



PRESS RELEASE

INPLAY OIL CORP. ANNOUNCES 2018 CAPITAL BUDGET OF \$38 MILLION GENERATING LIGHT OIL PRODUCTION GROWTH OF OVER 23%

Calgary, Alberta: January 22, 2018 – InPlay Oil Corp. ("InPlay" or "the Company") (TSX: IPO, OTCQX: IPOOF) is pleased to announce that its Board of Directors has approved a \$38 million Exploration and Development capital program for 2018 which is forecasted to deliver over 23% average light oil production per share growth in 2018 over 2017. This organic production increase is expected to deliver top quartile light oil production per share growth in the industry.

2018 Budget Overview

InPlay's 2018 capital program is focused on drilling approximately 10-11 net horizontal Cardium wells with a combination of extended reach and one mile wells with over 80% of them anticipated to be in our Willesden Green bioturbated play. This program is based on our recent, very successful Willesden Green horizontal program where we had exceptional results from five wells brought on production in the second half of 2017. These wells have been yielding higher light oil weightings than initially expected as we have increased our current Willesden Green liquid rate to 68% from 45% one year ago after acquiring the property. This year's program continues to focus on these types of wells in order to generate the best results and given the current disconnect between oil and gas strip pricing. These wells payout within one year or less on current commodity prices.

The development drilling, completion and equipping program is expected to comprise approximately 81% of total capital expenditures planned for 2018, with an additional approximately 13% allocated to the very exciting East Basin Duvernay light oil play. This program complements InPlay's core technical strengths where management has drilled and performed multi-frac completions on over 220 combined Cardium horizontal wells.

Based on the planned program, InPlay is forecasting an annual average production rate of 4,400 to 4,500 boed (72% oil & liquids) with exit production of 4,800 to 4,900 boed (73% oil & liquids). We do not expect to see growth in natural gas and associated liquids in 2018 over 2017. This highly focused program is anticipated to increase our average corporate light oil production percentage from 59% (total liquids 67%) in 2017 to 64% (total liquids 72%) in 2018.

This budget is based on a WTI price of US\$ 60/bbl, foreign exchange of 0.80 CDN/USD, and \$ 1.75/mcf AECO price. The 2018 fourth quarter debt to fourth quarter annualized adjusted funds flow from operations is estimated at 1.3 times. This program provides plenty of flexibility and provides results which are expected to yield top quartile light oil production growth within our oil weighted peers. There will be ample room to potentially expand the program in the second half of the year if the current oil commodity strip price, which is the highest in two years, prevails.

Operations Update

The Company had a very successful year in 2017. In the fourth quarter, a single pad with three one mile Willesden Green bioturbated Cardium horizontal wells were drilled, completed and all put on production at the very end of November, which was approximately two weeks later than planned due to some delays with services. In December these three wells experienced typical initial startup issues, coupled with extreme cold weather and third party pipeline curtailments resulting in approximately

80% run time for the month yet still demonstrating excellent results (presented in the following table) and allowing us to easily meet our year end exit guidance of 4,300 to 4,500 boed:

WELL #	AVERAGE DAILY RATE (BOED)*	CALENDAR DAILY RATE (BOED)**	LIQUIDS (%)
1	498	433	88
2	357	245	87
3	383	328	93

* Average Day Rate = (monthly volume) / (hours produced in the month) x 24

** Calendar Day Rate = (monthly volume) / (days in month)

InPlay commenced its 2018 program late in 2017, and has drilled one net two mile Willesden Green Horizontal which is expected to be on production in February. The Company anticipates in total 3-4 net Willesden Green Cardium Horizontal wells to be drilled and brought on production in the first quarter of 2018, with minimal drilling in the second quarter until after the spring breakup period. Also planned is completion of our first East Basin Duvernay Shale horizontal well which is expected to occur after spring breakup and brought on production early in the summer.

Outlook

The InPlay team has executed its strategy and expanded on its premier asset base in two of the most exciting light oil plays in the Canadian basin being the bioturbated Cardium and the East Basin Duvernay Shale Play. These plays are highlighted by large oil in place, low base declines, long reserve life and a large inventory of high rate of return drilling locations. The Company is extremely pleased with the results achieved to date which are consistent with its core strategy focused on being one of the most capital efficient, light oil weighted companies. This strategy coupled with the Company's low base decline of approximately 22% will allow InPlay to provide consistent top tier production per share growth.

The InPlay management team and Board of Directors are motivated and committed to provide consistent, predictable growth while maintaining a strong balance sheet with financial flexibility. The Company looks forward to providing our shareholders with a further update in March with the release of year end 2017 reserves and financial results.

About InPlay Oil Corp.

InPlay, based in Calgary, Alberta, has been engaged in the business of exploring for, developing and producing oil and natural gas, and acquiring oil and natural gas properties in western Canada since it commenced operations as a private company in June 2013. Since commencing operations InPlay has concentrated on exploration and development drilling of light oil prospects in the Province of Alberta in a very focused area of Central and West Central Alberta.

The InPlay management team has worked closely together for several years in both private and public company environments and has an established track record of delivering cost-effective per share growth in reserves, production and cash-flow. InPlay will continue to implement its proven strategy of exploring, acquiring, and exploitation with a long term focus on large, light oil resource based assets. The InPlay management team brings a full spectrum of geotechnical, engineering, negotiating and financial experience to its investment decisions. The updated corporate presentation will be posted to InPlay's website in due course which will include an update on hedging. Additional information can be found on InPlay's website at: www.inplayoil.com.

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Forward-Looking Information, Statements and Advisories

The Company anticipates remaining disciplined but flexible with its budgeted 2018 capital expenditures as it monitors business conditions and commodity prices throughout the fiscal year. Where deemed prudent, the Company may make adjustments to its 2018 capital budget. Actual spending may vary due to a variety of factors including, without limitation, drilling results, crude oil and natural gas prices, economic conditions, prevailing debt and/or equity markets, field services and equipment availability, and the impact of any future strategic acquisitions or dispositions. The Company has flexibility to adjust the level of its capital investments as circumstances warrant.

This news release contains certain forward—looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: the Company's planned 2018 capital expenditures program; the estimated volumes and product mix of InPlay's oil and gas production; all production estimates including, without limitation, 2018 forecast annual average and exit production; future production and production per share growth targets; estimates of year end debt and forecast debt to adjusted funds flow and cash flow ratios; future oil and natural gas prices and InPlay's commodity risk management programs; future liquidity and financial capacity required to carry out our planned program; future results from operations and operating metrics; future costs, expenses and royalty rates; future interest costs; the exchange rate between the \$US and \$Cdn; future development, exploration, acquisition and development activities and related capital expenditures and the timing thereof; the number of wells to be drilled, completed and tied-in and the timing thereof; the amount and timing of capital projects; the total future capital associated with development of reserves and resources and methods of funding our capital program.

Forward-looking statements or information are based on a number of material factors, expectations or assumptions of InPlay which have been used to develop such statements and information but which may prove to be incorrect. Although InPlay believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because InPlay can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which InPlay operates; the timely receipt of any required regulatory approvals; the ability of InPlay to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which InPlay has an interest in to operate the field in a safe, efficient and effective manner; the ability of InPlay to obtain financing on acceptable terms and the adequacy of cash flow to fund its planned expenditures; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of InPlay to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which InPlay operates; the ability of InPlay to successfully market its oil and natural gas products. There are a number of assumptions associated with future drilling programs and the funding thereof, continued performance from existing wells and performance of new wells, the growth of infrastructure, well density per section, and recovery factors and development necessarily involves known and unknown risks and uncertainties, including those identified in this press release.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of InPlay's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of InPlay or by third party operators of InPlay's properties, increased debt levels or debt service requirements; inaccurate estimation of InPlay's oil and gas reserve and resource volumes; limited,

unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in InPlay's public disclosure documents (including, without limitation, those risks identified in this news release and InPlay's Annual Information Form).

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and InPlay does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOE equivalent

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Test Results and Initial Production Rates

A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production rates disclosed herein may not necessarily be indicative of long term performance or of ultimate recovery.

Non-GAAP Financial Measures

InPlay uses certain terms within this news release that do not have standardized prescribed meaning under Canadian GAAP and these measurements may not be comparable with the calculation of similar measurements of other entities. The term "adjusted funds flow from operations" in this news release is not a recognized measure under GAAP. For applicable reader advisories in regards to non-GAAP financial measures, including InPlay's method of calculation of "adjusted funds flow from operations", see the section entitled "Non-GAAP Measures" within the Company's management, discussion and analysis filed on SEDAR.