



## InPlay Oil Corp. Announces 2017 Financial and Operating Results and Reserves Including an 11% Increase in Proved Developed Producing Light Oil Reserves.

March 21, 2018 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) (“InPlay” or the “Company”) announces its financial and operating results for the three and twelve months ended December 31, 2017, and the results of its independent oil and gas reserves evaluation effective December 31, 2017 (the “Sproule Report”) prepared by Sproule Associates Limited (“Sproule”). InPlay’s audited annual financial statements and notes, as well as management’s discussion and analysis (“MD&A”) for the year ended December 31, 2017 will be available shortly on the System for Electronic Document Analysis and Retrieval (“SEDAR”) and our website (“www.inplayoil.com”).

### Financial and Operating Highlights

(CDN\$) (000’s)	Three months ended Dec 31		Year ended Dec 31	
	2017	2016	2017	2016
<b>Financial (CDN \$)</b>				
Petroleum and natural gas revenue	18,017	10,578	62,239	27,850
Adjusted Funds flow from operations <sup>(1)</sup>	8,043	35	24,974	6,526
Per share – basic and diluted <sup>(1)(2)</sup>	0.13	0.00	0.40	0.33
Per boe <sup>(1)</sup>	20.90	0.14	17.23	9.19
Comprehensive Income (Loss)	(6,939)	36,077	(7,701)	20,019
Per share – basic and diluted <sup>(2)</sup>	(0.11)	0.86	(0.12)	1.02
Exploration and Development Capital expenditures	26,992	7,341	49,224	11,083
Property Acquisitions	(152)	45,450	1,067	45,450
Corporate Acquisitions	-	33,212	-	33,212
(Net Debt) <sup>(1)</sup>	(51,266)	(34,556)	(51,266)	(34,556)
Shares outstanding	67,886,619	62,396,169	67,886,619	62,396,169
Basic & Diluted weighted-average shares <sup>(2)</sup>	63,875,582	42,153,526	62,688,280	19,626,821
<b>Operational</b>				
Daily production volumes				
Crude oil (bbls/d)	2,503	1,522	2,310	1,318
Natural gas liquids (bbls/d)	371	258	352	143
Natural gas (Mcf/d)	7,866	5,592	7,857	2,871
Total (boe/d)	4,185	2,712	3,972	1,940
Realized prices				
Crude Oil & NGLs (\$/bbls)	62.81	58.64	57.02	49.71
Natural gas (\$/Mcf)	1.95	3.33	2.38	2.53
Total (\$/boe)	46.79	42.40	42.93	39.22
Operating netbacks (\$ per boe) <sup>(1)</sup>				
Oil and Gas sales	46.79	42.40	42.93	39.22
Royalties	(4.58)	(3.75)	(4.32)	(3.48)
Transportation expense	(0.50)	(0.79)	(0.62)	(0.83)
Operating costs	(15.40)	(17.61)	(16.10)	(17.36)
Operating Netback (prior to realized derivative contracts)	26.31	20.25	21.89	17.55
Realized gain (loss) on derivative contracts	0.43	(1.04)	0.77	3.74
Operating Netback (including realized derivative contracts)	26.74	19.21	22.66	21.29

(1) “Adjusted funds flow from operations”, “Net Debt”, “Working Capital”, “Operating netback per boe” and “Operating netback” do not have a standardized meaning under International Financial Reporting standards (IFRS) and GAAP. “Adjusted funds flow from operations” adjusts for decommissioning obligation expenditures and net change in operating non-cash working capital from net cash flow provided by operating activities. Please refer to Non-GAAP Financial Measures and BOE equivalent at the end of this news release.

(2) Weighted average share amounts for 2016 are converted retrospectively at the exchange rate of 0.1303 in accordance with the terms of the Arrangement as outlined in note 5 & 13 in the Company’s audited annual December 31, 2017 financial statements filed on SEDAR. This is done in accordance with IAS 33.64

## Message to Shareholders:

We are pleased to present InPlay's year end 2017 reserves and financial and operating results for the three and twelve months ended December 31, 2017 which reflect our first full year of operations following the November 7, 2016 reverse take-over business combination with Anderson Energy Inc. and associated transactions.

InPlay continued to successfully execute its strategy in 2017, expanding our large light oil resource base that can provide shareholders with top tier organic per share growth (amongst light oil weighted peers) backed by low decline, predictable reserves and an inventory of high return, quick payout drilling locations, all supported by a strong balance sheet.

In our first full year as a public Company, InPlay successfully grew fourth quarter 2017 production 54% over the fourth quarter of 2016 while also growing December 2017 production by 30% over the month of December 2016. Despite our strong growth, we have been able to maintain a low base decline rate of 19% based on 2018 proved plus probable developed producing ("P+PDP") reserves while also delivering a total proved and probable reserve life index of 17.1 years.

In the second half of 2017 we started drilling in the bioturbated Cardium in Willesden Green with five net wells delivering exceptional results. Our five well program resulted in production growth of 167% and an increased oil and liquids ratio from 58% to 78% in Willesden Green. We also made a strategic decision to substantially increase our Crown land holdings in the East Duvernay light oil shale play to expand our land position and capitalize on our first mover advantage. During 2017, InPlay increased our Crown acreage in the area by 123% to 36.25 sections while also creating a more contiguous land block, thereby increasing the potential value of our entire Duvernay Crown land position.

Actions taken to transform our Company throughout 2017 have continued into 2018 with the completion of multiple strategic acquisitions and divestitures, further improving our financial flexibility and sustainability. To date, InPlay has closed the disposition of a non-core gas facility and related infrastructure and the acquisition of high quality Willesden Green bioturbated Cardium properties which increase our acreage in the area by 31% and our tier-one horizontal location inventory by over 64%.

InPlay has now assembled two exciting light oil plays. The Company plans to focus on the Willesden Green Cardium as our key growth platform over the near term while taking a measured pace to its Duvernay development. The ongoing competitor Duvernay activity, in close proximity to our lands, continues to demonstrate strong production results. Our long tenure Crown lands afford us the flexibility to track industry developments in the area as we collectively make important strides towards optimizing the play in order to maximize its profitability.

## 2017 Financial Highlights:

- Revenues of \$62.2 million (90% derived from oil and liquids) including \$18.0 million in the fourth quarter (92% derived from oil and liquids).
- Increased operating netbacks by 25% to \$21.89 per boe in 2017 and 30% to \$26.31 in the fourth quarter backed by increased oil and liquid weightings, prices and reduced operating costs.
- Adjusted funds flow from operations for 2017 increased 283% to \$25.0 million which included \$8.0 million in the fourth quarter representing \$0.47 per basic share annualized.
- Decreased operating costs by 7% to \$16.10 per boe in 2017 and by 13% to \$15.40 per boe in the fourth quarter with continued cost focus improving field operations and efficiencies.

- Increased East Duvernay light oil shale Crown land holdings 123% by acquiring \$14 million of valuable Crown land mineral rights throughout the year which results in the Company having a significant land position in one of the most exciting new Canadian light oil plays with 23,200 acres (36.25 sections), and a conservative internal estimated value of approximately \$37.0 million based on recent land sale activity.
- Completed flow-through share financings raising proceeds of \$10.1 million.
- Strong financial flexibility was maintained with net debt to annualized fourth quarter 2017 adjusted funds from operations of 1.6 times which improves following a non-core facility disposition completed in the first quarter of 2018 for proceeds of \$10 million.
- Development capital of \$32 million was spent on drilling, completions, equipping and facilities in the Company's Cardium properties with a shift in focus in the latter half of the year towards the Willesden Green area of operations generating strong results.

### **2017 Operating Highlights:**

InPlay's shift in focus to its Willesden Green bioturbated Cardium assets saw the Company drill some of the most productive Cardium light oil wells in Alberta resulting in Corporate fourth quarter 2017 production of 4,185 boe/day (a 54% increase over the fourth quarter of 2016) and fourth quarter 2017 light oil production of 2,503 bbl/day (a 65% increase over the fourth quarter of 2016). These results were achieved even though extreme cold weather late in the year led to operation delays, including a two week delay in bringing on a three well pad at Willesden Green which only began producing in late November 2017, and an increase in inventory builds due to pipeline capacity limits seen by the industry at year end.

InPlay's 2017 Cardium program consisted of 11 (9.1 net) horizontal wells being drilled, which include 6 (4.1 net) Pembina horizontal Cardium wells, 4 (4.0 net) Willesden Green horizontal one mile Cardium wells, 1 (1.0 net) Willesden Green horizontal two mile well and the 2017 completion of 2 (2.0 net) Pembina horizontal Cardium wells which had been drilled in late 2016. InPlay's Cardium program throughout the year was continually refined with new technology in drilling and completions, including fracture spacing and sand tonnage optimization. Also, 1 (1.0 net) Duvernay well was drilled in the fourth quarter with the completion planned for the second quarter of 2018. We initiated our 2018 capital program in December with the start of a two mile Willesden Green Cardium well with approximately \$1.0 million spent prior to year end.

- Annual average 2017 production is up 105% over 2016 to 3,972 boe/day in line with corporate guidance of 4,000 boe/day. Production per basic share increased 88% in 2017 over 2016.
- Annual 2017 light oil growth is up 75% to 2,310 bbl/day over 2016.
- Fourth quarter 2017 production is up 54% over fourth quarter 2016 to 4,185 boe/day representing per share growth of 42% (debt adjusted 30%) exceeding forecasted guidance of 20%.
- Fourth quarter 2017 light oil production is up 65% over fourth quarter 2016 to 2,503 bbl/day, reflecting our focus in development of our light oil weighted Cardium assets.
- Growth in production in the Willesden Green area was 167% to over 2,000 boe/day for December 2017 compared to December 2016 with light oil and liquids weighting increasing from 58% to 78%.
- The Company's first Huxley Duvernay light oil horizontal well was drilled in the fourth quarter which is scheduled to be completed in the second quarter of 2018.

### **2018 Corporate and Operations Update:**

InPlay's first quarter development capital was 100% directed to the Willesden Green bioturbated Cardium. The Company commenced its 2018 program in late 2017 with the drilling of 1 (1.0 net) two mile Willesden Green horizontal well which was completed in 2018 and is now on production. An additional 3 (2.0 net) horizontal wells were drilled, completed and brought on production in late February with 2 (0.7 net) additional one mile wells currently being completed and expected to be producing prior to April. Initial results from these wells continue to exceed our type curves and support our growth within cash-flow platform. The three wells on production initially flowed and have limited time on continuous production with artificial lift. The wells are in early stage cleanup and the recent two mile well currently is producing at an average of 410 boe/d (95% light oil and liquids) based on field estimates.

InPlay has also been active in pursuing strategic acquisition and divesture initiatives. InPlay closed the disposition of a non-core natural gas facility and associated infrastructure for \$10 million, where only fourteen percent of the throughput of this facility was utilized by the Company. As well, InPlay acquired strategic Cardium assets in Willesden Green which add significant acreage and drilling inventory in the bioturbated zone which is generating some of the highest light oil returns in Western Canada. The total cost of the acquisitions is approximately \$5.7 million (including adjustments) and include current production of approximately 100 boe/day (75% light oil and liquids) based on field estimates. More importantly, in Willesden Green the acquisitions add 6,059 net acres of land (a 31% increase) and over 50 net potential horizontal drilling locations (a 64% increase). These newly acquired lands are contiguous and the recent drilling by InPlay and other operators surrounding these lands has shown results exceeding our type curves. We believe these newly acquired locations are of top tier quality and plans are to start drilling on these lands late in the second quarter and into the second half of the year.

### **2017 Reserve Highlights:**

Through drilling 9.1 net Cardium wells we were able to increase our Proved Developed Producing ("PDP"), Total Proved ("TP") and Total Proved & Probable ("TPP") light oil reserves by 11%, 8% and 10% respectively. In the second half of 2017 all exploration and development capital was directed towards our Willesden Green property and to our new exploration focused Huxley Duvernay area. For the year, 74% of exploration and development ("E&D") capital was spent in these two areas.

The Company's efforts to build solid sustainable results continue with year end PDP, TP and TPP reserve life indices of 5.2, 11.4 and 17.1 years respectively and an estimated base 2018 PDP decline rate of 21.9% and a P+PDP decline rate of 19%. Total TPP BT 10% reserve value and corporate net asset value ("NAV") increased 10% year over year even in light of a reduction in year end evaluation price decks.

#### Reserve Increases:

- PDP Increased 8% to 7,911 mboe (increased light oil 11%)
- TP increased 5% to 17,473 mboe (increased light oil 8%)
- TPP increased 7% to 26,084 mboe (increased 10% light oil)

#### Reserve Replacement:

- PDP replacement was 142%
- TP replacement was 162%
- TPP replacement was 210%

#### Reserve Values & Net Asset Value ("NAV") (BT10%):

- PDP value increases 14% to \$130 mm and NAV increased 32% to \$2.00/share
- TP value increases 8% to \$217 mm and NAV increased 13% to \$3.29/share
- TPP value increases 10% to \$350 mm and NAV increased 10% to \$5.25/share
- Results accomplished with Sproule's overall Canadian light oil per boe price deck dropping 13%, 5% and 3% in years 1, 2 and 3 respectively compared to its 2016 year end price deck

### Sustainability:

- PDP reserve life index of 5.2 years
- TP reserve life index of 11.4 years
- TPP reserve life index of 17.1 years
- PDP base decline of 22% in 2018
- P+PDP base decline of 19% in 2018

### Strong Willesden Green Reserves Results:

- PDP reserves increased 64% to 2,761 mboe with 65% oil and liquids content
- TP reserves increased 73% to 5,696 mboe with 67% oil and liquids content.
- TPP reserves increased 76% to 8,016 mboe with 68% oil and liquids content
- TPP BT10% reserves value increased 107% to \$115.5 mm
- Reserve Replacement was 384% (PDP), 733% (TP) and 1,014% (TPP)

### Corporate Reserves Information:

The following summarizes certain information contained in the Sproule Report. The Sproule Report was prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Additional reserve information as required under NI 51-101 will be included in the Company's Annual Information Form ("AIF") which will be filed on SEDAR by the end of March 2018.

**December 31, 2017**

Reserves Category	Crude Oil & NGLs <sup>(1)</sup> Mbbbl	Conventional Natural Gas MMcf	Oil Equivalent MBOE	BTAX NPV 10% (\$000's)	Future Development Capital (\$000's)	Net Undeveloped Wells Booked
Proved developed producing	5,257	15,923	7,911	129,505	-	-
Proved developed non-producing	161	148	186	3,409	-	-
Proved undeveloped	6,533	17,063	9,376	84,234	153,700	77.2
<b>Total proved</b>	<b>11,951</b>	<b>33,134</b>	<b>17,473</b>	<b>217,148</b>	<b>153,700</b>	<b>77.2</b>
Probable developed producing	1,492	4,686	2,273	31,380	-	-
Probable developed non-producing	46	44	53	865	-	-
Probable undeveloped	4,910	8,244	6,284	100,587	63,400	31.2
<b>Total probable</b>	<b>6,448</b>	<b>12,974</b>	<b>8,611</b>	<b>132,832</b>	<b>63,400</b>	<b>31.2</b>
<b>Total proved plus probable</b>	<b>18,399</b>	<b>46,107</b>	<b>26,084</b>	<b>349,980</b>	<b>217,100</b>	<b>108.4</b>

#### Notes:

1. "Oil & NGL" reserves include all light crude oil & medium crude oil volumes, and natural gas liquids volumes.
2. Reserves have been presented on gross basis which are the Company's total working interest (operating and non-operating) share before the deduction of any royalties and without including any royalty interests of the Company.
3. Based on Sproule's December 31, 2017, escalated price forecast.
4. It should not be assumed that the net present value of estimated future net revenue ("NPV") presented in the tables above represents the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserves estimates of InPlay's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.
5. All future net revenues are stated prior to provision for interest, general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. Future net revenues have been presented on a before tax basis.
6. Totals may not add due to rounding.
7. Includes reserves from the Sproule Report attributed to asset acquisitions with effective dates in 2017 and closed post Dec 31, 2017.

**Net Asset Value:****December 31, 2017**

	BTAX NPV 5%		BTAX NPV 10%	
	(\$000's)	\$/share <sup>(5)</sup>	(\$000's)	\$/share <sup>(5)</sup>
TPP NPV <sup>(1)(2)</sup>	469,147	6.91	349,980	5.16
Undeveloped acreage <sup>(3)</sup> & seismic	58,858	0.87	58,858	0.87
Net debt <sup>(4)</sup>	(51,266)	(0.76)	(51,266)	(0.76)
Fair Market Value of commodity derivative contracts	(1,578)	(0.02)	(1,578)	(0.02)
Net Asset Value (basic)	475,161	7.00	355,994	5.25

**Notes:**

1. Evaluated by Sproule as at December 31, 2017. The estimated net present value of future net revenue ("NPV") does not represent fair market value of the reserves.
2. Based on Sproule's forecast prices and costs as of December 31, 2017.
3. Internally evaluated with an average value of \$625 per acre for 88,862 undeveloped net acres and the estimated value of the sizeable seismic database acquired as a part of the Nov 7, 2016 transactions of \$3.3 mm. The Company's undeveloped Duvernay land is internally valued at \$1,600/acre on 22,880 net acres.
4. Estimated net debt as at December 31, 2017, including working capital deficit (audited).
5. Based upon 67,886,619 total common shares outstanding as at Dec 31, 2017.

**Future Development Costs ("FDCs"):**

FDCs increased by \$24.7 mm on a proved basis and \$38.7 mm on a proved plus probable basis due to the addition of 9.3 (TP) and 11.6 (TPP) locations. Also, increased costs associated with fracture intensity and increased service costs on all undeveloped locations accounted for 29% and 24% of the increase in FDCs on a TP and TPP basis. Following is a summary of the estimated FDC required to bring InPlay's undeveloped reserves on production.

**Future Development Capital Costs (amounts in \$000,000's)**

	Total Proved	Total Proved + Probable
2018	38.9	43.2
2019	61.6	67.2
2020	53.2	59.6
2021	0	47.1
Total undiscounted FDC	153.7	217.1
Total discounted FDC at 10% per year	132.4	180.1

Note: FDC as per Sproule Report based on Sproule forecast pricing as at December 31, 2017

**Performance Measures:**

	2016	2017	2 Year Avg
Average crude oil price WTI US\$/bbl	43.32	50.95	47.14
E&D Capital (\$000's) <sup>(2)</sup>	10,251	40,679	-
Production boe/day – Full Year 2017	1,940	3,972	2,956
Production boe/day – Q4 2017	2,712	4,185	3,449
Operating netback \$/boe – FY 2017 <sup>(1)</sup>	17.57	22.66	22.22
Operating netback \$/boe – Q4 2017 <sup>(1)</sup>	22.96	26.75	23.79
Proved Developed Producing			
Total Reserves mboe	7,304	7,911	-
Reserves additions mboe	4,907.2	2,057	6,964
FD&A (including FDCs) \$/boe <sup>(2)</sup>	18.12	19.77	18.61
FD&A (excluding FDCs) \$/boe <sup>(2)</sup>	18.12	19.77	18.61
Recycle Ratio <sup>(3)</sup>	1.3	1.2	1.2
Reserves Replacement <sup>(4)</sup>	691%	142%	322%
RLI (years) <sup>(5)</sup>	5.7	5.2	-

	2016	2017	2 Year Avg
<b>Total Proved</b>			
Total Reserves mboe	16,579	17,473	-
Reserves additions mboe	11,511.7	2,345	13,857
FD&A (including FDCs) \$/boe <sup>(2)</sup>	14.13	27.88	16.45
FD&A (excluding FDCs) \$/boe <sup>(2)</sup>	7.72	17.35	9.35
Recycle Ratio <sup>(3)</sup>	1.6	0.8	1.4
Reserves Replacement <sup>(4)</sup>	1,621%	162%	642%
RLI (years) <sup>(5)</sup>	16.6	11.4	-
<b>Proved Plus Probable</b>			
Total Reserves mboe	24,486	26,084	-
Reserves additions mboe	16,456.3	3,048	19,505
FD&A (including FDCs) \$/boe <sup>(2)</sup>	11.54	26.17	13.85
FD&A (excluding FDCs) \$/boe <sup>(2)</sup>	5.40	13.35	6.64
Recycle Ratio <sup>(3)</sup>	2.00	0.9	1.6
Reserves Replacement <sup>(4)</sup>	2,318%	210%	903%
RLI (years) <sup>(5)</sup>	19.3	17.1	-

## Notes:

1. *Operating Netback includes realized gains/ (losses) on commodity derivative contracts.*
2. *Finding, Development & Acquisition ("FD&A") costs are used as a measure of capital efficiency. The calculation includes the period's capital expenditures, including Exploration and Development ("E&D") expenditures less capitalized G&A expenses adjusted to exclude undeveloped Duvernay land expenditures acquired with no reserves assigned in 2017 plus "Acquisition Capital" adjusted to include capital expended for acquisitions with effective dates in 2017 but which closed post December 31, 2017 and are included in December 31, 2017 reserves. This total of capital expenditures, including the change in the FDC over the period, is then divided by the change in reserves, other than from production, for the period incorporating additions/reductions from acquisitions, economic factors, infill and technical revisions. For example: 2017 TPP = (\$49.2 mm E&D - \$1.3 mm capitalized G&A - \$14.0 mm of Duvernay Crown land acquisitions + \$1.1 mm acquisition capital + \$5.7 mm post December 31, 2017 acquisition capital + \$39.1 mm FDC) / (26,084 mboe - 24,485 mboe + 1,450 mboe) = \$26.17 per boe.*
3. *Recycle Ratio is calculated by dividing the year's operating netback per boe by the FD&A costs for that period. For example: 2017 TPP = (\$22.66/\$26.17) = 0.9. The recycle ratio compares netback from existing reserves to the cost of finding new reserves and may not accurately indicate the investment success unless the replacement reserves are of equivalent quality as the produced reserves.*
4. *The reserves replacement ratio is calculated by dividing the yearly change in reserves before production by the actual annual production for that year. For example: 2017 TPP = (26,084 mboe - 24,486 mboe + 1,450 mboe) / 1,450 mboe = 210%.*
5. *RLI is calculated by dividing the reserves in each category by the fourth quarter of 2017 average production annualized. For example 2017 TPP = (26,084 mboe) / (4,185 boe/day) = 17.1 years.*

## Pricing Assumptions:

The following tables set forth the benchmark reference prices, as at December 31, 2017, reflected in the Sproule Report. These price assumptions were provided to InPlay by Sproule and were Sproule's then current forecast at the effective date of the Sproule Report.

### SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS <sup>(1)</sup> as of December 31, 2017 FORECAST PRICES AND COSTS

Year	WTI Cushing Oklahoma (\$US/Bbl)	Canadian Light Sweet 40° API (\$Cdn/Bbl)	Cromer LSB 35° API (\$Cdn/Bbl)	Natural Gas AECO-C Spot (\$Cdn/ MMBtu)	NGLs Edmonton Propane (\$Cdn/Bbl)	NGLs Edmonton Butanes (\$Cdn/Bbl)	Edmonton Pentanes Plus (\$Cdn/Bbl)	Operating Cost Inflation Rates %/Year	Capital Cost Inflation Rates %/Year	Exchange Rate <sup>(2)</sup> (\$Cdn/\$US)
Forecast <sup>(3)</sup>										
2018	55.00	65.44	64.44	2.85	26.06	48.73	67.72	0.0%	0.0%	0.790
2019	65.00	74.51	73.51	3.11	32.84	55.49	75.61	2.0%	2.0%	0.820
2020	70.00	78.24	77.24	3.65	35.41	57.65	78.82	2.0%	2.0%	0.850
2021	73.00	82.45	81.45	3.80	37.85	60.12	82.35	2.0%	2.0%	0.850
2022	74.46	84.10	83.10	3.95	39.29	61.32	84.07	2.0%	2.0%	0.850
2023	75.95	85.78	84.78	4.05	40.25	62.55	85.82	2.0%	2.0%	0.850
2024	77.47	87.49	86.49	4.15	41.23	63.80	87.61	2.0%	2.0%	0.850
2025	79.02	89.24	88.24	4.25	42.23	65.07	89.43	2.0%	2.0%	0.850
2026	80.60	91.03	90.03	4.36	43.26	66.37	91.29	2.0%	2.0%	0.850
2027	82.21	92.85	91.85	4.46	44.30	67.70	93.19	2.0%	2.0%	0.850
2028	83.85	94.71	93.71	4.57	45.36	69.06	95.12	2.0%	2.0%	0.850

Thereafter Escalation rate of 2.0%

#### Notes:

1. This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
2. The exchange rate used to generate the benchmark reference prices in this table.
3. As at December 31, 2017.

## Outlook:

We are extremely excited about the exploration and development programs that we plan on undertaking for the upcoming year and beyond with the light oil assets we have assembled and with our very strong financial position. With the majority of our development capital being focused on our Willesden Green Cardium assets, which provided exceptional results in 2017, we expect 2018 production to average between 4,400 – 4,500 boe/day (72% light oil and liquids) and expect 2018 exit production to be between 4,800 – 4,900 boe/day (73% light oil and liquids). This growth is expected to yield an increase in light oil production of greater than 23% over the same respective period. Our 2018 adjusted funds flow from operations is expected to increase by over 40% compared to 2017. Capital expenditures for 2018 are forecasted at \$38.0 million, drilling 10-11 net Cardium horizontal wells with approximately 80% of development capital being directed to the Willesden Green area where we will continue to refine completions. Approximately \$5.0 million of capital will be directed towards exploration activities on the Company's Duvernay play. Completion of our first Duvernay horizontal well will be the highlight in the second quarter and we would expect results by the middle of summer. Capital expenditures should track estimated funds flow for the year, resulting in a targeted net debt to annualized fourth quarter adjusted funds flow ratio of approximately 1.2 times providing ample capacity to expand our capital program if resulting commodity prices are supportive.

We thank all of our employees and directors for their continued effort and support in helping InPlay achieve the results that we have been able to achieve as we move forward into another year of the growth of InPlay.

For further information please contact:

Doug Bartole  
 President and Chief Executive Officer  
 InPlay Oil Corp.  
 Telephone: (587) 955-0632

Darren Dittmer  
 Chief Financial Officer  
 InPlay Oil Corp.  
 Telephone: (587) 955-0634

### **Reader Advisories**

#### **Non-GAAP Financial Measures**

InPlay uses certain terms within this news release that do not have a standardized prescribed meaning under GAAP and these measurements may not be comparable with the calculation of similar measurements of other entities. The terms “Adjusted funds flow from operations”, “Adjusted funds flow from operations per share”, “Adjusted funds flow from operations per boe”, “operating netbacks” and “operating netback per boe” in this news release are not recognized measures under GAAP. Management believes that in addition to net earnings and cash flow provided by operating activities as defined by GAAP, these terms are useful supplemental measures to evaluate operating performance as it demonstrates its field level of profitability relative to current commodity prices and to assess leverage. “Adjusted funds flow from operations” should not be considered as an alternative to or more meaningful than cash provided by operating activities as determined in accordance with GAAP as an indicator of the Company’s performance. InPlay’s determination of adjusted funds flow from operations may not be comparable to that reported to other companies. Adjusted funds flow from operations is calculated by adjusting for changes in operating non-cash working capital and decommissioning expenditures from cash flow provided by operating activities. These items are adjusted from cash flow provided by operating activities as these expenditures are primarily incurred on previous operating assets and there is uncertainty with the timing and payment of these items and they are incurred on a discretionary basis making them less useful in the evaluation InPlay’s operating performance. Adjusted funds flow from operations per share is calculated using the same weighted average number of shares outstanding used in calculating earnings per share. Users are cautioned, however, that these measures should not be construed as an alternative to net earnings or cash flow provided by operating activities determined in accordance with GAAP as an indication of InPlay’s performance. For a detailed description of InPlay’s method of the calculation of adjusted funds flow from operations and its reconciliation to GAAP terms, see “Non-IFRS Measures” in the Company’s MD&A filed on Sedar. The term “net debt” is not recognized under GAAP and is calculated as bank debt plus working capital deficiency adjusted for risk management derivative contract fair values, deferred lease credits, flow-through share premiums and current portion of decommissioning obligation. Net debt is used by management to analyze the financial position and leverage of InPlay. InPlay monitors working capital and net debt as part of its capital structure. Such terms do not have a standardized meaning prescribed by GAAP and, therefore, may not be comparable with the calculation of similar measures for other entities. InPlay also uses “operating netback per boe” as a key performance indicator. Operating netback per boe is utilized by InPlay to evaluate the operating performance of its petroleum and natural gas assets, and is determined by deducting royalties and operating and transportation expenses from petroleum and natural gas revenue (all on a per boe basis).

#### **Forward-Looking Information and Statements**

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 volume and product mix of InPlay's oil and gas production; production estimates; including 2018 annualized forecasts, targeted production growth; future oil and natural gas prices and InPlay's commodity risk management programs; future liquidity and financial capacity; future results from operations and operating metrics including forecasts of operating netbacks, adjusted funds flow, cash flow and net debt ratios; future costs, expenses and royalty rates; future interest costs; the exchange rate between the \$US and \$Cdn; future development, exploration, acquisition, development and infrastructure activities and related capital expenditures, including our 2018 capital budget, 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 resource potential of our Duvernay play; 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; 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 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.

The forward-looking information and statements included herein 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 differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; the potential for variation in the quality of the reservoirs in which we operate; changes in the demand for or supply of our 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 our properties, increased debt levels or debt service requirements; inaccurate estimation of our oil and gas reserve and resource volumes; limited, unfavorable 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 disclosure documents. The forward-looking information and statements contained in this news release speak only as of the date hereof 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.

#### **Information Regarding Disclosure on Oil and Gas Reserves and Operational Information**

Our oil and gas reserves statement for the year ended December 31, 2017, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be available on our SEDAR profile at [www.sedar.com](http://www.sedar.com). The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In relation to the disclosure of estimates for individual properties, such estimates may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. The Company's belief that it will establish additional reserves over time with conversion of probable undeveloped reserves into proved reserves is a forward-looking statement and is based on certain assumptions and is subject to certain risks, as discussed below under the heading "Forward-Looking Information and Statements".

This press release contains metrics commonly used in the oil and natural gas industry, such as "recycle ratio", "finding, development and acquisition costs", "operating netbacks", "reserves replacement" and "reserve life index". These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included herein to provide readers with additional information to evaluate the Company's performance, however such metrics should not be unduly relied upon.

The term "debt adjusted basis" is calculated assuming the net debt balances at the end of a period were to be extinguished with a share issuance assuming a December 31, 2016 share price of \$2.00 and a December 31, 2017 share price of \$1.94.

Finding, development and acquisition costs take into account reserves revisions during the year on a per boe basis. The aggregate of the costs incurred in the financial year and changes during that year in estimated future development costs may not reflect total finding and development costs related to reserves additions for that year. Finding, development and acquisition costs have been presented in this press release because acquisitions and dispositions can have a significant impact on our ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of our cost structure. Exploration & development capital means the aggregate exploration and development costs incurred in the financial year on exploration and on reserves that are categorized as development. Exploration & development capital excludes capitalized administration costs and exploration costs incurred acquiring Duvernay lands with no reserves assigned as at December 31, 2017. Acquisition capital amounts to the total amount of cash and share consideration net of any working capital balances assumed with an acquisition on closing.

Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare InPlay's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes. Test results and initial or short term production rates disclosed herein may not necessarily be indicative of long term performance of ultimate recovery. Initial production rates disclosed herein, particularly those short in duration, may not be indicative of long term performance or of ultimate recovery.

#### **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.