InPlay Oil Corp. Announces Operations Update with Record Corporate Production, a Long-Term Forecast and Return to Shareholder Strategy

September 27, 2022 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) ("InPlay" or the "Company") is pleased to announce an operations update and a long-term forecast through 2025.

Operations Update

InPlay is currently producing at record production levels of 9,600 boe/d(2) (57% light oil and NGLs) based on field estimates. In Willesden Green, three (2.9 net) Extended Reach Horizontal ("ERH") wells were brought on production approximately ten days ago and an additional two (1.9 net) ERH wells will be brought on production in the next few days. These wells are currently in the early clean-up stage and should achieve peak production over the next 30 to 60 days. The Company's current plans from our original capital program is to drill one (0.95 net) additional two-mile well in Willesden Green.

Given the strong operational results in 2022 to date, InPlay expects to be in the upper half of our full year 2022 production guidance which equates to 9,150 to 9,400 boe/d(2). This forecast is estimated to deliver production growth of 28% to 31% on a per share basis (83% to 92% on a debt adjusted per share basis (1)) which is expected to be top-tier amongst light oil peers.

InPlay has elected to drill additional extended reach wells in 2022 (and fewer one-mile wells) than originally planned, including two two-mile ERH wells which achieved exceptional efficient drill times. The Company is also expecting increased industry activity levels in the first quarter of 2023. With our strong balance sheet, InPlay plans to take advantage of utilizing our preferred contractors and is now tactically planning to start 2023 expenditures in late 2022 by initiating preliminary construction work and adding two horizontal (2.0 net) Belly River light oil wells to the 2022 capital program. These wells are expected to be brought on production late in the fourth quarter positioning the Company for significant production increases in 2023. The Belly River is a producing play which we have not drilled in since 2016 and plans are to utilize the technologies and expertise developed in our Cardium play over the years. These wells have a high light oil weighting (approximately 90% - 95% light oil) that receives a premium to our benchmark Mixed Sweet Blend ("MSW") pricing. The Company also plans to invest in environmental initiatives by constructing a third vapour recovery unit for additional emission conservation. As a result, the Board of Directors have approved an increased 2022 development capital budget of $70 to $72 million.

Outlook and Long-Term Forecast (3)

InPlay is continuously evaluating market conditions including current recession concerns in order to maximize shareholder returns. Even with the current volatility, commodity prices continue to remain historically strong in part due to the weak Canadian dollar, resulting in high rates of return on capital investment and short payout periods. It is InPlay's belief that long-term commodity pricing will remain strong due to the lack of industry wide capital spending over recent years, restrictive government regulations and mandates and unstable global geopolitics leading to a multi-year bull cycle in crude oil prices. The Company is continuing to rapidly pay down debt and is in the best operational and financial position in our history while remaining focused on our disciplined strategy.

InPlay is pleased to provide a forecast to the end of 2025. The Company's strategy is to continue to provide top-tier light-oil weighted growth, maintaining a strong financial position while providing significant FAFF and sustainable returns to shareholders. Our strategy is to provide organic production growth in a range of 6% - 10%. At a WTI price of US $80/bbl or better, we target 10% production growth and with WTI pricing of approximately US $60/bbl, production growth of 6% is targeted. This is demonstrated in our forecast to 2025 which would provide a meaningful return to shareholders.

The table below outlines the highlights of the four year forecast based on the following WTI pricing scenarios:

	2022	2023	2024	2025
WTI (US$/bbl)	93.25	75.00	70.00	65.00
Production (boe/d) (2)	9,150 – 9,400	9,900 – 10,400	10,650 – 11,200	11,300 – 11,900
Capital ($ millions)	70 – 72	69 – 71	75 – 77	80 – 82
Net wells	17.5	17.5 – 18.5	18.5 – 19.5	21.0 – 22.0
DAPPS Growth (%) (1) *	83 – 92	46 – 59	40 – 45	30 – 35
AFF ($ millions) (4)	139 – 143	134 – 140	136 – 142	133 – 139
FAFF ($ millions) (1)	67 – 73	63 – 71	59 – 67	51 – 59
Working Capital (Net Debt) at Year-end ($ millions) (4)	(12) – (16)	43 – 50	97 – 103	141 – 147
Annual Net Debt / EBITDA (1)	0.1 – 0.2	(0.3) – (0.4)	(0.7) – (0.8)	(1.0) – (1.1)
EV / DAAFF (1) *	1.5 – 1.6	1.2 – 1.3	0.8 – 0.9	0.5 – 0.6

** Assumes a $2.50 share price*

This forecast shows the high quality deliverability and return of our assets evidencing the sustainability of the Company with increasing positive working capital and minimal leverage.

Return of Shareholder Capital

InPlay's trailing 12 month net debt to earnings before interest, taxes and depletion ("EBITDA") ratio was less than 0.5 times at the end of the second quarter and is forecast to be 0.1 – 0.2 times at the end of 2022. With this threshold achieved, in addition to the continued generation of FAFF, elimination of debt and generation of positive working capital forecasted through to 2025, the Company is committed towards providing a return of capital to shareholders. The Company believes that our share price is currently significantly undervalued and the prudent first step in enhancing returns to shareholders is a share buyback program which the Company's Board of Director's has approved for implementation and will be subject to regulatory approval. With this in place the Company will be able to acquire common shares at opportunistic times and share prices.

As outlined above in the long term forecast, the Company is forecasting to generate material FAFF resulting in a growing positive working capital balance through to 2025. Our strategy for the accumulating additional FAFF is to provide returns to shareholders through potential share buybacks, dividends, increased tactical capital investment and accretive strategic acquisitions.

Given the significant volatility in both commodity prices and market conditions experienced in recent weeks, the Company and its Board of Director's will continue to monitor and evaluate the timing and implementation of additional returns to shareholders.

The Company has been disciplined in maintaining operational flexibility by quickly adapting to changing market conditions and commodity price fluctuations in making business decisions. This same prudent approach is currently being followed. Management would like to thank our employees, board members, lenders and shareholders for their support and we look forward to continuing our journey of deleveraging and delivering strong returns to shareholders in a sustainable, prudent and responsible manner.

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Notes:

1. *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.*
2. *See "Production Breakdown by Product Type" at the end of this press release.*
3. *See "Reader Advisories – Forward Looking Information and Statements" for full details and key budget and underlying assumptions related to our 2022 capital program and associated guidance and long-term forecast.*
4. *Capital management measure. See "Non-GAAP and Other Financial Measures" contained within this press release.*

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 ("FAFF")", "Net Debt to EBITDA", "Production per debt adjusted share ("DAPPS")" and "EV / DAAFF". 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", "working capital (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 ("FAFF")

Management considers FAFF per share important measures to identify the Company's ability to improve its financial condition through debt repayment, which has become more important recently with the introduction of second lien lenders, on an absolute and weighted average per share basis. 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, and repayment of debt or decommissioning expenditures or potentially return of capital to shareholders. FAFF per share is calculated by the Company as FAFF divided by weighted average outstanding shares. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast FAFF.

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 working capital (net debt) divided by the Company's current trading price on the TSX, converting working capital (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. Adjusted funds flow ("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.

Working Capital (Net Debt)

Working capital (net debt) 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 working capital (net debt) as part of its capital structure. The Company uses working capital (net debt) (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 working capital (net debt) an important measure to assist in assessing the liquidity of the Company.

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: the Company's planned 2022 capital program including wells to be drilled and completed and the timing of the same; 2022 guidance based on the planned capital program including forecasts of 2022 annual average production levels, debt adjusted production levels, adjusted funds flow, free adjusted funds flow, Net Debt/EBITDA ratio, and growth rates; the Company's long-term forecast including wells to be drilled and completed and the timing of the same; production estimates based on the planned capital program including forecasts of annual average production levels, debt adjusted production levels, adjusted funds flow, free adjusted funds flow, working capital, Net Debt/EBITDA ratio, EV/DAAFF and growth rates; light oil and liquids weighting estimates; the expectation that the Company will be in the upper half of our full year 2022 production guidance; the expectation of high industry activity levels in the first quarter of 2023; the expectation that the Belly River wells will significantly reduce operating expenses in the field; the Company's business strategy, milestones and objectives including, without limitation, the anticipated continuation of debt reduction throughout the year; the expectation that the Company will generate strong FAFF through 2025; expectations regarding the use of additional FAFF; expectations regarding the Company's share buyback program, including the timing of the same; expectations regarding future commodity prices including InPlay's belief that strong commodity pricing will remain leading to a multi-year crude bull cycle in crude oil 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.

Without limitation of the foregoing, readers are cautioned that the Company's return to shareholders framework including a share buyback program and future dividend payments to shareholders of the Company, if any, and the level thereof remains uncertain and accordingly management's expectations related thereto should not be unduly relied upon. The Company's share buyback program, if any, dividend policy and funds available for the repurchase of shares or 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 implement a return to shareholder program will be subject to applicable laws, including, but not limited to, satisfaction of solvency tests under the ABCA, approval of the Toronto Stock Exchange ("TSX") 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 and the anticipated lifting of certain restrictions on the payment of distributions to shareholders which currently exist thereunder; 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, including TSX approval; 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 risk that the Company is unable to implement a return to shareholder strategy or, if implemented, the risk that such strategy 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 and InPlay's long-term forecast, 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.

The key budget and underlying material assumptions used by the Company in the development of its 2022 guidance and long-term forecast including forecasted production, operating income, capital expenditures, AFF, FAFF, , working capital (net debt), Net Debt/EBITDA, DAPPS and EV/DAAFF are as follows:

		Actuals FY 2021	Previous Guidance FY 2022[1]	Updated Guidance FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
WTI	US$/bbl	$67.91	$95.40	$93.25	$75.00	$70.00	$65.00
NGL Price	$/boe	$37.79	$47.80	$50.50	$43.00	$40.00	$37.25
AECO	$/GJ	$3.44	$6.00	$5.15	$4.90	$4.50	$4.65
Foreign Exchange Rate	CDN$/US$	0.80	0.79	0.77	0.73	0.73	0.73
MSW Differential	US$/bbl	$3.88	$2.70	$1.90	$3.75	$3.75	$3.75
Production	Boe/d	5,768	8,900 – 9,400	9,150 – 9,400	9,900 – 10,400	10,650 – 11,200	11,300 – 11,900
Royalties	$/boe	5.51	11.50 – 13.00	10.10 – 11.60	7.75 – 9.25	6.25 – 7.75	5.00 – 6.50
Operating Expenses	$/boe	12.83	11.00 – 14.00	11.00 – 14.00	10.50 – 13.50	10.00 – 13.00	9.50 – 12.50
Transportation	$/boe	1.11	1.05 – 1.30	1.05 – 1.30	1.00 – 1.25	0.90 – 1.15	0.85 – 1.10
Interest	$/boe	2.67	0.85 – 1.25	1.20 – 1.60	0.00 – 0.50	0.00 – 0.10	0.00 – 0.10
General and Administrative	$/boe	2.83	2.40 – 2.95	2.40 – 2.95	2.25 – 2.75	2.20 – 2.70	2.15 – 2.65
Hedging loss	$/boe	6.20	1.85 – 2.15	1.90 – 2.20	–	–	–
Decommissioning Expenditures	$ millions	$1.4	$2.0 – $2.5	$2.0 – $2.5	$3.5 – $4.0	$5.0 – $5.5	$5.0 – $5.5
Adjusted Funds Flow	$ millions	$47.0	$147 – $156	$139 – $143	$134 – $140	$136 – $142	$133 – $139

		Actuals FY 2021	Previous Guidance FY 2022[1]	Updated Guidance FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
Adjusted Funds Flow	$ millions	$47.0	$147 – $156	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Capital Expenditures	$ millions	$33.3	$64	$70 – $72	$69 – $71	$75 – $77	$80 – $82
Free Adjusted Funds Flow	$ millions	$13.6	$83 - $92	$67 – $73	$63 – $71	$59 – $67	$51 – $59

		Actuals FY 2021	Previous Guidance FY 2022[1]	Updated Guidance FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
Adjusted Funds Flow	$ millions	$47.0	$147 – $156	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Interest	$/boe	2.67	0.85 – 1.25	1.20 – 1.60	0.00 – 0.50	0.00 – 0.10	0.00 – 0.10
EBITDA	$ millions	$52.6	$150 – $159	$143 – $147	$135 – $141	$136 – $142	$133 – $139
Working Capital (Net Debt)	$ millions	($80.2)	$1 – $10	($12) – ($16)	$43 – $50	$97 – $103	$141 – $147
Net Debt/EBITDA		1.5	0.0 – 0.1	0.1 – 0.2	(0.3) – (0.4)	(0.7) – (0.8)	(1.0) – (1.1)

		Actuals FY 2021	Previous Guidance FY 2022[1]	Updated Guidance FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
Production	Boe/d	5,768	8,900 – 9,400	9,150 – 9,400	9,900 – 10,400	10,650 – 11,200	11,300 – 11,900
Opening Working Cap. (Net Debt)	$ millions	($73.7)	($80.2)	($80.2)	($12) – ($16)	$43 – $50	$97 – $103
Ending Working Cap. (Net Debt)	$ millions	($80.2)	$1 – $10	($12) – ($16)	$43 – $50	$97 – $103	$141 – $147
Weighted avg. outstanding shares	# millions	69.8	86.5	86.9	87.1	87.1	87.1
Assumed Share price	$	1.16[4]	3.66	2.50	2.50	2.50	2.50
DAPPS Growth[2]		31%	70% - 80%	83% - 92%	46% - 59%	40% - 45%	30% - 35%

		Actuals FY 2021	Previous Guidance FY 2022[1]	Updated Guidance FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
Share outstanding, end of year	# millions	86.2	86.5	87.1	87.1	87.1	87.1
Assumed Share price	$	2.18[3]	3.66	2.50	2.50	2.50	2.50
Market capitalization	$ millions	$188	$317	$218	$218	$218	$218
Working Capital (Net Debt)	$ millions	($80.2)	$1 – $10	($12) – ($16)	$43 – $50	$97 – $103	$141 – $147
Enterprise value	$millions	$268.2	$307 – $316	$230 – $234	$168 – $175	$115 – $121	$71 – $77
Adjusted Funds Flow	$ millions	$47.0	$147 – $156	$139 – $143	$134 – $140	$136 – $142	$133 – $139
Interest	$/boe	2.67	0.85 – 1.25	1.20 – 1.60	0.00 – 0.50	0.00 – 0.10	0.00 – 0.10
Debt Adjusted AFF	$ millions	$49.7	$151– $160	$143 – $147	$135 – $141	$136 – $142	$133 – $139
EV/DAAFF		5.4	1.9 – 2.1	1.5 – 1.6	1.2 – 1.3	0.8 – 0.9	0.5 – 0.6

(1) As previously released May 11, 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. Share price at December 31, 2022 through December 31, 2025 is 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 and Dec 31, 2022.

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 National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities and their respective quantities disclosed in the table below:

	Light and Medium Crude oil (bbls/d)	**NGLS (boe/d)**	**Conventional Natural gas (Mcf/d)**	**Total (boe/d)**
2022 Annual Guidance	4,014	1,340	23,530	9,275[1]
2023 Annual Forecast	4,355	1,380	26,500	10,150[2]
2024 Annual Forecast	4,660	1,500	28,600	11,925[2]
2025 Annual Forecast	4,590	1,645	32,200	11,600[2]
Current Production	4,050	1,520	24,190	9,600

Notes:

1. *This reflects the mid-point of the Company's 2022 production guidance range of 9,150 to 9,400 boe/d.*
2. *This reflects the mid-point of the Company's 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 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.

Oil and Gas Metrics

This presentation may contain metrics commonly used in the oil and natural gas industry, such as "payout". This term does not have standardized meaning 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. 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 presentation, should not be unduly relied upon.

"Payout" refers to the time required to pay back the capital expenditures (on a before tax basis) of a project.