JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Financial Position *(unaudited)*

(in thousands of Canadian dollars)

	Note	**March 31, 2023**	December 31, 2022
ASSETS			
CURRENT			
Cash		**19,440**	31,400
Accounts receivable		**31,483**	29,677
Prepaid expenses and deposits		**3,253**	1,650
Total current assets		**54,176**	67,727
Property, plant and equipment	2	**471,649**	482,082
Exploration and evaluation assets	3	**5,403**	5,383
Deferred tax asset	14	**87,355**	89,003
Total assets		**618,583**	639,195
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		**44,065**	45,496
Term-debt	5	**-**	48,571
Other liabilities	4	**3,739**	4,955
Other loans	6	**24,000**	24,000
Lease obligations	9	**202**	154
Decommissioning obligations	8	**2,934**	5,317
Total current liabilities		**74,940**	128,493
Term-debt	5	**41,981**	16,671
Lease obligations	9	**1,550**	1,555
Other loans	6	**13,419**	19,419
Decommissioning obligations	8	**179,410**	188,381
Total liabilities		**311,300**	354,519
EQUITY			
Share capital	10	**366,901**	351,485
Contributed Surplus		**110,256**	109,505
Warrants	11	**3,073**	3,073
Deficit		**(172,947)**	(179,387)
Total equity		**307,283**	284,676
Total liabilities and equity		**618,583**	639,195
Commitments	18		
Subsequent events	21		

See accompanying notes.

APPROVED BY THE BOARD

"Signed" **Steve Smith, Director**

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

JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

	Note	Three months ended March 31, **2023**	2022
REVENUE			
Petroleum and natural gas sales	17(c)	**58,443**	45,858
Processing and other income		**2,072**	1,933
Royalties		**(12,068)**	(8,123)
Net revenue		**48,447**	39,668
EXPENSES			
Operating		**24,579**	14,749
Transportation		**1,232**	386
General and administrative		**1,823**	2,411
Share based compensation	12	**617**	447
Exploration and evaluation	3	**118**	130
Loss on debt modification	5	**175**	-
Depletion and depreciation	2	**6,891**	4,632
Transaction costs		**2**	8
Finance	13	**4,499**	3,136
Total expenses (recovery)		**39,936**	25,899
NET INCOME BEFORE TAXES		**8,511**	13,769
Deferred income tax expense	14	**2,071**	-
NET INCOME AND COMPREHENSIVE INCOME		**6,440**	13,769
NET INCOME PER SHARE	15		
Basic		**0.11**	0.28
Diluted		**0.10**	0.25

See accompanying notes.

JOURNEY ENERGY INC.

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

(in thousands of Canadian dollars)

	Note	Share Capital	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2023		351,485	109,505	3,073	(179,387)	284,676
Comprehensive income		-	-	-	6,440	6,440
Equity issued, net	10	15,416	-	-	-	15,416
Share based compensation net of deferred tax	12	-	751	-	-	751
Balance, March 31, 2023		**366,901**	**110,256**	**3,073**	**(172,947)**	**307,283**

	Share Capital	Contributed Surplus	Warrants	Deficit	Total Equity
Balance, January 1, 2022	305,716	109,336	3,809	(334,585)	84,276
Comprehensive income	-	-	-	13,769	13,769
Equity issued, net	10,550	-	-	-	10,550
Share based compensation	-	447	-	-	447
Balance, March 31, 2022	316,266	109,783	3,809	(320,816)	109,042

JOURNEY ENERGY INC.

Condensed Consolidated Interim Statement of Cash Flows *(unaudited)*
For the three months ended March 31, 2023 and 2022
(in thousands of Canadian dollars)

	Note	Three months ended March 31, 2023	2022
CASH FLOW FROM THE FOLLOWING ACTIVITIES:			
OPERATING			
Net income and comprehensive income		**6,440**	13,769
Adjustments for:			
Other income	8	**(167)**	(114)
Deferred tax expense	14	**2,071**	-
Share based compensation	12	**617**	447
Depletion and depreciation	2	**6,891**	4,632
Loss on debt modification	5	**175**	-
Change in fair value of other liability	4	**45**	185
Accretion of decommissioning obligations	8	**1,337**	904
Accretion of lease obligations	9	**49**	28
Accretion of term-debt	5	**256**	279
Deferred financing charge	5	**125**	133
Exploration and evaluation expense	3	**118**	130
Decommissioning costs incurred	8	**(2,216)**	(902)
Changes in non-cash working capital	17(a)	**(4,280)**	2,320
Cash flow provided by operating activities		**11,461**	21,811
FINANCING			
Common share issued, net of issue costs	10	**18,866**	11,292
(Repayment) Advances other loans		**(6,000)**	254
Repayment of term-debt		**(23,817)**	-
Lease obligation payments	9	**(92)**	(81)
Repayment of other liability	4	**(5,000)**	(750)
Cash flow (used in) provided by financing activities		**(16,043)**	10,715
INVESTING			
Additions to property, plant and equipment	2	**(7,614)**	(11,668)
Additions to exploration and evaluation assets	3	**(240)**	(445)
Disposition of property, plant and equipment and exploration and evaluation assets		**1,036**	-
Acquisition of property, plant and equipment and exploration and evaluation assets		**-**	(49)
Changes in non-cash working capital	17(a)	**(560)**	2,527
Cash flow used in investing activities		**(7,378)**	(9,635)
CHANGE IN CASH		**(11,960)**	22,891
CASH, BEGINNING OF PERIOD		**31,400**	15,359
CASH, END OF PERIOD		**19,440**	38,250

Supplementary cash flow information 17 (b)
See accompanying notes.

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

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

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

1. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements as at March 31, 2023 (the "Financial Statements") are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Certain disclosures included in the notes to the annual financial statements have been condensed in the following interim note disclosures or have been disclosed on an annual basis only. Accordingly, these Financial Statements should be read in conjunction with the audited consolidated annual financial statements for the year ended December 31, 2022 (the "2022 Annual Financial Statements").

The Company's Board of Directors approved these Financial Statements on May 9, 2023.

b) Basis of measurement

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

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments which are recorded at fair value as detailed in the accounting policies disclosed in note 16 of these Financial Statements.

c) Significant estimates and judgements

The timely preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ materially from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are reviewed and for any future years affected. Significant judgements, estimates and assumptions made by management in these Financial Statements are consistent with those outlined in note 3 of the 2022 Annual Financial Statements.

2. PROPERTY, PLANT AND EQUIPMENT

	Petroleum and natural gas assets	Right of use assets	Electricity	Other assets	Total
Balance, January 1, 2022	1,297,377	3,863	7,006	4,410	1,312,656
Additions	40,836	854	2,816	-	44,506
Changes in decommissioning obligations	(7,041)	-	-	-	(7,041)
Acquisitions	162,469	-	-	-	162,469
Dispositions	(3,000)	-	-	-	(3,000)
Transfer from exploration and evaluation assets	167	-	-	-	167
Balance, December 31, 2022	1,490,808	4,717	9,822	4,410	1,509,757
Additions	6,302	86	1,312	-	7,700
Dispositions	(1,036)	-	-	-	(1,036)
Changes in decommissioning obligations	(10,308)	-	-	-	(10,308)
Transfer from exploration and evaluation	102	-	-	-	102
Balance, March 31, 2023	**1,485,868**	**4,803**	**11,134**	**4,410**	**1,506,215**

	Petroleum and natural gas assets	Right of use assets	Electricity	Other assets	Total
Accumulated depletion, depreciation and impairment losses					
Balance, January 1, 2022	(991,192)	(2,925)	(427)	(4,233)	(998,777)
Provision for the period	(28,143)	(369)	(340)	(46)	(28,898)
Balance, December 31, 2022	(1,019,335)	(3,294)	(767)	(4,279)	(1,027,675)
Provision for the period	(6,674)	(123)	(85)	(9)	(6,891)
Balance, March 31, 2023	**(1,026,009)**	**(3,417)**	**(852)**	**(4,288)**	**(1,034,566)**

Carry amounts	Petroleum and natural gas assets	Right of use assets	Electricity	Other assets	Total
January 1, 2022	306,185	938	6,579	177	313,879
December 31, 2022	471,473	1,423	9,055	131	482,082
March 31, 2023	**459,859**	**1,386**	**10,282**	**122**	**471,649**

Future development costs for oil and natural gas reserves of $247,724 (December 31, 2022 - $249,924) were included in the depletion calculation.

At the end of each reporting period, the Company assesses whether there were indicators of impairment. The assessment criteria used are: changes in reserves; changes in forecasted commodity prices from the previous reserve report; interest rates; the health of the oil and gas industry; the status of the general economy; well performance; and near term development plans. At March 31, 2023 it was determined that a test for impairment or impairment reversal was not required.

3. EXPLORATION AND EVALUATION ASSETS

Balance, January 1, 2022	6,426
Additions	552
Acquisitions	539
Lease expiries and expense	(1,946)
Transfer to property, plant and equipment	(167)
Impairment	(21)
Balance, December 31, 2022	5,383
Additions	240
Transfer to property, plant and equipment	(102)
Lease expiries	(118)
Balance, March 31, 2023	**5,403**

4. OTHER LIABILITIES

Other liabilities are comprised of:

(i) Contingent Liability

As a result of the October 30, 2020 debt restructuring, Journey was contingently liable to pay a maximum of $5,750 over a three year period starting in 2021, with annual payments dependent on price ranges for mixed, sweet, blended oil prices at the Edmonton, Alberta hub. Payments were capped at a maximum amount of $750 for 2021; $2,250 for 2022; and for 2023 the payment was capped at the maximum total obligation remaining of up to $5,750 less any previous repayments. The debt does not bears any interest. As consideration for consenting to the acquisition that closed on October 31, 2022, the remaining future payments of $5,000 all became due on January 31, 2023 and were paid.

(ii) Flow-through shares

A deferred liability of $3,739 was recognized for the premium on the flow through shares (Note 10). The liability will be de-recognized through income tax expense as the Company incurs the qualifying expenditures.

The table below summarizes the change in fair value for the Other Liabilities:

	$
Fair value at January 1, 2022	4,466
Repayment	(750)
Increase in fair value for period	1,239
Fair value at December 31, 2022	**4,955**
Increase in fair value for period	45
Repayment	(5,000)
Deferred liability for flow-through share issuance	3,739
Fair value at March 31, 2023	**3,739**

5. TERM-DEBT

A summary of the Company's term-debt outstanding as at the respective period ends is as follows:

	March 31, 2023	December 31, 2022
Tranche:		
1 - matures April 30, 2024(ii)	**24,700**	24,700
2 - matures March 31, 2023 (i)	**-**	23,817
3 - matures October 31, 2024	**13,580**	13,580
4 - matures October 31, 2024	**5,483**	5,483
Unamortized financing costs	**(1,782)**	(2,338)
Total	**41,981**	65,242
Current portion of term-debt	**-**	(48,571)
Long term portion of term-debt	**41,981**	40,392

(i) On October 31, 2022 concurrent with closing of an acquisition, the maturity date of this tranche was amended from September 30, 2022 to March 31, 2023 and was repaid in full March 31, 2023.

(ii) On March 30, 2023 the maturity date of this tranche was amended from October 31, 2023 to April 30, 2024. Due to the debt modification a loss of $175 was realized in the period ended March 31, 2023.

The continuity of the remaining four tranches of term-debt for the current period is as follows:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total
Balance January 1, 2023	24,896	23,675	11,188	5,483	63,856
Amortization of deferred finance costs	6	-	119	-	**125**
Debt modification	175	-	-	-	**175**
Accretion	(63)	142	177	-	**256**
Repayment	-	(23,817)	-	-	**(23,817)**
Balance, March 31, 2023	**25,014**	**-**	**11,484**	**5,483**	**41,981**

All tranches of the term-debt are secured by a floating charge debenture over all of the Company's assets. There is a financial covenant that requires the Company to maintain its Liability Management Rating greater than 1.50. In addition, there are certain standard, non-financial covenants in the term-debt agreement. Journey was in compliance with all covenants as at March 31, 2023. Journey anticipates compliance with the LMR threshold throughout 2023.

6. OTHER LOANS

a) Vendor Take Back ("VTB")

As part of the acquisition of petroleum and natural gas assets that closed October 31, 2022 the vendor granted Journey the VTB loan in the amount of $45,000. The loan bears interest at 10.0% per annum and is to be paid with the scheduled monthly payments that commenced December 1, 2022. The monthly repayment amount is determined by the monthly oil price of West Texas Intermediate ("WTI") for the relevant month on a per barrel basis. If the monthly WTI price is equal to or in excess of $100 USD per barrel the monthly repayment is $4,000 plus accrued interest on principle balance. If the monthly WTI price is equal to or in excess of $85 USD per barrel but less than $100 USD per barrel the monthly repayment is $3,000 plus accrued interest on principle balance. If the monthly WTI price is equal to or in excess of $70 USD per barrel but less than $85 USD per barrel the monthly repayment is $2,000 plus accrued interest on principal balance. If the monthly WTI price is below $70 USD per barrel the monthly repayment is $1,000 plus accrued interest on principle balance. The loan is secured by the oil and natural gas properties acquired from the vendor. Because the monthly repayment amounts can fluctuate with WTI prices, the categorization of this debt between current and long term was made on the basis of future strip WTI oil prices.

b) Government loan

As part of the Canadian federal government's COVID assistance plans companies could apply for partially forgivable, emissions reduction based, interest free loans. The March 31, 2023 balance is $419.

The table below summarizes the activity for other loans:

	$
Balance at January 1, 2022	156
Government loan	263
Vendor take back loan	45,000
Repayments of vendor take back loan	(2,000)
Balance at December 31, 2022	43,419
Repayments of vendor take back loan	(6,000)
Balance at March 31, 2023	**37,419**
Current portion of other loans	(24,000)
Non-current portion of other loans	13,419

7. BANK DEBT

Journey currently has a demand overdraft facility of $1,500 with a chartered bank of which there was no amount drawn as at March 31, 2023. Any advances under this agreement bear interest at a rate of 2.5 percent above the banks' prime lending rate. The overdraft is secured by a general security agreement over certain tangible field facilities of the Company.

8. DECOMMISSIONING OBLIGATIONS

The Company's decommissioning obligations result from ownership interests in petroleum and natural gas assets, which include: well sites, gathering systems, natural gas processing facilities and oil batteries. The Company estimates the total undiscounted, un-escalated amount of cash flows required to settle its decommissioning obligations at March 31, 2023 to be $256,295 (December 31, 2022 - $259,615) the majority of which will be incurred at various times between 2024 and 2059. The present value of the future liability at March 31, 2023 has been calculated using an inflation rate of 1.7% (December 31, 2022 – 2.1%) for the costs and the discounted using the risk free rate of 3.0% (December 31, 2022 – 3.3%). As at March 31, 2023, no funds have been specifically set aside to settle these obligations. Management currently expect future expenditures to be funded from cash flows from operations. Changes to decommissioning obligations during the respective periods below were as follows:

	March 31, 2023	December 31, 2022
Balance, beginning of period	**193,698**	182,955
Obligations acquired	**-**	18,376
Revaluation of obligations acquired	**-**	44,060
Obligations disposed	**(4,674)**	(944)
Obligations settled	**(2,216)**	(3,796)
Obligations settled through government grants[1]	**(167)**	(1,240)
Incurred on development activity during the period	**-**	606
Revisions to estimates	**2,616**	2,228
Changes in discount rates	**(8,250)**	(52,990)
Accretion	**1,337**	4,443
Balance, end of period	**182,344**	193,698
Current provision	**2,934**	5,317
Non-current provision	**179,410**	188,381

1. Funding earned through the Alberta Government Site Rehabilitation Program is recognized as "Other Income" in the Condensed Consolidated Interim Statement of Comprehensive Income during the periods ended March 31, 2023 and March 31, 2022.

9. LEASE OBLIGATIONS

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

	Current	Long-term	Total
Balance, January 1, 2022	239	822	1,061
Additions	(27)	881	854
Lease payments	(13)	(330)	(343)
Accretion	(45)	182	137
Balance, December 31, 2022	154	1,555	1,709
Additions	64	22	86
Lease payments	(20)	(72)	(92)
Accretion	4	45	49
Balance, March 31, 2023	**202**	**1,550**	**1,752**

The Company used an interest rate that approximated its incremental cost of borrowing at the inception of each lease to discount the future lease liabilities. The undiscounted lease liability at March 31, 2023 was $2,124 (December 31, 2022 - $2,130).

10. SHARE CAPITAL

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

	Shares	$
Balance, January 1, 2022	48,060	305,716
Flow-through shares issued	2,852	12,121
Deferred income tax on flow-through share issuance	-	(742)
Share issue costs net of deferred tax	-	(852)
Issued on corporate acquisition	1,750	10,920
Issued on property acquisition	3,000	18,150
Warrant exercise	1,137	4,318
Exercise of stock options	60	271
Settlement of SPSU's, PPSU's and RSU's	1,023	1,583
Balance, December 31, 2022	**57,882**	**351,485**
Flow-through shares issued (i)	3,040	16,386
Share issue costs net of deferred tax	-	(970)
Balance, March 31, 2023	**60,922**	**366,901**

(i) On March 23, 2023, 3,040 thousand flow-through shares were issued pursuant to a prospectus offering for gross proceeds of $20,125, representing $6.62 per share. Journey incurred share issue costs of $1,259 on the issuance.

11. WARRANTS

	Warrants	$
Balance, January 1, 2022	6,137	3,809
Warrant exercise (i)	(1,137)	(736)
Balance December 31, 2022 and March 31, 2023 (ii)	**5,000**	**3,073**

(i) September 29, 2022 1,137 warrants were exercised for common shares on a one for one basis with an exercise price of $3.15 per warrant.

(ii) 5,000 warrants are convertible into common shares on a one for one basis with an exercise price of $0.16 per warrant and expire on October 31, 2024.

12. SHARE BASED COMPENSATION

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

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

	RSU's	PPSU's	SPSU's
Balance at January 1, 2022	1,129	648	365
Issued	525	165	165
Settled	(453)	(404)	(121)
Forfeited	(54)	(4)	(4)
Balance at December 31, 2022	1,147	405	405
Issued	22	3	3
Forfeited	(45)	-	-
Balance at March 31, 2023	**1,124**	**408**	**408**

13. FINANCE EXPENSE

	Three months ended March 31,	
	2023	2022
Interest and bank fees	**2,687**	1,607
Deferred financing charge	**125**	133
Accretion of decommissioning obligations	**1,337**	904
Accretion of lease obligations	**49**	28
Accretion of term-debt	**256**	279
Change in fair value of other liability	**45**	185
Total finance expense	**4,499**	3,136

14. DEFERRED INCOME TAX

Differences between the statutory and effective rates for the three month periods ended March 31, 2023 and 2022 are accounted for as follows:

	Three months ended March 31,	
	2023	2022
Net income before taxes	**8,511**	13,769
Statutory tax rate	**23.0%**	23.0%
Expected income tax expense	**1,958**	3,167
Increase (decrease) resulting from:		
Share based compensation and other	**113**	107
Change in unrecognized deferred tax asset	**-**	(3,274)
Deferred income tax expense	**2,071**	-

15. PER SHARE AMOUNTS

The following table summarizes the weighted average common shares used in calculating per share amounts:

	Three months ended March 31, 2023	2022
Net income	**6,440**	13,769
Weighted average shares outstanding - basic	**58,153**	48,472
Weighted average shares outstanding - diluted	**64,036**	55,998
Net income per share – basic	**$ 0.11**	$ 0.28
Net income per share – diluted	**$ 0.10**	$ 0.25

The net income per basic share is calculated by dividing the net income by the weighted average number of common shares outstanding during the respective periods. For the three month period ended March 31, 2023 the dilutive impact of RSU's, PPSU's, SPSU's and warrants was an additional 5,883 to the weighted average common shares (March 31,2022 – 7,526).

16. FINANCIAL INSTRUMENTS

(a) Risks

(i) Credit risk

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

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

	Three months ended March 31, 2023	2022
Accounts receivable	**31,483**	21,087

For the period ended March 31, 2023, Journey determined that $409 (2022 - $2,219) of receivables from third parties were uncollectable and provided for them in the provision for uncollectable accounts. At March 31, 2023, Journey estimated its provision for uncollectable accounts to be $750 (2022 - $2,363). Accounts receivable balances outstanding greater than ninety days at March 31, 2023 were $2,134 (2022 – $2,941).

(ii) Interest rate risk

All the Company's term loans bear interest at fixed rates with the exception of the commitment fee loan, which bears interest only if certain oil price thresholds are met. Borrowings under the bank demand operating loan are market-rate based (variable interest rates); thus exposing Journey to cash flow risk. As there were no borrowings under the bank demand loan at March 31, 2023 there is currently no impact.

(iii) Foreign exchange risk

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

(iv) Liquidity risk

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

Journey has four tranches of term-debt outstanding with its major shareholder, Alberta Investment Management Corporation ("AIMCo"). 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. The following table details Journey's financial liabilities as at March 31, 2023:

	Total	**< 1 year**	**1-3 years**	**4-5 years**
Accounts payable and accrued liabilities	**44,065**	44,065	-	-
Term debt – principal amount	**80,763**	24,000	56,763	-
Interest on term debt	**11,053**	7,759	3,294	-
Other loan	**419**	419	-	-
Natural gas transportation	**3,849**	1,643	1,991	215
Operating leases	**4,609**	1,035	2,937	637
Total financial liabilities	**144,758**	78,921	64,985	852

17. SUPPLEMENTAL INFORMATION

a) *Changes in non-cash working capital*

	Three months ended March 31,	
Sources (uses) of funds:	**2023**	2022
Accounts receivable	**(1,806)**	(907)
Prepaid expenses and deposits	**(1,603)**	(690)
Accounts payable and accrued liabilities	**(1,431)**	6,444
	(4,840)	4,847

Related to:		
Operating activities	**(4,280)**	2,320
Investing activities	**(560)**	2,527
	(4,840)	4,847

b) *Supplementary cash flow information*

	Three months ended March 31,	
	2023	2022
Interest paid	**4,845**	-

c) Petroleum and natural gas sales by product type

	Three months ended March 31,	
	2023	2022
Crude oil	**40,885**	29,803
Natural gas	**11,491**	11,517
Natural gas liquids	**6,067**	4,538
Petroleum and natural gas sales	**58,443**	45,858

18. COMMITMENTS

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

	Total	<1 year	1-3 years	4-5 years
Natural gas transportation	**3,849**	1,643	1,991	215
Lease commitments	**4,609**	1,035	2,937	637
Total	**8,458**	2,678	4,928	852

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

19. RELATED PARTY TRANSACTIONS

a) Compensation

The Company considers its directors and executives to be key management personnel and are therefore related parties. Compensation for these individuals for the three month periods ended March 31, was comprised of the following:

	Three months ended March 31,	
	2023	2022
Salaries and fees	**412**	218
Short-term employee benefits	**36**	6
Share based payments (i)	**360**	135
Total	**808**	359

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

(ii) As at March 31, 2023 there were eleven (March 31, 2022 – seven) individuals that were considered key management personnel.

All related party transactions above were recorded at the above disclosed exchange amounts.

20. CAPITAL MANAGEMENT

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

The Company's primary source of funds is the cash provided from operating activities. As of March 31, 2023 Journey had $19,440 of cash on hand. Management believes the Company is positioned to execute on its future strategic growth plans. Future exploration and development capital expenditures are expected to be funded through the proceeds realized from the flow-through share equity issuance that closed on March 23, 2023 (Note 10) and other capital expenditures will be financed primarily by cash generated from operating activities.

Journey's capital structure as at March 31, 2023 and December 31, 2022 is as follows:

	March 31, 2023	Dec. 31, 2022
Principal amount of term debt	**43,763**	67,580
Principal amount of vendor-take-back loan	**37,000**	43,000
Accounts payable and accrued liabilities	**44,065**	45,496
Other liability - principal	**-**	5,000
Other loans	**419**	419
Deduct:		
Cash in bank	**(19,440)**	(31,400)
Accounts receivable	**(31,483)**	(29,677)
Prepaid expenses	**(3,253)**	(1,650)
Net debt	**71,071**	98,768

Journey continually monitors its capital structure and adjusts it throughout the year as a result of general economic conditions, the state of the petroleum industry and global events, all of which may affect commodity prices. Journey prepares an annual capital budget, which is approved by the Board of Directors, and is updated quarterly for acquisition and divestiture activity as needed, changes in commodity prices, and drilling successes. Given the volatile commodity price environment, which is impacted significantly by world events, the budget is intended to be flexible and is re-evaluated at each regularly scheduled board meeting.

21. SUBSEQUENT EVENTS

On April 28, 2023 Journey closed the purchase of the 16.5 MW power generating assets at Mazeppa for $5.25 million.