



InPlay Oil Corp. Announces Renewal of Credit Facility and Provides Operations Update

July 26, 2022 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) (“InPlay” or the “Company”) is pleased to provide an operations update and announce the completion of the annual renewal of its syndicated Senior Credit Facility.

Senior Credit Facility Renewal

InPlay’s Senior Credit Facility remains unchanged in lending capacity and has been renewed at \$79 million comprised of a \$65 million revolving facility⁽¹⁾ and the remaining \$14 million term facility. The borrowing base of the revolving facility has been reconfirmed at the same amount of \$65 million and the term out date extended to November 30, 2022. In addition to the Senior Credit Facility, the Company’s \$25 million four year term facility with the Business Development Bank of Canada remains in place, providing InPlay with \$104 million of total lending capacity.

Operations Update

During the second quarter, InPlay drilled three (3.0 net) 1.5 mile Extended Reach Horizontal (“ERH”) wells in Pembina which came on production at the end of May. The average combined initial production (“IP”) rates of these wells over the first thirty and sixty days of production was 1,501 boe/d⁽²⁾ (89% light crude oil and NGLs) and 1,441 boe/d⁽²⁾ (88% light crude oil and NGLs) respectively, based on field estimates. The Company also completed the drilling operations of an additional two (1.9 net) 2 mile ERH wells in Willesden Green which have currently been completed and are in the early cleanup period. Construction of a modular multi-well facility in Willesden Green began during the quarter to accommodate current and future drilling in the area.

Extreme wet weather in late June delayed the start of our third quarter capital program. The program has now started with drilling operations underway on the second well of a three (2.9 net) ERH well pad in Willesden Green which is expected to be on production in late August.

The Company’s released 2022 guidance⁽³⁾ is reiterated with field estimated average corporate production for the second quarter of 2022 of approximately 9,150 boe/d⁽²⁾ (59% light crude oil and NGLs) which includes over 5,000 bbls of a light crude oil inventory build due to difficulty trucking oil at the end of June. This is 11% higher than production in the first quarter of 2022. Current corporate production is approximately 9,550 boe/d⁽²⁾ (60% light crude oil and NGLs) based on field estimates, which is 16% above our average production during the first quarter of 2022.

As a result of using a consistent drill crew since the beginning of the year and exceptional project execution, the two 2 mile ERH wells in Willesden Green were drilled in 10.3 and 10.7 days respectively, which were among the fastest drilling operations for 2 mile wells in the area. In comparison to the last 2 mile wells drilled by the Company in Willesden Green in 2018 drilling times improved by approximately 20% which is a positive result for the Company and is an example of InPlay’s continuous drive to achieve operational efficiencies.

We are extremely excited about the excellent financial position of the Company with our strong balance sheet, a strong portfolio of assets that are providing top-tier growth and our ability to generate long-term, direct returns to shareholders. Management would like to thank our employees, board members and lenders for their ongoing support as the Company progresses forward. The Company looks forward to announcing further corporate and operational updates including the upcoming release of our record second quarter results before markets on August 11, 2022.

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Notes:

- 1. The revolving facility consists of a \$10 million operating line of credit and \$55 million revolving line of credit.*
- 2. See "Reader Advisories - Production Breakdown by Product Type".*
- 3. Refer to InPlay's press release dated May 11, 2022 for full details of our 2022 capital program, associated guidance and key budget and underlying assumptions related thereto.*

Reader Advisories

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", "targets", "framework" 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: expectations regarding future commodity prices; future oil and natural gas prices; future liquidity and financial capacity; 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, development and infrastructure activities and related capital expenditures, including our planned 2022 capital program and associated guidance.

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 debt 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; expectations regarding the potential impact of COVID-19 and the Russia/Ukraine conflict; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which InPlay operates; and 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 defer materially from those anticipated in such forward-looking information or statements including, without limitation: the continuing impact of the COVID-19 pandemic and the Russia/Ukraine conflict; changes in our planned 2022 capital program; changes in commodity prices and other assumptions outlined herein; 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 or strategies of InPlay or by third party operators of our properties; changes in our credit structure, increased debt levels or debt service requirements; inaccurate estimation of our light crude oil and natural 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 continuous disclosure documents filed on SEDAR including our Annual Information Form and our MD&A.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about InPlay's prospective capital expenditures, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of InPlay and the resulting financial results will likely vary from the amounts set forth in this press release and such variation may be material. InPlay and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, InPlay undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about InPlay's anticipated future business operations. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

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.

Production Breakdown by Product Type

Disclosure of production on a per boe basis in this press release consists of the constituent product types as defined in NI 51-101 and their respective quantities disclosed in the table below:

	Light and Medium Crude oil (bbls/d)	NGLS (Mcf/d)	Conventional Natural gas (Mcf/d)	Total (boe/d)
Current corporate production	3,775	1,599	25,059	9,550
Q1 2022 Average Production	3,571	1,307	20,054	8,221
Q2 2022 Forecasted Average Production	3,872	1,419	23,154	9,150
Combined IP 30 – 3.0 net Q2/22 Pembina wells	793	163	3,270	1,501
Combined IP 60 – 3.0 net Q2/22 Pembina wells	681	175	3,510	1,441

Note:

1. *With respect to forward-looking production guidance, product type breakdown is based upon management's expectations based on reasonable assumptions but are subject to variability based on actual well results.*

References to crude oil, NGLs or natural gas production in this press release refer to the light and medium crude oil, natural gas liquids and conventional natural gas product types, respectively, as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

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.