InPlay Oil Corp. Announces 2023 Capital Budget Highlighting Record Operational Guidance and Appointment of New Board Member

January 18, 2023 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) ("InPlay" or the "Company") is pleased to announce that its Board of Directors have approved a capital program of $75 – $80 million for 2023 which is forecasted to deliver annual average production of 9,500 – 10,500 boe/d[1] (58% – 61% light oil and NGLs).

InPlay's record-setting financial and operational performance in 2022 has the Company entering 2023 in a very strong financial position allowing for the continued execution of our core strategy of providing top-tier light-oil weighted production per share growth with significant free adjusted funds flow ("FAFF")[2] generation, while delivering sustainable returns to shareholders through our base dividend and share buyback initiatives. The Company exited 2022 with its lowest ever level of net debt to earnings before interest, taxes and depletion ("EBITDA")[2], estimated at approximately 0.2x[3], with significant liquidity from our $110 million credit facility providing InPlay with the ability to opportunistically capitalize on strategic opportunities. Strong drilling results from the development of our top-tier drilling inventory and the positive outlook for crude oil and NGL prices has InPlay well positioned to deliver continued strong operational and financial results in 2023.

2023 Capital Program Overview

The Company's Board of Directors have approved a capital program for 2023 of $75 – $80 million. InPlay believes that the macro outlook for oil prices is more positive than the macro outlook for natural gas prices and as such the Company has pivoted its 2023 capital program towards higher oil weighted properties. Through the acquisition of Prairie Storm in the fourth quarter of 2021 and the development of a high productivity and high rate of return gassier area in Pembina through 2021 and early 2022, InPlay's natural gas weighting increased, however revenues generated in 2022 at higher year over year prices from natural gas sales only increased by approximately 5% over 2021 to 20% of total corporate revenue as natural gas represents a small portion of our overall revenue. While InPlay benefited from strong natural gas pricing in 2022, the Company is now focused on increasing its light oil weighting to take advantage of that commodity and maximizing funds flow. The Company's adjustment to higher oil weighted locations is forecast to result in approximately 14% - 24% oil production growth in 2023 which will benefit in generating strong Adjusted Funds Flow ("AFF")[4] even in an uncertain natural gas pricing environment. The 2023 capital program will see InPlay drill approximately 15.0 – 16.0 net Extended Reach Horizontal ("ERH") Cardium wells, the most in the Company's history. In addition, InPlay plans to drill a minimum of 2.0 net wells in the Belly River which currently produces approximately 90% light oil.

InPlay's 2023 capital program is forecasted to deliver the following[5]:

- Annual average production of 9,500 – 10,500 boe/d (58% – 61% light oil & NGLs), focused on drilling higher oil weighted plays, delivering;
    - Increase in total light oil production of 14% – 24% over 2022;
    - Production growth per debt adjusted weighted average basic share[2] of 16% – 36% over 2022 which is expected to be top-tier debt adjusted per share growth amongst InPlay's light oil weighted peers;
    - Total annual light oil and NGLs production weighting of 58% – 61%, an increase of approximately 5% over 2022;
- Operating income profit margin[2] of approximately 62%;
- AFF[4] of $126 – $138 million;
- FAFF[2] of $46 – $63 million;
- Base dividend of $15 – $16 million generating a total payout ratio[6] of approximately 70% at the current monthly dividend rate of $0.015/share ($0.18/share annualized) ; and

- Ample unallocated FAFF which can be used to fund additional return of capital to shareholders or opportunistically applied to potential tactical capital investments.

The table below highlights our 2023 guidance at our current share price:

	2023[5]
WTI (US$/bbl)	80.00
Production (boe/d) [1]	9,500 – 10,500
Capital ($ millions)	75 – 80
Net wells	17.0 – 18.0
DAPPS Growth (%) [2] *	16 – 36
AFF ($ millions) [4]	126 – 138
FAFF ($ millions) [2]	46 – 63
Working Capital (Net Debt) at Year-end ($ millions) [4]	(2) – 10
Dividend ($ millions)	15 – 16
Annual Net Debt / EBITDA [2]	(0.1) – 0.1
EV / DAAFF [2] *	2.1 – 1.8

** Assumes a $3.00 share price*

- The amounts above do not include potential future purchases through the Company's normal course issuer bid ("NCIB").
- See "Reader Advisories – Forward Looking Information and Statements" for updated key metrics and underlying assumptions related to our long term forecast for 2024 and 2025.

InPlay's natural gas takeaway capacity has tightened in Willesden Green throughout 2022 due to actively drilling with strong results. As InPlay focuses its drilling program in the oil-weighted Willesden Green Cardium in 2023, the Company plans to invest capital in facility infrastructure to accommodate current and future drilling. The Company plans to build and upgrade two operated gas facilities in Willesden Green in the first half of 2023 which will provide InPlay with operated facility capacity that we control to facilitate production growth in the upcoming years.

The first quarter of 2023 is expected to be our most active quarter to date with plans to drill seven (6.2 net) ERH Cardium wells along with two (0.3 net) non-operated ERH wells. InPlay's capital program for the first quarter of 2023 was partially accelerated into 2022 with drilling operations beginning on a two-well pad in Willesden Green as well as the commencement of pipeline and facility construction.

In reacting to the drop in forward looking natural gas prices, the Company also entered into natural gas hedges securing swaps on 10,000 GJ/day of 2023 summer gas (April – October) at an average price of $3.96 per GJ.

The Company reacted quickly to the drop in forward natural gas prices with refinements to our 2023 capital program and will continue to remain flexible, adaptable and react promptly to changing commodity prices throughout the year. The Company's strong financial position allows for continued strong growth to be projected going forward and the base dividend to be sustainable in a flat $55 WTI price environment through 2025 with net debt to EBITDA not exceeding approximately 0.4 times[7].

2022 Update

InPlay's fourth quarter capital program consisted of drilling one (0.95 net) ERH well in Willesden Green that was brought on production in October and two (2.0 net) Belly River wells that were brought on production late in November. In addition, the Company accelerated certain capital initially planned as part of its 2023 capital program, beginning drilling operations on a two-well pad in Willesden Green and proactively starting facility and pipeline construction in the fourth quarter of 2022 to bring on production promptly after the completion of wells drilled in the first quarter. This accelerated drilling program and additional facility construction, in addition to some additional costs incurred on certain fourth quarter drilling programs, results in estimated exploration and development capital expenditures of $76 – $78 million[3] for 2022.

Annual average production for 2022 is forecasted to be approximately 9,150 boe/d[1] (56% – 57% light oil & NGLs) which is at the lower end of our prior production guidance. Production at one property in Pembina was hampered by significant downtime as a third party gas facility optimized its operations to increase capacity. Increased production volumes at this facility has also led to elevated line pressure which has impacted the efficiency of all the wells which are on plunger lift resulting in a reduction of approximately 435 boe/d (73% light oil & NGLs) during the fourth quarter. Additionally, production was affected by severe cold weather hampering field operations and delays in getting initial production on stream with certain new wells. The 2022 capital program included a number of wells predominantly in a prolific area of Pembina with a higher gas weighting resulting in a forecasted light oil and liquids weighting of between 56% – 57%.

The table below highlights our updated forecasted 2022 guidance:

	2022[3]
WTI (US$/bbl)	94.25
Production (boe/d) [1]	9,100 – 9,200
Capital ($ millions)	76 – 78
Net wells	17.5
DAPPS Growth (%) [2]	55 – 56
AFF ($ millions) [4]	131 – 133
FAFF ($ millions) [2]	53 – 57
(Net Debt) at Year-end ($ millions) [4]	(31) – (32)
Dividend ($ millions)	3
Annual Net Debt / EBITDA [2]	0.2
EV / DAAFF [2]	2.1

- See Reader Advisories for previous guidance and underlying assumptions.

<u>Appointment of New Board Member</u>

InPlay is pleased to welcome Mr. Regan Davis to its board of directors effective immediately. Mr. Davis is a professional engineer with over 30 years of experience in the oil and gas industry. He most recently served as the Chief Executive Officer of STEP Energy Services until his retirement on September 30, 2022 where he was a co-founder and led the company through multiple acquisitions, expansion into the United States and an initial public offering. Mr. Davis has an extensive resume with exploration and production companies including management and board positions. He was named Ernst & Young's Entrepreneur of the Year in 2006, 2014 and 2017. Mr. Davis holds an ICD.D designation and he has held board positions with various public, private, and charitable organizations.

InPlay is proud of the progress made to further strengthen the Company's financial position and asset base. InPlay has grown from a private company formed in June 2013 into a strong, low leveraged and sustainable public company providing top-tier returns to shareholders, while surviving a world-wide pandemic and commodity price collapse. We would like to thank all of our employees, service providers, shareholders and directors for their support throughout this journey. Please view our latest corporate presentation available at www.inplayoil.com.

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Notes:

1. *See "Reader Advisories - Production Breakdown by Product Type"*
2. *Non-GAAP financial measure or ratio that does not have a standardized meaning under International Financial Reporting Standards (IFRS) and GAAP and therefore may not be comparable with the calculations of similar measures for other companies. Please refer to "Non-GAAP and Other Financial Measures" contained within this press release.*

3. *Based on estimated, unaudited year-end 2022 results. See "Reader Advisories – Forward Looking Information and Statements" for underlying assumptions related to our estimated, unaudited year-end 2022 results.*
4. *Capital management measure. See "Non-GAAP and Other Financial Measures" contained within this press release.*
5. *See "Reader Advisories – Forward Looking Information and Statements" for key budget and underlying assumptions related to our 2023 capital program and associated guidance.*
6. *Supplementary financial measure. See "Non-GAAP and Other Financial Measures" contained within this press release.*
7. *InPlay's plans for 2024 and beyond remain preliminary in nature and do not reflect Board approved capital expenditure budgets at this time. Accordingly, undue reliance should not be made on the same. See "Reader Advisories – Forward Looking Information and Statements" for key underlying assumptions related to our long term forecasts.*

Reader Advisories

Non-GAAP and Other Financial Measures

Throughout this press release and other materials disclosed by the Company, InPlay uses certain measures to analyze financial performance, financial position and cash flow. These non-GAAP and other financial measures do not have any standardized meaning prescribed under GAAP and therefore may not be comparable to similar measures presented by other entities. The non-GAAP and other financial measures should not be considered alternatives to, or more meaningful than, financial measures that are determined in accordance with GAAP as indicators of the Company performance. Management believes that the presentation of these non-GAAP and other financial measures provides useful information to shareholders and investors in understanding and evaluating the Company's ongoing operating performance, and the measures provide increased transparency and the ability to better analyze InPlay's business performance against prior periods on a comparable basis.

Non-GAAP Financial Measures and Ratios

Included in this document are references to the terms "free adjusted funds flow", "operating income", "operating netback per boe", "operating income profit margin", "Net Debt to EBITDA", "Production per debt adjusted share", "enterprise value to debt adjusted AFF" and "Payout Ratio". Management believes these measures and ratios are helpful supplementary measures of financial and operating performance and provide users with similar, but potentially not comparable, information that is commonly used by other oil and natural gas companies. These terms do not have any standardized meaning prescribed by GAAP and should not be considered an alternative to, or more meaningful than "profit (loss) before taxes", "profit (loss) and comprehensive income (loss)", "adjusted funds flow", "capital expenditures", "corporate acquisitions, net of cash acquired", "net debt", "weighted average number of common shares (basic)" or assets and liabilities as determined in accordance with GAAP as a measure of the Company's performance and financial position.

Free Adjusted Funds Flow

Management considers FAFF an important measure to identify the Company's ability to improve its financial condition through debt repayment and its ability to provide returns to shareholders. FAFF should not be considered as an alternative to or more meaningful than AFF as determined in accordance with GAAP as an indicator of the Company's performance. FAFF is calculated by the Company as AFF less exploration and development capital expenditures and property dispositions (acquisitions) and is a measure of the cashflow remaining after capital expenditures before corporate acquisitions that can be used for additional capital activity, corporate acquisitions, repayment of debt or decommissioning expenditures or potentially return of capital to shareholders. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast FAFF.

Operating Income/Operating Netback per boe/Operating Income Profit Margin

InPlay uses "operating income", "operating netback per boe" and "operating income profit margin" as key performance indicators. Operating income is calculated by the Company as oil and natural gas sales less royalties, operating expenses and transportation expenses and is a measure of the profitability of operations before administrative, share-based compensation, financing and other non-cash items. Management considers operating income an important measure to evaluate its operational performance as it demonstrates its field level profitability. Operating income should not be considered as an alternative to or more meaningful than net income as determined in accordance with GAAP as an indicator of the Company's performance. Operating netback per boe is calculated by the Company as operating income divided by average production for the respective period. Management considers operating netback per boe an important measure to evaluate its operational performance as it demonstrates its field level profitability per unit of production. Operating income profit margin is calculated by the Company as operating income as a percentage of oil and natural gas sales. Management considers operating income profit margin an important measure to evaluate its operational performance as it demonstrates how efficiently the Company generates field level profits from its sales revenue. Refer to the "Forward Looking Information and Statements" section for a calculation of operating income, operating netback per boe and operating income profit margin.

Net Debt to EBITDA

Management considers Net Debt to EBITDA an important measure as it is a key metric to identify the Company's ability to fund financing expenses, net debt reductions and other obligations. EBITDA is calculated by the Company as adjusted funds flow before interest expense. When this measure is presented quarterly, EBITDA is annualized by multiplying by four. When this measure is presented on a trailing twelve month basis, EBITDA for the twelve months preceding the net debt date is used in the calculation. This measure is consistent with the EBITDA formula prescribed under the Company's Senior Credit Facility. Net Debt to EBITDA is calculated as Net Debt divided by EBITDA. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast Net Debt to EBITDA.

Production per Debt Adjusted Share

InPlay uses "Production per debt adjusted share" as a key performance indicator. Debt adjusted shares should not be considered as an alternative to or more meaningful than common shares as determined in accordance with GAAP as an indicator of the Company's performance. Debt adjusted shares is a non-GAAP measure used in the calculation of Production per debt adjusted share and is calculated by the Company as common shares outstanding plus the change in net debt divided by the Company's current trading price on the TSX, converting net debt to equity. Debt adjusted shares should not be considered as an alternative to or more meaningful than weighted average number of common shares (basic) as determined in accordance with GAAP as an indicator of the Company's performance. Management considers Debt adjusted share is a key performance indicator as it adjusts for the effects of capital structure in relation to the Company's peers. Production per debt adjusted share is calculated by the Company as production divided by debt adjusted shares. Management considers Production per debt adjusted share is a key performance indicator as it adjusts for the effects of changes in annual production in relation to the Company's capital structure. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast Production per debt adjusted share.

EV / DAAFF

InPlay uses "enterprise value to debt adjusted AFF" or "EV/DAAFF" as a key performance indicator. EV/DAAFF is calculated by the Company as enterprise value divided by debt adjusted AFF for the relevant period. Debt adjusted AFF ("DAAFF") is calculated by the Company as adjusted funds flow plus financing costs. Enterprise value is a capital management measures that is used in the calculation of EV/DAAFF. Enterprise value is calculated as the Company's market capitalization plus working capital (net debt). Management considers enterprise value a key performance indicator as it identifies the total capital structure of the Company. Management considers EV/DAAFF a key performance indicator as it is a key metric used to evaluate the sustainability of the Company relative to other companies while incorporating the impact of differing capital structures. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast EV/DAAFF.

Capital Management Measures

Adjusted Funds Flow

Management considers adjusted funds flow to be an important measure of InPlay's ability to generate the funds necessary to finance capital expenditures. AFF is a GAAP measure and is disclosed in the notes to the Company's consolidated financial statements for the year ending December 31, 2021 and the most recently filed quarterly financial statements. All references to AFF throughout this document are calculated as funds flow adjusting for decommissioning expenditures and transaction and integration costs. This item is adjusted from funds flow as decommissioning expenditures are incurred on a discretionary and irregular basis and are primarily incurred on previous operating assets and transaction costs are non-recurring costs for the purposes of an acquisition, making the exclusion of these items relevant in Management's view to the reader in the evaluation of InPlay's operating performance. The Company also presents AFF per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of profit (loss) per common share.

Net Debt / Working Capital

Net debt / working capital is a GAAP measure and is disclosed in the notes to the Company's consolidated financial statements for the year ending December 31, 2021 and the most recently filed quarterly financial statements. The Company closely monitors its capital structure with a goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt / working capital as part of its capital structure. The Company uses net debt / working capital (bank debt plus accounts payable and accrued liabilities less accounts receivables and accrued receivables, prepaid expenses and deposits and inventory) as an alternative measure of outstanding debt. Management considers net debt / working capital an important measure to assist in assessing the liquidity of the Company.

Supplementary Measures

"Average realized crude oil price" is comprised of crude oil commodity sales from production, as determined in accordance with IFRS, divided by the Company's crude oil production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized NGL price" is comprised of NGL commodity sales from production, as determined in accordance with IFRS, divided by the Company's NGL production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized natural gas price" is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Average realized commodity price" is comprised of commodity sales from production, as determined in accordance with IFRS, divided by the Company's production. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"AFF per weighted average basic share" is comprised of AFF divided by the basic weighted average common shares.

"AFF per weighted average diluted share" is comprised of AFF divided by the diluted weighted average common shares.

"AFF per boe" is comprised of AFF divided by total production.

"Total payout ratio" is calculated as dividends paid or declared plus capital expenditures divided by adjusted funds flow. Management believes that total payout ratio provides a useful measure of the Company's capital reinvestment and dividend policy, as a percentage of the amount of adjusted funds flow.

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: all estimates and guidance related to the year ended 2022 results; the Company's planned 2023 capital program including wells to be drilled and completed and the timing of the same; 2023 guidance based on the planned capital program including forecasts of 2023 annual average production levels, debt adjusted production levels, adjusted funds flow, free adjusted funds flow, Net Debt/EBITDA ratio, operating income profit margin, and growth rates; light oil and NGLs weighting estimates; the projection that the base dividend is sustainable in a flat $55 WTI price environment through 2025; expectations regarding future commodity prices including the prospect that 2023 will be a challenging year for natural gas prices and the belief that the light crude oil market will continue to be strong; the Company's business strategy, milestones and objectives; the expectation that the first quarter of 2023 will be the Company's most active quarter to date; future liquidity and financial capacity; future results from operations and operating metrics and capital guidance; management's assessment of potential drilling inventory; future costs, expenses and royalty rates; future interest costs; the exchange rate between the $US and $Cdn; all preliminary forecasts related to our long range forecast through 2025; and methods of funding our capital program.

The internal projections, expectations, or beliefs underlying our Board approved 2023 capital budget and associated guidance, as well as management's preliminary strategy, and associated plans, goals and targets in respect of 2024 and 2025, are subject to change in light of, without limitation, the impact of the COVID-19 pandemic, the Russia/Ukraine conflict and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, volatile commodity prices, resulting changes in our underlying assumptions, goals and targets provided herein and changes in industry conditions and regulations. InPlay's financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions, for such time periods based upon the key assumptions outlined herein. In this press release reference is made to the Company's longer range 2024 and 2025 internal plan and associated economic model. Such information reflects internal goals and targets used by management for the purposes of making capital investment decisions and for internal long-range planning and future budget preparation. Readers are cautioned that events or circumstances and updates to underlying assumptions could cause capital plans and associated results to differ materially from those predicted and InPlay's guidance for 2023, and more particularly its internal plan, goals, targets and guidance for

2024 and beyond which are not based upon Board approved budget(s) at this time, may not be appropriate for other purposes. Accordingly, undue reliance should not be placed on the same.

Without limitation of the foregoing, readers are cautioned that the Company's future dividend payments to shareholders of the Company, if any, and the level thereof will be subject to the discretion of the Board of Directors of InPlay. The Company's dividend policy and funds available for the payment of dividends, if any, from time to time, is dependent upon, among other things, levels of FAFF, leverage ratios, financial requirements for the Company's operations and execution of its growth strategy, fluctuations in commodity prices and working capital, the timing and amount of capital expenditures, credit facility availability and limitations on distributions existing thereunder, and other factors beyond the Company's control. Further, the ability of the Company to pay dividends will be subject to applicable laws, including satisfaction of solvency tests under the *Business Corporations Act* (Alberta), and satisfaction of certain applicable contractual restrictions contained in the agreements governing the Company's outstanding indebtedness.

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; the timing and amount of purchases under the Company's NCIB; 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; that various conditions to a shareholder return strategy can be satisfied; 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; inflation and the risk of a global recession; changes in our planned 2023 capital program; changes in our approach to shareholder returns, including in relation to the Company's NCIB and the timing and amount of any potential purchases thereunder; changes in commodity prices and other assumptions outlined herein; the risk that dividend payments may be reduced, suspended or cancelled; 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 financial and leverage targets and objectives, potential dividends and share buybacks, 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 and strategy. 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.

Risk Factors to FLI

Risk factors that could materially impact successful execution and actual results of the Company's 2023 capital program and associated guidance and long-term forecast include:

- volatility of petroleum and natural gas prices and inherent difficulty in the accuracy of predictions related thereto;
- changes in Federal and Provincial regulations;
- the Company's ability to secure financing for the Board approve 2023 capital program and longer term capital forecast sourced from AFF, bank or other debt instruments, asset sales, equity issuance, infrastructure financing or some combination thereof;
- those additional risk factors set forth in the Company's MD&A and most recent Annual Information Form filed on SEDAR

Key Budget and Underlying Material Assumptions to FLI

The key budget and underlying material assumptions used by the Company in the development of its current and previous 2022 guidance, 2023 guidance and preliminary forecasts for 2024 and 2025 are as follows:

Current Guidance and Forecast

		Actuals FY 2021	Updated Guidance FY 2022	Guidance FY 2023	Updated Forecast FY 2024	Updated Forecast FY 2025
WTI	US$/bbl	$67.91	$94.25	$80.00	$75.00	$70.00
NGL Price	$/boe	$37.79	$50.55	$45.80	$43.00	$40.00
AECO	$/GJ	$3.44	$5.03	$3.40	$4.50	$4.65
Foreign Exchange Rate	CDN$/US$	0.80	0.77	0.73	0.73	0.73
MSW Differential	US$/bbl	$3.88	$1.80	$3.20	$3.00	$3.00
Production	Boe/d	5,768	9,100 – 9,200	9,500 – 10,500	10,250 – 11,250	10,950 – 11,950
Royalties	$/boe	5.51	11.25 – 11.80	8.75 – 10.25	7.50 – 9.00	6.00 – 7.50
Operating Expenses	$/boe	12.83	11.00 – 14.00	11.75 – 14.75	11.00 – 14.00	10.50 – 13.50
Transportation	$/boe	1.11	1.05 – 1.30	1.10 – 1.35	1.00 – 1.25	0.90 – 1.15
Interest	$/boe	2.67	1.20 – 1.60	0.35 – 0.85	0.00 – 0.10	0.00 – 0.10
General and Administrative	$/boe	2.83	2.40 – 2.95	2.25 – 2.95	2.15 – 2.85	2.05 – 2.75
Hedging loss (gain)	$/boe	6.20	1.90 – 2.20	(0.50) – (0.75)	–	–
Decommissioning Expenditures	$ millions	$1.4	$2.0 – $2.5	$3.5 – $4.0	$5.0 – $5.5	$5.0 – $5.5
Adjusted Funds Flow	$ millions	$47.0	$131 – $133	$126 – $138	$138 – $150	$144 – $154
Dividends	$ millions	–	$3	$15 – $16	$15 – $16	$15 – $16

		Actuals FY 2021	Updated Guidance FY 2022	Guidance FY 2023	Updated Forecast FY 2024	Updated Forecast FY 2025
Adjusted Funds Flow	$ millions	$47.0	$131 – $133	$126 – $138	$138 – $150	$144 – $154
Capital Expenditures	$ millions	$33.3	$76 – $78	$75 – $80	$76 – $81	$77 – $82
Free Adjusted Funds Flow	$ millions	$13.6	$53 – $57	$46 – $63	$57 – $74	$62 – $77

		Actuals FY 2021	Updated Guidance FY 2022	Guidance FY 2023	Updated Forecast FY 2024	Updated Forecast FY 2025
Adjusted Funds Flow	$ millions	$47.0	$131 – $133	$126 – $138	$138 – $150	$144 – $154
Interest	$/boe	2.67	1.20 – 1.60	0.35 – 0.85	0.00 – 0.10	0.00 – 0.10
EBITDA	$ millions	$52.6	$136 – $138	$128 – $140	$138 – $150	$144 – $154
Working Capital (Net Debt)	$ millions	($80.2)	($31) – ($32)	($2) – $10	$38 – $50	$81 – $92
Net Debt/EBITDA		1.5	0.2	(0.1) – 0.1	(0.2) – (0.4)	(0.5) – (0.6)

		Actuals FY 2021	Updated Guidance FY 2022	Guidance FY 2023	Updated Forecast FY 2024	Updated Forecast FY 2025
Production	Boe/d	5,768	9,100 – 9,200	9,500 – 10,500	10,250 – 11,250	10,950 – 11,950
Opening Working Cap. (Net Debt)	$ millions	($73.7)	($80.2)	($31) – ($32)	($2) – $10	$38 – $50
Ending Working Cap. (Net Debt)	$ millions	($80.2)	($31) – ($32)	($2) – $10	$38 – $50	$81 – $92
Weighted avg. outstanding shares	# millions	69.8	86.9	87.9	88.0	88.0
Assumed Share price	$	1.16[4]	3.00	3.00	3.00	3.00
Prod. per debt adj. share growth[2]		31%	55% – 56%	16% – 36%	17% – 36%	18% – 37%

		Actuals FY 2021	Updated Guidance FY 2022	Guidance FY 2023	Updated Forecast FY 2024	Updated Forecast FY 2025
Share outstanding, end of year	# millions	86.2	87.1	88.0	88.0	88.0
Assumed Share price	$	2.18[3]	3.00	3.00	3.00	3.00
Market capitalization	$ millions	$188	$261	$264	$264	$264
Working Capital (Net Debt)	$ millions	($80.2)	($31) – ($32)	($2) – $10	$38 – $50	$81 – $92
Enterprise value	$millions	$268.2	$292 – $293	$254 – $266	$214 – $226	$172 – $183
Adjusted Funds Flow	$ millions	$47.0	$131 – $133	$126 – $138	$138 – $150	$144 – $154
Interest	$/boe	2.67	1.20 – 1.60	0.35 – 0.85	0.00 – 0.10	0.00 – 0.10
Debt Adjusted AFF	$ millions	$49.7	$136 – $138	$128 – $140	$138 – $150	$144 – $154
EV/DAAFF		5.4	2.1	2.1 – 1.8	1.7 – 1.4	1.3 – 1.1

The change in the forecasted 2022 net debt level from prior guidance results from an increase in capital expenditures and decrease in adjusted funds flow as a result of a reduction to production and a higher natural gas weighting of total production.

Previous Guidance and Forecast

		Previous Guidance FY 2022(1)	Previous Forecast FY 2023(1)	Previous Forecast FY 2024(1)	Previous Forecast FY 2025(1)
WTI	US$/bbl	$93.25	$75.00	$70.00	$65.00
NGL Price	$/boe	$50.50	$43.00	$40.00	$37.25
AECO	$/GJ	$5.15	$4.90	$4.50	$4.65
Foreign Exchange Rate	CDN$/US$	0.77	0.73	0.73	0.73
MSW Differential	US$/bbl	$1.90	$3.75	$3.75	$3.75
Production	Boe/d	9,150 – 9,400	9,900 – 10,400	10,650 – 11,200	11,300 – 11,900
Royalties	$/boe	10.10 – 11.60	7.75 – 9.25	6.25 – 7.75	5.00 – 6.50
Operating Expenses	$/boe	11.00 – 14.00	10.50 – 13.50	10.00 – 13.00	9.50 – 12.50
Transportation	$/boe	1.05 – 1.30	1.00 – 1.25	0.90 – 1.15	0.85 – 1.10
Interest	$/boe	1.20 – 1.60	0.00 – 0.50	0.00 – 0.10	0.00 – 0.10
General and Administrative	$/boe	2.40 – 2.95	2.25 – 2.75	2.20 – 2.70	2.15 – 2.65
Hedging loss (gain)	$/boe	1.90 – 2.20	–	–	–
Decommissioning Expenditures	$ millions	$2.0 – $2.5	$3.5 – $4.0	$5.0 – $5.5	$5.0 – $5.5
Adjusted Funds Flow	$ millions	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Dividends	$ millions	$2 – $3	$15 – $16	$15 – $16	$15 – $16

		Previous Guidance FY 2022(1)	Previous Forecast FY 2023(1)	Previous Forecast FY 2024(1)	Previous Forecast FY 2025(1)
Adjusted Funds Flow	$ millions	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Capital Expenditures	$ millions	$70 – $72	$69 – $71	$75 – $77	$80 – $82
Free Adjusted Funds Flow	$ millions	$67 – $73	$63 – $71	$59 – $67	$51 – $59

		Previous Guidance FY 2022(1)	Previous Forecast FY 2023(1)	Previous Forecast FY 2024(1)	Previous Forecast FY 2025(1)
Adjusted Funds Flow	$ millions	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Interest	$/boe	1.20 – 1.60	0.00 – 0.50	0.00 – 0.10	0.00 – 0.10
EBITDA	$ millions	$143 – $147	$135 – $141	$136 – $142	$133 – $139
Working Capital (Net Debt)	$ millions	($14) – ($18)	$25 – $32	$63 – $69	$91 – $98
Net Debt/EBITDA		0.1 – 0.2	(0.2) – (0.3)	(0.4) – (0.5)	(0.6) – (0.7)

		Previous Guidance FY 2022(1)	Previous Forecast FY 2023(1)	Previous Forecast FY 2024(1)	Previous Forecast FY 2025(1)
Production	Boe/d	9,150 – 9,400	9,900 – 10,400	10,650 – 11,200	11,300 – 11,900
Opening Working Cap. (Net Debt)	$ millions	($80.2)	($14) – ($18)	$25 – $32	$63 – $69
Ending Working Cap. (Net Debt)	$ millions	($14) – ($18)	$25 – $32	$63 – $69	$91 – $98
Weighted avg. outstanding shares	# millions	86.9	87.1	87.1	87.1
Assumed Share price	$	3.50	3.50	3.50	3.50
Prod. per debt adj. share growth(2)		61% – 66%	25% – 32%	19% – 26%	14% – 21%

		Previous Guidance FY 2022(1)	Previous Forecast FY 2023(1)	Previous Forecast FY 2024(1)	Previous Forecast FY 2025(1)
Share outstanding, end of year	# millions	87.1	87.1	87.1	87.1
Assumed Share price	$	3.50	3.50	3.50	3.50
Market capitalization	$ millions	$305	$305	$305	$305
Working Capital (Net Debt)	$ millions	($14) – ($18)	$25 – $32	$63 – $69	$91 – $98
Enterprise value	$millions	$319 – $323	$273 – $280	$236 – $242	$207 – $214
Adjusted Funds Flow	$ millions	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Interest	$/boe	1.20 – 1.60	0.00 – 0.50	0.00 – 0.10	0.00 – 0.10
Debt Adjusted AFF	$ millions	$143 – $147	$135 – $141	$136 – $142	$133 – $139
EV/DAAFF		2.1 – 2.2	2.0 – 2.1	1.7 – 1.8	1.5 – 1.6

(1) As previously released November 9, 2022.

(2) Production per debt adjusted share is calculated by the Company as production divided by debt adjusted shares. Debt adjusted shares is calculated by the Company as common shares outstanding plus the change in working capital (net debt) divided by the Company's current trading price on the TSX, converting working capital (net debt) to equity. Future share prices assumed to be consistent with the current share price.

(3) Ending share price at December 31, 2021.

(4) Weighted average share price throughout 2021.

- See “Production Breakdown by Product Type” below
- Quality and pipeline transmission adjustments may impact realized oil prices in addition to the MSW Differential provided above

- Changes in working capital (net debt) are not assumed to have a material impact between Dec 31, 2021, Dec 31, 2022 and Dec 31, 2023.
- The assumptions above do not include potential future purchases through the Company's NCIB.

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:

Current Guidance and Forecast

	Light and Medium Crude oil (bbls/d)	NGLS (boe/d)	Conventional Natural gas (Mcf/d)	Total (boe/d)
FY 2022 – Updated Guidance	3,805	1,385	23,760	9,150(1)
FY 2023 – Guidance	4,520	1,385	24,570	10,000(2)
FY 2024 – Updated Forecast	4,655	1,565	27,180	10,750(3)
FY 2025 – Updated Forecast	4,900	1,685	29,190	11,450(3)

Notes:

1. *This reflects the mid-point of the Company's 2022 production guidance range of 9,100 to 9,200 boe/d.*
2. *This reflects the mid-point of the Company's 2023 production guidance range of 9,500 to 10,500 boe/d.*
3. *This reflects the mid-point of the Company's updated annual production forecast range.*
4. *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.*

Previous Guidance and Forecast

	Light and Medium Crude oil (bbls/d)	NGLS (boe/d)	Conventional Natural gas (Mcf/d)	Total (boe/d)
FY 2022 – Previous Guidance	4,014	1,340	23,530	9,275(1)
FY 2023 – Previous Forecast	4,355	1,380	26,500	10,150(2)
FY 2024 – Previous Forecast	4,660	1,500	28,600	10,925(2)
FY 2025 – Previous Forecast	4,590	1,645	32,200	11,600(2)

Notes:

1. *This reflects the mid-point of the Company's 2022 previous production guidance range of 9,150 to 9,400 boe/d.*
2. *This reflects the mid-point of the Company's previous annual production forecast range.*
3. *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 ("Nl 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.