InPlay Oil Corp. Announces Non–core Asset Rationalization, Operational Update, Acceleration of 2018 Cardium Drilling Program and Increased Production Guidance

September 13, 2018 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) ("InPlay" or the "Company") is pleased to announce that it has entered into a definitive agreement to sell certain non-core oil and gas properties in the West Pembina area of Alberta for cash consideration of $16.7 million, subject to closing adjustments customary in transactions of this nature (the "Disposition"). InPlay plans to utilize the proceeds from the Disposition to accelerate Cardium drilling within its core Willesden Green area and reduce corporate indebtedness, which will translate into our second increase in 2018 guidance over the past five weeks.

Non-core Asset Rationalization

The Disposition is expected to be completed on October 1, 2018, subject to customary closing conditions. The Disposition involves lower working interest assets and net production of approximately 250 boe/d (72% oil and liquids). InPlay has not been focused on these non-core assets with only one horizontal well having been drilled on the property over the past four years. This Disposition allows InPlay to rationalize assets on premium valuation metrics (approximately $66,800/BOED and 5.6 times operating income) in a challenging market and to effectively redeploy the proceeds into higher return, higher growth assets within its core Willesden Green area.

Acceleration of Cardium Development Program and Increased Guidance

InPlay plans to utilize the proceeds from the Disposition to accelerate its 2018 capital budget to include two additional (2.0 net) 1.5 mile horizontal Cardium wells at Willesden Green directly offsetting the recent wells brought on production. These wells will be drilled in the fourth quarter and represent a 22% increase in the aggregate number of net wells planned to be drilled in 2018. The Company's production, based on field estimates, has averaged over 4,900 boe/d (71% light oil and liquids) in August, and over 5,000 boe/d (71% light oil and liquids) during the first week of September which is above the high end of prior exit guidance. Strong drilling results and the increase in capital spending have led to an increase in our 2018 forecast guidance inclusive of the Disposition. The new forecast (using current future commodity prices) results in the following:

- 2018 forecasted exploration and development capital expenditures increases to $49 million from $41 million (excluding crown land sales).

- The 2018 exit net debt forecast decreases to approximately $45 million compared to $51.3 million at year end 2017.

- 2018 annual production guidance is forecast to average approximately 4,600 boe/d (71% oil and liquids), the high end of the Company's recently upwards revised guidance, representing a 16% increase over 2017 annual average production (23% on a debt adjusted per share basis) and a 24% increase over 2017 oil and liquids production levels (33% on a debt adjusted per share basis).

- 2018 exit production guidance increases to 5,100 to 5,200 boe/d (72% oil and liquids) from 4,900 to 5,000 boe/d, representing a 20% increase over 2017 exit production (28% on a debt adjusted per share basis) and a 23% increase over 2017 exit oil and liquids production (31% on a debt adjusted per share basis).

- 2018 adjusted funds flow from operations is forecasted to be approximately $38 million, representing a 52% increase over 2017 adjusted funds flow from operations, resulting from the aforementioned production growth and stronger crude oil commodity prices throughout 2018.

- The forecasted net debt to annualized fourth quarter 2018 adjusted funds flow from operations ratio improves to approximately 0.8 times, down 50% compared to 1.6 times for the fourth quarter of 2017 and down 33% compared to our previously forecasted ratio of 1.2 times.

Operational Update

InPlay continues to realize strong results from its high impact Cardium development program in the greater Willesden Green area. By targeting the bioturbated Cardium within the Willesden Green area, InPlay's well results continue to exceed internal type curve estimates and show some of the best initial production results to date of all Cardium wells drilled in the area.

The following is a summary of results from the three 1.5 mile InPlay horizontal wells drilled on our newly acquired lands that were placed on stream in the third quarter and which have a minimum of thirty days of production (all production results based on field estimates). The first horizontal well (1.0 net) had an initial production rate ("IP") IP 30 of 767 boe/d (86% light oil and liquids). The second horizontal well (0.2 net) on production had an IP 30 of 1,002 boe/d (82% light oil and liquids). The third horizontal well (1.0 net) came on production in August and had an IP 30 of 336 boe/d (90% light oil and liquids) is continuing to clean up and currently producing an average of approximately 427 boe/d (89% light oil and liquids) in September.

InPlay's first horizontal Duvernay well (1 mile lateral) was completed in May 2018. The typical clean-up phase of horizontal Duvernay wells is generally characterized by an extended clean-up period whereby oil cuts as a percentage of produced fluids tend to increase as injected frac fluids are recovered from the reservoir. InPlay is pleased to report that the behavior of the Company's first well to date is consistent with successful offsetting wells drilled in the area. Upon completion, InPlay allowed the well to flow back for a period of six weeks with oil cuts increasing to approximately 25%. Following the initial flow back, InPlay shut the well in for a six week soak period intended to support the clean-up phase and increase produced oil cuts as performed by leading offset Duvernay operators in the Huxley sub-basin. As anticipated, the soak period has translated to a continued improvement in oil cuts which have averaged 40% over the past 10 days while producing at an average rate of 165 bbl/d of oil based on field estimates. The trend in increasing oil cuts is consistent with trends observed in offsetting wells in the area which tend to ultimately reach a stabilized oil cut between 70% to 90%. The Company continues to closely monitor all activity around our lands. Initial results suggest that our Crown land position in this area will lead to a valuable long term light oil resource play. InPlay plans to continue to follow a conservative development program at a measured pace over the near term.

InPlay is excited about the accelerated development program planned for the remainder of the year which is expected to result in top tier organic light oil growth amongst peers. InPlay's current land position, asset base and strengthened balance sheet positions InPlay for continued operational and financial success into 2019 and beyond and we look forward to providing further updates on our progress prior to year-end.

Please refer to our website for the updated presentation to be posted shortly at www.inplayoil.com

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Reader Advisories

Non-GAAP Financial Measures and Oil and Gas Metrics

InPlay uses certain terms within this news release that do not have a standardized prescribed meaning under IFRS and GAAP and therefore these measurements may not be comparable with the calculation of similar measurements of other entities. The terms "Adjusted funds flow from operations", "operating income" and "net debt" used 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 the Company's 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 by 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. 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-GAAP 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. "Production per debt adjusted share" adjusts for changes in net debt by converting debt to equity using a current trading price of InPlay on the TSX. It is calculated as production divided by the sum of the number of common shares outstanding and the change in net debt divided by the Company's current trading price on the TSX. Operating Income provides the total income provided by operating activities over the period and is determined by deducting royalties and operating and transportation expenses from petroleum and natural gas revenue

Management uses oil and gas metrics for its own internal planning and 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 in this news release may not necessarily be indicative of long term performance of wells or ultimate recoveries.

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: completion of the Disposition and the timing thereof; the volume and product mix of InPlay's oil and gas production; production estimates including individual well, August, September and 2018 average and exit forecasts; targeted production growth; future oil and natural gas prices; future liquidity and financial capacity; future results from operations and operating metrics including forecasts of 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 expansion thereof, subject to the completion of the Disposition; the number of wells to be drilled, completed and tied-in and the timing thereof; 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; and completion of the Disposition.

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: 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.

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.