PRESS RELEASE

INPLAY OIL CORP. ANNOUNCES 2017 CAPITAL BUDGET OF $28 MILLION WITH PRODUCTION GROWTH OF OVER 20%

Calgary, Alberta: January 17, 2017 – InPlay Oil Corp. ("**InPlay**" or "**the Company**") (TSX: IPO, OTCQX: IPOOF) is pleased to announce that its Board of Directors has approved a $28 million Exploration and Development program for 2017 which is forecasted to deliver over 20% production per share growth from the fourth quarter of 2016 to the fourth quarter of 2017 (assuming all assets acquired and amalgamated on November 7, 2016 produced under InPlay for the full fourth quarter of 2016) while spending less than cash flow. This organic production growth is expected to deliver top quartile per share growth in the industry while spending less than forecasted internally-generated funds flow.

2017 Budget Overview

InPlay's 2017 capital program is predominantly focused on drilling approximately twelve net horizontal Cardium wells and the completion and tie-in of three Cardium horizontal wells that started drilling in late 2016. This program is focused on the Company's high rate of return drilling inventory within its core area with expected payouts of 1.0 year or less on current strip commodity prices. The drilling, completion and equipping program will be comprised of approximately 82% of total capital expenditures planned for 2017 with the remaining 18% being spent on optimization, water injection conversions, facilities, land, and exploration activities. This program complements InPlay's core technical strengths where management has drilled over 200 combined net Cardium horizontal wells. Based on the planned program, InPlay is forecasting an annual average production rate of 4,000 to 4,200 boed (66% light oil and liquids) with exit production of 4,300 – 4,500 boed (68% light oil and liquids).

This budget provides InPlay with significant operational and balance sheet flexibility wherein the Company will spend 16% less than projected funds flow of approximately $33 million based on a WTI price of US$ 55/bbl, foreign exchange of 0.76 CDN/USD, and $ 3.00/GJ AECO price. The program is expected to generate fourth quarter annualized 2017 debt to cash flow of 0.8x. This forecast has also been stress-tested at a flat 2017 WTI price of US$45/bbl which, with InPlay's current hedges, would leave the Company with expected fourth quarter 2017 annualized debt to cash flow of 1.1x ensuring the 2017 capital program's viability and results expected to yield top quartile production growth within our oil weighted peers. With only five wells expected to be drilled in the first half of 2017, there will be ample room to expand the program in the second half of the year on current prevailing commodity prices.

Operations Update

Current production, based on field estimates, is 3,600 boed (63% light oil and liquids). The Company drilled 4 (3.9 net) Cardium horizontal wells during November and December 2016, and 2 (1.4 net) additional wells were being drilled over year end with drilling completed in early January. There were 2 (1.9 net) of the 2016 drills completed and brought on production late in December. All of the wells drilled were in central Pembina and the two completed wells are currently in the early clean-up stage and are on track to meet or exceed InPlay's forecast rates. A three well pad which started drilling in 2016 and finished drilling in early 2017 is expected to have completion operations done by the end of January. The Company anticipates approximately three additional wells to be drilled, completed and brought on production prior to the end of the first quarter or early into the second quarter.

Price Risk Management

A systematic program of layering in commodity swaps and collars to protect against price volatility currently has the Company with price support for the first half of 2017 of 1,600 bbls/day with a floor of $47.86 WTI (US$/bbl) and 1,100 bbls/day with a floor of $45.20 WTI (US$/bbl) for the second half of 2017 assuming a 0.76 CDN/USD exchange rate over the year. Natural gas swaps for 2017 currently have price support for 1,000 GJ/day with a floor of $3.06 CDN$/GJ AECO.

Outlook

The InPlay team has put together a premier light oil weighted asset base highlighted by large oil in place, low recovery factors, low 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 InPlay's core strategy focused on being one of the most capital efficient, light oil weighted companies, coupled with the Company's low base decline of 22% will allow InPlay to provide consistent top tier production per share growth. Since completion of its transformative transaction in November, 2016, the Company's drilling program has achieved an average duration of eight days from spud to rig release. InPlay's commitment to cost control, operational efficiencies and the use of innovative technologies has resulted in average costs of $1.65 million to drill, complete, equip, and tie-in InPlay's first two, one mile long horizontal wells brought on in late December 2016.

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 through this current environment. The Company looks forward to providing its shareholders with an update in March with the release of year end 2016 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 in June 2013. Since commencing operations, InPlay has concentrated on exploration and development drilling of light oil prospects in the Province of Alberta, focusing in the greater Pembina area of 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. An updated corporate presentation will be posted to InPlay's website in due course. Additional information can be found on InPlay's website at: www.inplayoil.com.

Forward-Looking Information, Statements and Advisories

The Company anticipates remaining disciplined but flexible with its budgeted 2017 capital expenditures as it monitors business conditions and commodity prices throughout the fiscal year. Where deemed prudent, the Company may make adjustments to its 2017 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 2017 capital expenditures program; the estimated volumes and product mix of InPlay's oil and gas production; all production estimates including, without limitation, 2017 forecast annual average and exit production; future production growth targets; estimates of year end debt and targeted debt to 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; estimates of future well costs; anticipated operating costs and G&A expenditures and potential to improve ultimate recoveries; 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 including planned infrastructure and facility expansions and new construction; 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.

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