61% decrease in MWh generated compared to the respective twelve months period ended in 2024 was the major factor contributing to the decrease in electricity income. The decrease in MWh generated is due to Journey only operating these facilities at periods of advantageous pricing. As such, there is variability in the MWh produced. For 2026, Journey will continue to employ this peaking strategy.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Electricity income	203	289	(30)	740	1,525	(51)
Operating expenses ¹	(77)	(168)	(54)	(426)	(1,083)	(61)
Net electricity operating income	126	121	4	314	442	(29)
Megawatt hours generated	1,411	2,776	(49)	5,171	13,226	(61)
Realized prices (\$/MWh):	93.71	104.26	(10)	143.15	115.30	24
AESO reference prices	43.20	51.72	(16)	43.87	62.78	(30)

Note:

1. Operating expenses related to electricity income have been reclassified to this section - see the Operating Expense section below.

OPERATING EXPENSES

Net operating expenses were \$18,309 or \$17.73 per boe for the fourth quarter of 2025 as compared to \$22,970 or \$23.09 per boe in the fourth quarter 2024. On a per boe basis, the net expense for the fourth quarter of 2025 decreased by 23%. The increase in boe sales volumes of 4% as compared to the same quarter in 2024 can be partly attributable to the decrease. The most significant changes in both the fourth quarter and for 2025 in aggregate came from reductions in both carbon tax and workover/plant turnaround expenses. The federal government eliminated the industrial carbon tax effective April 1, 2025, which in turn eliminated the Alberta carbon tax for small emitters. In addition, Journey spent less on workovers and turnarounds in 2025 as compared to the prior year as the major

turnarounds experienced in 2024 were non-recurring. For the twelve months ended December 31, net operating costs were \$73,504 or \$17.88 per boe in 2025 as compared to \$87,324 or \$21.16 per boe in 2024.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Operating expense per the Financial Statements	19,266	24,256	(21)	77,970	92,589	(16)
Less:						
Processing and other cost recoveries	(880)	(1,118)	(21)	(4,040)	(4,182)	(3)
Power generation expenses	(77)	(168)	(54)	(426)	(1,083)	(61)
Net operating expenses	18,309	22,970	(20)	73,504	87,324	(16)
Net expense (\$ per boe)	17.73	23.09	(23)	17.88	21.16	(16)

TRANSPORTATION

Transportation expenses were \$1,711 for the fourth quarter of 2025 as compared to \$690 for the same quarter of 2024. The cost per boe averaged \$1.66 in the fourth quarter, as compared to \$0.69 per boe in the fourth quarter of 2024. The increase in aggregate costs in the fourth quarter of 2025 was primarily the result of an 11% increase in crude oil and NGL sales volumes as compared to the same quarter 2024. In addition, certain costs related to NGL trucking expenses were reclassified from net revenues to transportation expense. For the twelve months ended December 31, transportation expenses were \$5,384 for 2025 or 21% higher than \$4,450 for the comparable period in 2024. On a per boe basis, costs were \$1.31 for the year to date in 2025 and \$1.08 for 2024.

Transportation costs include: clean oil trucking, trucking of natural gas liquids, and transportation associated with the usage of third party natural gas sales lines used before custody transfer and ultimate sale of the natural gas. Transportation costs are dependent on a variety of factors such as: the type of production facilities; the method of transportation; the distances covered; and quantities shipped.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Transportation expense	1,711	690	148	5,384	4,450	21
Expense (\$ per boe)	1.66	0.69	141	1.31	1.08	21

GENERAL AND ADMINISTRATIVE ("G&A") EXPENSE

For the fourth quarter of 2025, gross G&A expense (before recoveries and capitalized G&A) was 15% higher at \$4,678 as compared to \$4,067 in 2024. On a per boe basis gross G&A expense was \$4.53 for the fourth quarter of 2025, which was 11% higher than the fourth quarter of 2024 of \$4.09 per boe. The increase is attributable to the culmination of: the bad debt expense of \$619 for a receivable on the disposition of a minor asset in 2024 that was deemed to be unrecoverable; royalty consulting fees; and legal costs, all of which were incurred in the fourth quarter of 2025. For the twelve months ended December 31, 2025 gross G&A expense was 8% lower at \$14,163 as compared to \$15,346 in 2024. On a per boe basis gross G&A was \$3.45 in 2025 or 7% lower than \$3.72 in 2024. The decrease from 2024 to 2025 was largely the result of fewer employees, which decreased salaries and wage expenses by approximately \$2.0 million. This reduction was partially offset by the consulting and professional fees described above.

	Three months ended			Twelve months ended		
	2025	2024	% Change	2025	2024	% Change
Expense per the Financial Statements	3,418	2,637	30	10,416	11,093	(6)
Add (Deduct):						
Overhead recoveries	1,260	1,430	(12)	3,747	4,119	(9)
Capitalized G&A	-	-	-	-	134	(100)
Gross G&A expense	4,678	4,067	15	14,163	15,346	(8)
<u>(\$ per boe)</u>						
Expense per the Financial Statements	3.31	2.65	25	2.53	2.69	(6)
Gross G&A expense	4.53	4.09	11	3.45	3.72	(7)

FINANCE EXPENSE

Finance expense is comprised of interest on term debt; interest on the revolving bank credit facility, amortization of financing fees; accretion of decommissioning obligations, accretion on lease obligations, accretion of convertible debentures; and miscellaneous bank charges. Aggregate finance expenses per the Financial Statements increased 8% from the fourth quarter of 2024 to the fourth quarter of 2025 due to the accretion of deferred financing charges on the Company's term and bank debt issued in 2025. The Company's convertible debentures have a maturity date of March 31, 2029 and bear interest at 10.25% per annum. At December 31, 2025 the principal balance outstanding for all facilities was \$15,535.

Borrowing costs for the fourth quarter of 2025 decreased 12% to \$1,475 from \$1,677 in 2024. Lower aggregate borrowing costs were attributable to principal repayments on term debt throughout 2024 and 2025. For the fourth quarter of 2025, the average interest-bearing debt was \$56,194 which was 8% lower than \$61,268 for the comparable period in 2024. The average effective interest rate on outstanding borrowings was 10.4% for the fourth quarter of 2025 as compared to 10.9% in 2024. On a per boe basis, the non-accretion related finance expense (i.e. interest and other fees on borrowings) was \$1.40 for the fourth quarter of 2025 as compared to \$1.65 for the same quarter in 2024, representing a 15% decrease, period over period.

For the twelve months to December 31 total finance expense was 1% lower in 2025 at \$13,406 as compared to \$13,500 in 2024. The two largest components of this expense are the interest incurred on borrowings and the accretion on decommissioning obligations.

	Three months ended			Twelve months ended		
	2025	2024	% Change	2025	2024	% Change
Expense per the Financial Statements	3,432	3,183	8	13,406	13,500	(1)
Add (Deduct):						
Accretion expense	(1,561)	(1,340)	16	(5,934)	(6,201)	(4)
Deferred finance cost & other amortization	(426)	(198)	115	(1,590)	(553)	188
Bank fees and other charges	30	32	(6)	18	236	(92)
Expense related to borrowings	1,475	1,677	(12)	5,900	6,982	(15)
Average interest-bearing debt	56,194	61,268	(8)	57,750	63,595	(9)
Effective interest rate (%)	10.4	10.9	(5)	10.2	10.90	(6)
<u>Finance expense (\$ per boe)</u>						
Related to borrowings, bank fees and other costs	1.40	1.65	(15)	1.43	1.63	(12)
Accretion, fees & other amortization	1.92	1.55	24	1.83	1.64	12
Total finance expense	3.32	3.20	4	3.26	3.27	-

SHARE-BASED COMPENSATION

Share based compensation expense was \$826 for the fourth quarter of 2025 as compared to \$749 in 2024. For the twelve months to December 31 the aggregate expense was \$3,067 in 2025 as compared to \$3,187 in 2024. The higher share-based compensation in the fourth quarter of 2025 was attributable to the issuance of long-term incentives in October and reflects the higher share price of Journey at the time of issuance in 2025 compared to the share price at the date of issuance in 2024. The 4% decrease in the twelve month periods are mainly the result of forfeitures of long-term incentives from employee turnover between the periods. The fair value of all share-based compensation is estimated based on the market price of Journey shares on the date of issuance of the long-term incentives. The resulting aggregate cost is amortized over the respective vesting periods. For performance share units an estimated performance multiplier of one-times was used. The market price for Journey shares when the long term incentive grants are settled upon their vesting dates, and the performance multiplier for performance grants, can be significantly higher or lower than the assumptions used when the grants were made.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Expense per the Financial Statements	826	749	10	3,067	3,187	(4)
Expense (\$ per boe)	0.80	0.75	7	0.75	0.77	(3)

DEPLETION AND DEPRECIATION ("D&D")

D&D was \$10,749 in the fourth quarter of 2025 as compared to \$10,150 in the fourth quarter of 2024. The increase in the aggregate D&D expense was primarily a result of increased capital spending throughout 2025 plus the increase in future development capital ("FDC") particularly in the Gilby Duvernay area where Journey drilled 8 (2.4 net) new wells in 2025. FDC increased by approximately \$89 million in the Gilby area from December 31, 2024 to December 31, 2025 due to the booking of additional proved locations in the area which increases the depletable base. The higher depletion expense resulting from the increase in FDCs was partially offset by the increase in reserves in the area. On a per boe basis, D&D was \$10.41 for the fourth quarter of 2025 as compared to \$10.20 in the fourth quarter of 2024, representing a 2% increase. For the twelve months ending December 31, aggregate D&D increased by 13% from \$39,197 in 2024 to \$44,361 in 2025. Management concluded there were no indicators of impairment or impairment reversal at December 31, 2025 therefore no impairment testing was performed.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Depletion and depreciation (\$)	10,749	10,150	6	44,361	39,197	13
Expense (\$ per boe)	10.41	10.20	2	10.78	9.50	13

EXPLORATION AND EVALUATION ("E&E") EXPENSE

E&E expense relates to expiries of mineral rights. During the three months ended December 31, 2025 Journey had \$5 in E&E expense, while \$118 was incurred in the same quarter of 2024. For the twelve months ended December 31, 2025, the expense was \$150 as compared to \$724 in 2024. Management concluded there were no indicators of impairment at December 31, 2025 and therefore no impairment testing was performed.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
E&E expense	5	118	(96)	150	724	(79)
\$ per boe	-	0.12	(100)	0.04	0.18	(78)
E&E impairment expense	-	113	(100)	-	192	(100)
\$ per boe	-	0.11	(100)	-	0.05	(100)

GAIN ON DISPOSITIONS

During 2025 Journey had five dispositions of producing assets and the related decommission obligations for proceeds of \$6,730. These dispositions resulted in a gain of \$10,867.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Gain on asset dispositions	4,229	5,704	(26)	10,867	5,704	91
\$ per boe	4.09	5.73	(29)	2.64	1.38	91

DEFERRED INCOME TAXES

For the three month period ended December 31, 2025, there was a deferred tax recovery \$3,024 attributable mainly to the change in valuation allowance for the deferred tax asset. Strong reserve bookings and their associated, projected cash flows at December 31, 2025 resulted in the recognition of an additional deferred tax asset in the fourth quarter of 2025. For the twelve month period there was \$1,759 of deferred tax expense, which was lower than the expected amount using the statutory tax rate due mainly to the positive change in deferred tax assets.

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Deferred tax expense (recovery)	(3,024)	350	(964)	1,759	2,036	(14)
Deferred tax expense (\$ per boe)	(2.93)	0.35	(937)	0.43	0.49	(12)

Journey has available approximately \$658 million in deductible income tax pools for future utilization. The income tax pool balances, by category as at December 31, 2025, were as follows:

Category	Deductible rate	Amount
Canadian oil & gas property expenses	10% declining balance	120,760
Canadian development expenses	30% declining balance	39,972
Canadian exploration expenses	100%	38,080
Undepreciated tangible costs	Various (7-55%) declining balance	92,336
Financing costs	5 year straight line	6,124
Non-capital losses	100%	360,495
Total		657,767

NETBACKS (see Non-GAAP disclosures)

The operating netback of \$18.54 per boe for the fourth quarter of 2025 increased 25% from \$14.89 per boe for the same period in 2024. For the twelve months ended December 31, the operating netback was \$20.50 per boe for 2025, which was a 25% increase from \$16.46 per boe for 2024. The change in the operating netback for the fourth quarter of 2025 was mainly the result of a 23% decrease in operating expenses and a 30% decrease in royalties per boe. The Adjusted Funds Flow netback per boe for the fourth quarter of 2025 was \$14.53 per boe, which was 32% higher than the \$11.01 per boe in the same quarter of 2024. For the twelve months ended December 31, the Adjusted Funds Flow netback per boe increased 38% from \$12.53 in 2024 to \$17.27 in 2025.

After taking into account the non-cash items, there was a net income netback of \$9.38 per boe for the fourth quarter of 2025 as compared to a net income netback of \$3.65 per boe in 2024. For the twelve months ended December 31, 2025 the net income netback was \$6.31 per boe as compared to \$1.23 per boe in the same period of 2024.

(\$ per boe)	Three months ended			Twelve months ended		
	2025	2024	% Change	2025	2024	% Change
Realized price	44.26	47.72	(7)	47.32	47.77	(1)
Royalties	(6.33)	(9.05)	(30)	(7.63)	(9.07)	(16)
Net operating expenses	(17.73)	(23.09)	(23)	(17.88)	(21.16)	(16)
Transportation expenses	(1.66)	(0.69)	141	(1.31)	(1.08)	21
Operating netback	18.54	14.89	25	20.50	16.46	25
General and administrative	(3.31)	(2.65)	25	(2.53)	(2.69)	(6)
Finance expense - interest	(1.40)	(1.65)	(15)	(1.43)	(1.63)	(12)
Adjusted processing & other income	0.73	0.42	74	0.52	0.39	33
Realized gains (losses) on hedges	(0.03)	-	-	0.21	-	-
Adjusted Funds Flow netback	14.53	11.01	32	17.27	12.53	38
Unrealized gain (loss) on hedges	0.96	-	-	0.25	-	-
Share based compensation	(0.80)	(0.75)	7	(0.75)	(0.77)	(3)
Depletion and depreciation	(10.41)	(10.20)	2	(10.78)	(9.50)	13
Loss on debt modification	-	(0.01)	(100)	-	-	-
Gain on PP&E dispositions	4.09	5.73	(29)	2.64	1.38	91
Finance expense - accretion	(1.92)	(1.55)	24	(1.83)	(1.64)	12
Exploration & evaluation	-	(0.12)	(100)	(0.04)	(0.18)	(78)
Exploration & evaluation impairment	-	(0.11)	(100)	-	(0.05)	(100)
Transaction costs	-	-	-	(0.02)	(0.05)	(60)
Deferred tax	2.93	(0.35)	(937)	(0.43)	(0.49)	(12)
Net income netback	9.38	3.65	157	6.31	1.23	413

NET INCOME AND COMPREHENSIVE INCOME, ADJUSTED FUNDS FLOW AND CASH FLOW PROVIDED BY OPERATING ACTIVITIES

Journey generated net income for the three months ended December 31, 2025 of \$9,690 as compared to net income of \$3,626 in 2024. During the fourth quarter of 2025, Journey realized net income per share of \$0.14 per basic and diluted share as compared to net income of \$0.06 per basic and diluted share in the same quarter 2024. There was net income of \$25,922 for the twelve months ended December 31, 2025, which translated into \$0.39 per basic and \$0.38 per diluted share as compared to net income of \$5,144 or \$0.08 per basic and diluted share in 2024.

Adjusted Funds Flow during the fourth quarter of 2025 was \$15,017, an increase of 37% from \$10,951 realized in 2024. The increase was mainly attributable to the 21% decrease in operating expenses and a 27% decrease in royalties. Adjusted Funds Flow per share for the fourth quarter of 2025 was \$0.22 per basic and diluted share as

compared to \$0.17 per basic share and diluted share for the same period in 2024. For the twelve months ended December 31, Adjusted Funds Flow increased 37% from \$51,730 in 2024 to \$70,979 in 2025. Adjusted Funds Flow per share for the twelve months was \$1.06 per basic and \$1.05 per diluted share in 2025 as compared to \$0.83 per basic share and \$0.82 per diluted share in 2024.

Cash flow provided by operating activities ("Cash Flow") is the IFRS financial statement measure, which represents how much cash was generated by Journey's business operations. Cash Flow for the fourth quarter of 2025 was \$12,752 versus \$13,121 during the same quarter of 2024. For the twelve months year to date Cash Flow was \$50,304 in 2025 as compared to \$35,622 in 2024.

Per share data	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Net income and comprehensive income	9,690	3,626	167	25,922	5,144	404
Basic (\$/share)	0.14	0.06	133	0.39	0.08	388
Diluted (\$/share)	0.14	0.06	133	0.38	0.08	375
Adjusted Funds Flow	15,017	10,951	37	70,979	51,730	37
Basic (\$/share)	0.22	0.17	29	1.06	0.83	28
Diluted (\$/share)	0.22	0.17	29	1.05	0.82	28
Cash flow provided by operating activities	12,752	13,121	(3)	50,304	35,622	41
Basic (\$/share)	0.19	0.20	(5)	0.75	0.57	32
Diluted (\$/share)	0.19	0.20	(5)	0.74	0.56	32

CAPITAL EXPENDITURES (Non-GAAP)

For the fourth quarter of 2025, Journey spent \$6,554 in total capital expenditures. Journey reclassified approximately \$3.1 million of well equipment and facility accruals related to its Duvernay joint venture to drilling and completion costs which explains the recovery seen in well equipment and facility costs for the fourth quarter of 2025. In addition, \$4,203 was spent on the continuing construction of the Gilby and Mazeppa power generation projects in the fourth quarter of 2025. The breakdown of capital additions for the respective three and twelve month periods is as follows:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
<u>Cash expenditures:</u>						
Land and lease rentals	457	115	297	1,557	827	88
Geological and geophysical	3	45	(93)	(2)	181	(101)
Drilling and completions	3,372	7,342	(54)	28,061	16,798	67
Well equipment and facilities	(1,481)	3,297	(145)	10,135	11,445	(11)
Power generation	4,203	5,461	(23)	16,508	13,898	19
Total capital expenditures	6,554	16,260	(60)	56,259	43,149	30
PP&E acquisitions (dispositions)	(195)	(854)	(77)	(6,730)	(1,981)	240
Other dispositions	(13)	-	-	(91)	-	-
Net capital expenditures	6,346	15,406	(59)	49,438	41,168	20
<u>Other expenditures:</u>						
Administrative	-	-	-	91	11	727
ARO costs incurred	2,615	3,229	(19)	7,717	7,175	8
Total capital expenditures	8,961	18,635	(52)	57,246	48,354	18

The following wells were drilled in each year:

	Three months ended December 31,				Twelve months ended December 31,			
	2025		2024		2025		2024	
Wells drilled	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Oil wells	-	-	2	0.6	7	2.1	6	3.5
Drilled, uncompleted	-	-	-	-	1	0.3	-	-
Total	-	-	2	0.6	8	2.4	6	3.5
Success rate (%)	-	-	100	100	100	100	100	100

All eight oil wells drilled in 2025 were in the Duvernay, light oil joint venture. Seven of the wells were producing as at December 31, 2025 with one well being drilled but not completed yet. The uncompleted well is expected to be completed in the first half of 2026.

DECOMMISSIONING LIABILITIES (“DL”)

At December 31, 2025, Journey has recorded a DL of \$138,369 (\$163,026 at December 31, 2024) for the future abandonment and reclamation of the Company’s net ownership interests in its assets. The estimated DL includes numerous assumptions in respect of: the actual costs to abandon wells, pipelines, oilfield facilities, power generation facilities; reclaiming the surface access; the time frame in which such costs will be incurred; and annual inflation factors in order to calculate the undiscounted total future liability. The present value of the future liability at December 31, 2025 has been escalated using an inflation rate of 2.0% (December 31, 2024 – 1.8%) and then discounted using a risk-free rate of 3.9% (December 31, 2024 – 3.3%). The Company estimates the total undiscounted, un-escalated amount of cash flows required to settle its decommissioning obligations at December 31, 2025 to be \$216,321 (December 31, 2024 - \$236,453) the majority of which will be incurred at various times between 2025 and 2059.

During the fourth quarter of 2025 Journey disposed of minor, non-core assets in its Ferrier area which reduced the DL on an undiscounted, un-escalated basis by \$9.0 million. For 2025 the five dispositions of producing properties had approximately \$23.0 million of undiscounted, un-escalated costs associated with them.

Accretion charges of \$1,365 for the three months ended December 31, 2025 (December 31, 2024 - \$1,304), and \$5,389 for the twelve months ended December 31, 2025 (December 31, 2024 - \$5,635) have been recognized in the statements of comprehensive income to reflect the increase in DL associated with the passage of time. Spending under Journey’s abandonment and reclamation program, for the three and twelve month periods ended December 31, 2025 was \$2,615 and \$7,717 respectively (December 31, 2024 - \$3,229 and \$7,175 respectively).

Abandonment and reclamation activities continue to be made in a prudent, responsible manner by Journey with the oversight of the Health, Safety and Environment Committee of the Board. Ongoing abandonment expenditures for all of Journey’s assets are funded entirely out of Adjusted Funds Flow from operating activities.

LEASE OBLIGATION LIABILITIES (“LO”)

At December 31, 2025, Journey’s discounted lease obligations were \$621 (December 31, 2024 - \$1,194). The discounted lease obligations are accreted up to their eventual future cash obligation through a charge to finance expense. Accretion charges of \$20 and \$89 for the three and twelve months ended December 31, 2025 have been recognized in the statements of comprehensive income to reflect the increase in the LO associated with the passage of time. For the three and twelve months ended December 31, 2024 accretion charges were \$35 and \$167. Expenditures for the LO for the three and twelve month periods ended December 31, 2025 were \$212 and \$806 respectively. For the three and twelve month periods in 2024, the expenditures were \$192 and \$660 respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Financial Statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

On March 17, 2025 Journey entered into a new credit facility with a Canadian Chartered Bank for an aggregate amount of \$55 million and consisting of three distinct credit facilities. The first facility is a two-year amortizing term-loan, the proceeds of which were used to repay the then outstanding balance of the Alberta Investment Management Corporation term debt of \$12.4 million. Mandatory repayments of the term facility of \$3,000 are required in each fiscal quarter with the initial payment due and made on October 1, 2025. The second facility is a \$15 million operating facility to be used for working capital needs on a revolving basis. The third facility is a delayed-draw term facility of a maximum of \$27.6 million that may be used as needed to fund Journey's Duvernay development. As at December 31, 2025 \$6.4 million was drawn on the operating facility, \$9.2 million was drawn on the term debt facility, and nothing was drawn on the Duvernay development loan.

Interest is payable monthly on all facilities at rates that are based on a pricing grid for 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 component of the facility, the base rate, and the Company's consolidated net debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio.

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. 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, with the first such payment made on September 30, 2024. At the holder's option, the Debentures may be 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.

Net Debt of the Corporation at December 31, 2025 was \$50,558, which was 16% lower than \$60,320 as at December 31, 2024. Net debt at the end of December 31, 2025 was 0.8 times annualized fourth quarter, 2025 Adjusted Funds Flow calculated as follows:

	2025	2024
Net Debt	50,558	60,320
Annualized fourth quarter Adjusted Funds Flow	60,068	43,804
Net Debt to annualized Fourth Quarter Adjusted Funds Flow	0.8	1.4

Journey's capital structure is made up of the following as at December 31 of the respective years:

	2025	2024
Shares outstanding	67,481	67,107
Closing market price (\$/share)	\$3.18	\$1.89
Market capitalization	214,590	126,832
Net debt	50,558	60,320
Total capitalization	265,148	187,152

RELATED PARTY TRANSACTIONS

The Company considers its directors and executives to be key management personnel and are therefore related parties. As at December 31, 2025 there were twelve (December 31, 2024 – twelve) individuals that were considered key management personnel. For the three and twelve month and periods ended December 31, compensation for these individuals is comprised of the following:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Salaries and director fees	529	512	3	2,702	2,930	(8)
Short-term employee benefits	48	43	12	190	168	13
Share based payments (i)	179	386	(54)	1,324	1,536	(14)
Total	756	941	(20)	4,216	4,634	(9)

- (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.

CONTRACTUAL OBLIGATIONS

In addition to the commitments listed below, the Company has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, is expected to have a significant impact on the Company's audited consolidated Financial Statements.

- (a) The amounts in the table below are the minimum cash obligations that the Company must pay under the terms of the following contracts:

	Total	< 1 year	2-3 years	4-5 years
Accounts payable and accrued liabilities	31,519	31,519	-	-
Principal amount of term debt	9,160	9,160	-	-
Principal amount of bank debt	6,375	6,375	-	-
Interest on term borrowings	250	250	-	-
Other loans	375	375	-	-
Financial derivative liabilities	315	-	315	-
Natural gas transportation	2,418	1,279	828	311
Leases, including non-lease components	1,310	1,310	-	-
Principal amount of convertible debentures	38,000	-	-	38,000
Interest on Convertible Debentures	13,638	3,895	7,801	1,942
Total contractual obligations	103,360	54,163	8,944	40,253

- (b) Indemnifications

Under the terms of certain agreements and the Company's by-laws, Journey indemnifies individuals who have acted at the Company's request to be a director and/or officer, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individual as a result of their

service. The Company currently has no outstanding claims having a potentially material adverse effect on the Company as a whole.

SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the following financial instruments were entered into:

Commodity	Contract	Volume	Reference Price	Strike	Term
Crude Oil	Collar	750	WTI Nymex	\$72.50-\$98 CAD	Apr 1, 2026 to Dec 31, 2026
Crude Oil	Collar	750	WTI Nymex	\$60-\$72.15 USD	Apr 1, 2026 to Sep 30, 2026
Crude Oil	Swap	500	WTI Nymex	\$67.57 USD	Apr 1, 2026 to Dec 31, 2026
Crude Oil	Collar	300	WTI Nymex	\$61.55-\$75 USD	Apr 1, 2026 to Mar 31, 2027
Crude Oil	Swap	750	WTI Nymex	\$75 USD	Apr 1, 2026 to Jun 30, 2026

SHARE CAPITAL

The following table provides a summary of the outstanding common shares and fully diluted shares outstanding as at:

(000's)	March 11, 2026	December 31, 2025	December 31, 2024
Common shares outstanding	67,481	67,481	67,107
Options, warrants, share awards	2,820	2,820	2,044
Fully diluted shares ¹	70,301	70,301	69,151

Note:

1. Fully diluted is a non-GAAP term. The convertible debentures are convertible into 7,600 thousand common shares at the option of the holder until the maturity of the debentures on March 31, 2029. This potential dilution has not been factored into the above fully diluted shares as the conversion price of \$5.00 per share is out of the money and would be anti-dilutive.

The weighted average shares outstanding at the respective periods are:

	Three months ended December 31,			Twelve months ended December 31,		
	2025	2024	% Change	2025	2024	% Change
Basic	67,449	65,394	3	67,193	62,366	8
Diluted	67,449	65,866	2	67,844	63,049	8

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. To date no shares have been repurchased under the NCIB.

SELECTED QUARTERLY INFORMATION

Below is summarized quarterly information for the previous eight quarters.

	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025
Production (boe/d)	11,226	11,862	10,950	10,997
Average prices realized, including hedging (\$/boe)	44.26	47.24	45.36	52.57
Petroleum and natural gas sales	45,711	51,554	45,196	52,032
Net income	9,690	4,439	4,065	7,728
Basic – per share (\$/share)	0.14	0.06	0.06	0.12
Diluted – per share (\$/share)	0.14	0.06	0.06	0.12
Adjusted Funds Flow ¹	15,017	20,454	15,889	19,619
Basic – per share (\$/share) ¹	0.22	0.30	0.24	0.29
Diluted – per share (\$/share) ¹	0.22	0.30	0.24	0.29
Cash flow provided by operating activities	12,752	12,778	11,112	13,662
Total assets	576,135	579,499	590,225	584,107
Net capital expenditures ¹	6,346	8,049	25,469	9,574
Long term financial liabilities	165,912	178,892	184,755	194,093
Net debt ¹	50,558	55,358	64,452	53,199

	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
Production (boe/d)	10,815	11,152	11,235	11,906
Average prices realized, including hedging (\$/boe)	47.72	45.86	49.42	48.08
Petroleum and natural gas sales	47,480	47,046	50,525	52,098
Net income (loss)	3,626	598	(2,328)	3,248
Basic – per share (\$/share)	0.06	0.01	(0.04)	0.05
Diluted – per share (\$/share)	0.06	0.01	(0.04)	0.05
Adjusted Funds Flow ¹	10,951	13,552	9,507	17,720
Basic – per share (\$/share) ¹	0.17	0.22	0.15	0.29
Diluted – per share (\$/share) ¹	0.17	0.20	0.14	0.27
Cash flow from operations	13,121	6,249	8,258	7,994
Total assets	585,377	592,294	598,748	610,930
Net capital expenditures ¹	15,406	8,132	3,349	14,287
Long term financial liabilities	192,590	194,785	202,940	209,651
Net debt ¹	60,320	52,676	55,452	60,131

1. Non-GAAP measures

Production levels are impacted by decline rates and the Company's capital program. Commodity prices are affected by both domestic and international factors that are beyond the Company's control. Petroleum and natural gas sales are impacted by production levels and the volatility of commodity pricing. In addition, royalties are affected by the underlying commodity pricing.

Significant factors and trends that have affected the Company's results during the above periods are outlined below:

- Q4 2025: The fourth quarter of 2025 had a decrease in PNG sales of 11% from the third quarter of 2025, largely due to a decrease in production of 5% to 11,226 boe/d, and a decrease in realized pricing including hedging of 6%. There were two producing asset dispositions in the quarter, which had an approximately 156 boe/d negative impact on daily volumes, but resulted in an approximately \$9.0 million reduction in undiscounted decommissioning liabilities. Adjusted Funds Flow decreased 27% to \$15,017 from \$20,454 in

the third quarter of 2025 largely as a result of this decrease in revenues. Journey spent \$6,346 in net capital expenditures including acquisitions and dispositions and excluding administrative and asset decommissioning spending in the quarter. \$4,203 was attributable to the continued development of its power generation assets. The 9% decrease in quarter over quarter net debt was largely as a result of repayments of the Company's term debt and an increase in the receivables between periods.

- Q3 2025: The third quarter of 2025 had an increase in PNG sales of 14% from the second quarter of 2025, largely due to an increase in production of 8% and an increase in realized pricing including hedging of 4%. Adjusted Funds Flow increased 29% to \$20,454 from \$15,889 in the second quarter of 2025 largely as a result of this increase in revenues. Journey spent \$8,049 in net capital expenditures including acquisitions and dispositions and excluding administrative and decommissioning spending in the quarter. \$6,823 was attributable to the development of its power generation assets while there were \$3,198 realized from proceeds of asset dispositions. The 14% decrease in quarter over quarter net debt was largely as result of accrued capital spending at the end of the second quarter related to the Duvernay drilling program paid in the third quarter.
- Q2 2025: The second quarter of 2025 had a decrease in PNG sales of 13% from the first quarter of 2025, largely due to a decrease in realized prices of 14%. Adjusted Funds Flow of \$15,889 also decreased 19% from the first quarter of 2025 due mainly to the decrease in prices. Journey spent \$25,469 in net capital expenditures in the quarter. \$2,129 was attributable to development of its power generation assets, and \$19,253 to drilling and completion work with a majority of these costs in the Duvernay play. The 21% increase quarter over quarter in net debt was largely a result of the Company spending more on its capital program than its Adjusted Funds Flow. The Duvernay drilling program was weighted to the front half of 2025 and capital expenditures in the last half are expected to be significantly lower.
- Q1 2025: The first quarter of 2025 had an increase in PNG sales of 10% from the fourth quarter of 2024, largely due to a pre-hedging increase in realized prices of 10% and an increase in production volumes of 2%. Adjusted Funds Flow also increased 79% from the fourth quarter of 2024 due to the increase in revenues and a decrease in operating expenses of 18%. Journey spent \$9,574 in net capital expenditures in the quarter. \$3,353 was attributable to development of its power generation assets, and \$8,428 to drilling and completion work. Journey sold its Brooks asset in the first quarter with net proceeds of \$3,363 and comprised of 330 boe/d of production. The disposition closed on February 12. The 12% decrease quarter over quarter in net debt was largely due to the scheduled repayments of term-debt in January and February.
- Q4 2024: The fourth quarter of 2024 saw increased sales of 1% from the third quarter of 2024 particularly due to a 4% increase in average realized prices, despite a 3% decrease in production. Adjusted Funds Flow decreased 19% from the third quarter of 2024. This can be attributed to the decrease in non-cash working capital. Journey spent \$15,406 in net capital expenditures in the quarter, \$5,461 was related to power generation assets, and \$7,342 in relation to drilling and completion work. The decrease in non-cash working capital resulted in the 15% increase in the Company's net debt for the fourth quarter over the previous quarter.
- Q3 2024: The third quarter of 2024 saw decreased sales of 7% from the second quarter of 2024 particularly due to a 1% decrease in production and a 7% decrease in average realized prices. The Adjusted Funds Flow results increased 43% from the second quarter of 2024. This can be attributed to the increase in non-cash working capital. Journey spent \$8,132 in net capital expenditures in the quarter, \$3,930 was related to power generation assets, and \$1,757 in relation to drilling and completion work. The Company was able to reduce its net debt outstanding by 5% to \$52,676 in the third quarter of 2024 compared to the net debt at the end of the second quarter of 2024.
- Q2 2024: The second quarter of 2024 saw decreased sales volume of 6% from the first quarter of 2024 and an 11% decrease from the fourth quarter of 2023 attributable in part to shut-in down times. The Adjusted Funds Flow results decreased 46% and 48% from the first quarter of 2024 and the last quarter of 2023 respectively. This can be attributed to the decreased in production of 6% and 11% between those same periods. Journey spent \$3,349 in net capital expenditures in the quarter, \$1,264 was related to power generation assets, and \$676 in relation to drilling and completion work. Journey disposed of a royalty interest in the Ferrier area for \$787 in proceeds during the second quarter of 2024. Despite lower Adjusted

Funds Flow, the Company was able to reduce its net debt outstanding by 8% to \$55,452 in the second quarter of 2024 compared to the net debt at the end of the first quarter of 2024.

- Q1 2024: The first quarter of 2024 saw decreased sales volumes of 5% from the fourth quarter of 2023 mainly due to natural declines and seasonality effects. The Adjusted Funds Flow results decreased 5% compared to the fourth quarter of 2023 which can be attributed to the 5% decrease in volumes and a nominal decrease in realized pricing quarter over quarter. Journey spent \$14,287 in the quarter in total capital spending of which \$7,023 was devoted to drilling and completions work; and \$3,243 was spent on advancing the Gilby power project. Journey exited the first quarter with \$60,131 of net debt.

CRITICAL ACCOUNTING ESTIMATES

A summary of the material accounting policies used by Journey can be found in Note 3 of the December 31, 2025 audited consolidated Financial Statements. Note 4 of the Company's audited consolidated Financial Statements for the year ended December 31, 2025 discloses the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Company's Financial Statements. The December 31, 2025, audited consolidated Financial Statements are available on SEDAR at www.sedar.com.

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the Financial Statements of changes in such estimates in future periods could be material. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can materially differ from these estimates.

CHANGES IN ACCOUNTING POLICIES

In May 2024, the IASB announced amendments to IFRS 7 and IFRS 9 which are effective January 1, 2026. This introduces new disclosure requirements, including clarifications on the derecognition of financial liabilities settled via electronic payment systems. Additionally, this will add new disclosures for certain financial instruments with contractual terms that could change the timing and amount of contractual cash flows. Early adoption is permitted. Journey is evaluating the changes as it relates to the Financial Statements.

In April 2024, the IASB issued IFRS 18 which introduces new presentation and disclosure requirements for Financial Statements, effective for annual periods beginning January 1, 2027. The new accounting standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Net profit or loss will not change.
- Management-defined performance measures ("MPMs") are disclosed in a single note in the Financial Statements.
- Enhanced guidance is provided on how to group information in the Financial Statements.

Journey is evaluating the changes as it relates to these disclosures. Early adoption is permitted and the standard is required to be adopted retrospectively.

RISK FACTORS AND RISK MANAGEMENT

The risks in the oil and gas industry are varied and wide-ranging. The primary risks and how the Company mitigates them are as follows:

Commodity Price Risk

The Company's operating results and financial condition are dependent on prices received for the production of natural gas, NGL and oil. Commodity prices have historically been subject to wide fluctuations and have the most material impact on Funds Flow. These prices are determined by supply and demand factors including: weather and general economic conditions in places that Journey does not operate and therefore are largely outside of Journey's control. Prices received in Canada also reflect changes in the Canadian/US currency exchange rate. Journey's strategy to mitigate these risks focuses on the use of fixed price contracts to limit exposure to downturns in commodity prices while allowing, to the maximum extent possible, maximum exposure to commodity price increases. The Company's hedging activities are conducted pursuant to the Company's Risk Management policy approved by the Board of Directors. Revenues and the resulting Adjusted Funds Flows fluctuate with commodity prices, which are tied directly to the US/Canadian dollar exchange rate. Commodity prices are determined on a global basis and circumstances that occur in various parts of the world are outside of the control of the Company. The Company protects itself from fluctuations in prices by maintaining an appropriate hedging strategy, diversifying its asset mix and strengthening its balance sheet in order to take advantage of low price environments by making strategic acquisitions. Journey enters into commodity price contracts to actively manage the risks associated with price volatility and thereby partially protect Adjusted Funds Flows, which are used to fund our capital program.

The risk associated with using these derivative contracts include: commodity prices moving materially in favor of the counter-party and the credit risk associated with the collection of settlements from price movements in Journey's favor. Journey mitigates these risks by dealing with its main commodity purchaser as the primary counterparty.

Foreign Exchange Risk

Journey is also exposed to fluctuations in the exchange rate between the Canadian and US dollar. Most commodity prices are based on US dollar benchmarks, which result in our realized prices being influenced by the Canadian/U.S. currency exchange rates.

Liquidity Risk

Liquidity risk is impacted by many things, which are both internal and external to Canada. Currently, the world is battling inflationary forces that requires governments to take fiscal action that can be detrimental to economies. The current challenging economic climate has had, and may continue to have significant adverse impacts on the Corporation including:

- material declines in revenue and cash flows as result of collapses in commodity prices and reductions in production levels;
- reduced capital programs which could have further negative effects on production levels;
- declines in commodity prices, revenue and cash flows have resulted in material impairments and could result in further impairment charges;
- inability to comply with debt covenants and restrictions in lending agreements;
- increased risk of collection of accounts receivable and customer defaults.

The Company continues to make substantial progress in reducing its overall debt position using its 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 repayments.

Estimates and judgements made by management in the preparation of the Financial Statements are increasingly difficult and subject to a high degree of measurement uncertainty during this volatile period.

Journey maintains short-term and long-term cash forecasting based on estimated production levels and estimated pricing in order to proactively enact changes to its capital spending to maintain a reasonable working capital balance. The projected balance of cash reserves (existing and forecasted) for Journey is assessed by Management to be sufficient to ensure obligations will be met as they come due.

Credit Risk

Credit risk arises from the potential loss resulting from a counterparty failing to meet its obligations in accordance with the agreed terms. The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Poor credit conditions in the industry and of joint venture partners may influence a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner. Substantially all of the accounts receivable are with its marketers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Company generally extends unsecured credit to these parties and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by entering into transactions with long-standing, reputable, counterparties and partners. In many cases, the Company has offsetting receivables and payables with its joint venture partners and makes use of these offsets to mitigate any payment risk. Whenever unacceptable credit risks are present, the Company requires cash calls from its partners on capital projects before they commence. On a regular basis, the Company assesses the potential for bad debts associated with these parties and provides for accordingly.

Receivables related to the sale of the Company's petroleum and natural gas production are mainly from major marketing companies who have excellent credit ratings. These revenues are normally collected on the 25th day of the month following delivery.

The counter-parties with which the Company maintains its risk management contracts are major Canadian chartered banks having investment grade rating.

Credit Facility Risk

There is still a risk that the U.S. tariff policy uncertainty, the Ukraine-Russia war, and the resulting volatility surrounding commodity prices, that Journey may not be able to make its scheduled principal and interest payments on its term debt or its revolving bank facility. Bank borrowing reviews occur twice a year on the bank debt and there is no assurance that the bank will not reduce its borrowing base based on declines in commodity prices, dispositions of assets, or asset performance that is less than forecasted. Should this occur, Journey will move into a term-out position and will then have 365 days to repay outstanding balances.

Access to Capital Markets

The Company's business plan includes the making of significant capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As Adjusted Funds Flow may not be sufficient to fund its ongoing activities at all times, the Company may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities over and above its lending facility. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss out on acquisition opportunities, and reduce or terminate operations. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects. Should circumstances affect the Funds Flow in a detrimental way, the Company would respond by increasing debt within the Company's self-imposed

debt guideline and/or reducing capital expenditures. The Company relies on various sources of funding to support its capital expenditure program including:

- Internally generated Adjusted Funds Flows;
- Debt may be utilized to expand capital programs when deemed appropriate; and
- Additional equity, if available and on terms acceptable to the Company, may be used to expand or support exploration and development programs and fund acquisitions.

Interest Rate Risk

Journey's borrowings have a combination of fixed and variable interest rates for their respective terms. However, as the fixed rate convertible debentures mature, Journey will need to renegotiate new terms to the extent that the debt is not repaid at maturity. The interest rates could increase materially upon these renegotiations to the extent market interest rates have moved upward. For the variable rate credit facilities, the Company is exposed to higher interest rates should inflation rates start to accelerate. Conversely, if the economy slows, interest rates could decrease as prime lending rates decrease.

The maturing Western Canadian Sedimentary Basin

Land and producing assets are becoming increasingly scarce and more expensive. The Company mitigates these risks by developing its core areas to gain efficiencies. In addition, the Company participates in several farm-in opportunities wherein its exposure to increasing land prices is minimized. For riskier exploration projects, the Company will solicit partner participation to limit the downside exposure.

United States Tariffs

The imposition of U.S. tariffs to Canadian businesses poses a risk to the Company's operations by potentially increasing costs for equipment, materials, and transportation, as well as may reduce revenue margins from marketers exporting oil and gas to the U.S. These reduced margins may affect profitability and project timelines. Additionally, changes in U.S. trade policies could introduce further uncertainties regarding supply chain disruptions, access to capital, and market conditions. The Company continues to evaluate these risks and will take appropriate measures to mitigate their impact. The full impact of the potential cost increases, exchange rate fluctuations, and supplier price adjustments due to tariffs remain uncertain and subject to future regulatory changes.

Increasing United States Oil and Natural Gas Supply

Over the last decade, the advent of multi-stage fracking has unlocked previously uneconomic oil and natural gas supplies that are readily available in the United States. The Marcellus, Haynesville, and Eagle Ford shale gas plays in the Eastern United States and the Bakken in North Dakota have created a supply within the major consuming regions of the United States. This has caused a reduction in demand from Western Canada and this could possibly continue for many years to come. As a result, the Company has shifted capital to oil targets on its existing lands and will continue to do so into the foreseeable future.

Operating and finding and development costs

The industry experiences significant cost swings for its services. Field activity has accelerated with the increase in commodity prices. The Company mitigates risks by entering into strategic joint ventures to reduce exposure to high costs and diversify drilling risks. The Company employs experienced and motivated staff to evaluate and generate high quality drilling prospects. In addition, the Company seeks to utilize appropriate technology and responsible operating practices in operating its wells. The Company utilizes appropriate safety programs and insurance coverage to guard against potential losses. Concentrating on core areas wherein Journey has high degrees of ownership and operatorship further mitigates increasing operating costs as economies of scale are gained. Journey attempts to minimize finding risk by:

- Focusing its efforts on its core areas wherein its expertise and experiences can be properly leveraged;
- Generating as many internal projects as possible;
- Being the operator on the majority of projects;

- Identifying drilling opportunities with multi-zone prospects; and
- Making prudent use of seismic data to identify prospects – either by purchasing trade data or by shooting new seismic.

Administrative Risks

The increased transparency required by the securities, environmental and industry regulators are constantly evolving. Accounting and regulatory guidelines dictate significant resources be devoted to these areas. Journey maintains processes designed to comply with the required disclosures; has a strong Board of Directors and engages technical advisors to assist in meeting securities guidelines. In addition, the industry will continue to experience competitiveness with respect to finding and retaining qualified employees. Retention issues are at least partially mitigated by having all employees participate in the Company's LTI program and by paying competitive salaries.

Competition

The petroleum industry is competitive in all its phases. The Company competes with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Company's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Company. The Company's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, methods, and reliability of delivery and storage. Competition may also be presented by alternate fuel sources.

Environmental Regulations

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Regulatory Risk

There can be no assurance that government regulations including: royalties, income taxes, environmental laws and other regulatory requirements will not be changed in a manner which would adversely affect the Company or its shareholders. While Journey has no control over these regulatory risks, it monitors these changes by participating in industry organizations and wherever possible offering assistance in lobbying for any proposed changes which will benefit all stakeholders.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Journey's CEO and CFO are responsible for establishing and maintaining internal control over financial reporting ("ICFR") as defined in NI 52-109. They have as at December 31, 2025, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of Financial Statements for external purposes in accordance with IFRS. The control framework used to design the Corporations ICFR is the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations.

Journey is required to comply with National Instrument 52-109 *“Certification of Disclosure on Issuers’ Annual and Interim Filings”* (“NI 52-109”). The CEO and CFO have evaluated the effectiveness of Journey’s disclosure controls and procedures as at December 31, 2025 and have concluded that such disclosure controls and procedures were effective as at such date. NI 52-109 requires that Journey disclose in its most recent interim period any material weaknesses in Journey’s internal control over financial and/or any changes in Journey’s internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect Journey’s internal controls over financial reporting. Journey confirms that no material weaknesses or such changes were identified in Journey’s internal controls over financial reporting during the fourth quarter of 2025.

The December 31, 2025 consolidated Financial Statements are available on SEDARPLUS at www.sedarplus.com as well as the Company’s website at www.journeyenergy.ca.