

Delivering Strong Returns to Shareholders while Maintaining Sustainability



INPLAY OIL

2022 Sustainability Report

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Overview

This report is intended for InPlay Oil Corp.'s ("InPlay", or the "Company", or "we") internal and external stakeholders and includes data for 2020 and 2021.

In 2020, InPlay established a mandate to publish its inaugural sustainability report under the Task-Force for Climate-related Financial Disclosures ("TCFD"). The TCFD was created to help provide a standardized framework for disclosing climate-related financial risks across industries.

InPlay has already taken many steps to incorporate sustainability initiatives into our operations and the way we conduct business specifically relating to environmental, social and governance ("ESG") principles. The board of directors have added ESG responsibilities to their mandate, regular meetings occur between key Company personnel to identify sustainability risks and opportunities, operational improvements have been identified and implemented and considerable reductions have been made to our abandonment and reclamation obligations ("ARO"). Looking forward, we are excited to continue our ESG journey and refine the Company's policies, procedures and reporting in the continuously changing ESG landscape.



Message to Stakeholders

At InPlay, we believe the western Canadian oil and gas industry can be developed both economically and sustainably. Our management team strives to provide strong shareholder returns in the short-term and responsibly into the future. We consider our many stakeholders in the business decisions of the Company, including the communities we operate in, shareholders, lenders and future generations.

The COVID-19 pandemic and resulting price volatility emphasized the increasing importance of sustainability in our industry. Since the onset of the pandemic, InPlay has been highly focused on sustainability through solidifying our financial position, increasing reserve life, enhancing our already top-tier drilling inventory and adding material scale to the Company through strategic acquisitions. In 2021, InPlay closed the strategic acquisition of Prairie Storm that enhanced our asset base and supported our long-term sustainability. In addition to the accretive nature of this acquisition, the operational philosophy, emissions intensity and ARO liability management of these assets were also factors that were evaluated during our due diligence process.

The Company's business operations benefit local economies of the communities we operate in. Property taxes and royalty regimes provide significant provincial economic contributions to help fund critical infrastructure and social programs in our province. Economic benefit is distributed through local employment opportunities, utilization of local vendors and rentals to landowners.



Company

InPlay Oil Corp. is a junior oil and gas exploration and production company with operations in Alberta focused on light oil production. The Company operates long-life, low-decline properties with drilling development and enhanced oil recovery potential as well as undeveloped lands with exploration possibilities. To achieve sustainable and profitable growth, InPlay believes in controlling the timing and costs of its projects by maintaining operatorship of those projects wherever possible.

<u>Corporate Overview</u>	<u>2021</u>	<u>2020</u>
Production (boe/d)	5,768	3,985
% Oil and NGL's	65%	68%
Royalties (\$000's)	11,595	2,924
Adjusted Funds Flow ⁽¹⁾ (\$000's)	47,028	7,436
Operating expenses (\$000's)	27,009	21,043
Capital Expenditures – PP&E and E&E (\$000's)	33,434	23,136
Undeveloped Acreage (net acres)	76,599	65,932

65% Oil & NGL
Production



1. Capital management measure. See "Advisories" contained within this report.

Task Force for Climate-Related Financial Disclosure

The TCFD is a set of guidelines that aims to provide companies with a framework to incorporate climate risk and opportunities into their existing governance, strategy, risk management and performance measures.

CLIMATE RISKS AND OPPORTUNITIES

There are many climate related risks and opportunities (“R&O”) that could impact InPlay’s operations which are constantly changing. The operations team at InPlay have significant experience in mitigating industry risks, taking advantage of opportunities and anticipating the evolving landscape.

The TCFD identifies two general categories of climate R&O’s: transition and physical:

Transition - Transition R&O’s reflects the impact of future decreases to societal demand of fossil fuels. These R&O’s include changing government regulation, technological change and consumer trends.

Physical - Physical R&O’s relate to climate change effects on our environment. Acute physical R&O’s have a short duration and high impact. Chronic physical R&O’s have a longer duration and growing impact.

R&O	Description
Acute	Acute impacts from extreme weather conditions, including extreme hot and cold weather, heavy snowfall, heavy rainfall and wildfires may restrict access, cause operational difficulties, damage our assets, disrupt our supply chain and increase risk of personal injury as a result of dangerous working conditions.
Chronic	Chronic, long-term shifts in weather patterns such as water scarcity, increased frequency of storm and fire and prolonged heat waves may exacerbate operational delays and increase our expenditures to manage the challenges.
Markets	Risk arising from potential shifts in supply and demand for commodities as climate change-related impacts are increasingly considered in product purchase decisions.
Social	Opposition to new and expanded pipeline projects by activists is influenced by concerns about greenhouse gas (“GHG”) emissions associated end-use combustion of fuels. Additional concerns about pipeline spills can create opposition to new pipeline development at a local level. This could result in disruptions in, or restricted availability of, pipeline, rail or marine services.
Capital	More restrictive decarbonization policies of institutional investors, lenders and insurers could affect InPlay's ability to access capital and insurance. The future development of our business may be dependent upon our ability to obtain additional capital, including debt and equity financing.
Regulatory	Uncertainty around the nature and scope of current and future federal and/or provincial regulations relating to GHG regulations and the potential to affect InPlay's ability to meet regulatory requirements and remain cost competitive.
Reputation	These are medium- to long-term impacts to stakeholder perceptions related to how we are viewed as contributing to or hindering diversification to a lower carbon economy.
Legal	There is potential for legal action that would seek to hold oil and gas companies responsible for not adequately addressing climate change risk and/or insufficient disclosure of material risk.
Technological	Limitations on availability, scalability, and cost effectiveness of emissions reduction technologies.

OVERSIGHT

InPlay's Board and management team are responsible for climate objectives, goals, and strategies. Our Corporate Governance and Environment, Health, Safety and Sustainability ("EHS&S") committee meets annually to address climate related issues and oversees InPlay's approach to sustainability.

InPlay's Chief Executive Officer, Chief Financial Officer, and VP, Operations are heavily involved in internal climate discussions and stress the importance of these initiatives throughout the Company. Key personnel in the land, operations and finance departments meet regularly to discuss climate related goals, risks and opportunities.



MATERIALITY

In developing this sustainability report, InPlay has performed an assessment to identify the key sustainability aspects impacting the Company. InPlay will continue to refine this assessment and reevaluate the identification and prioritization of these factors on an ongoing basis. The material sustainability features impacting the Company have been identified as the following:

ENVIRONMENT

- Emissions
- Water Management
- Spill Management
- Abandonment & Reclamation

SOCIAL

- Safety
- Human Resources
- Communities
- Indigenous Relations

GOVERNANCE

- Economic Performance
- Risk Management

Environment

InPlay is committed to environmental stewardship while safely and efficiently developing our assets that contribute to the local, provincial and Canadian economies. We place a high importance on managing emissions, water conservation, spill mitigation and abandonment and reclamation activities. Our goal is to ensure all stakeholders benefit from our business operations both in the short-term and long into the future.



Vapor Recovery Unit ("VRU") at Willesden Green 03-34 battery.

InPlay's VRU has reduced emissions by 1,750 tonnes of CO₂ equivalent since 2019, the equivalent to removing 380 cars from roadways for one year⁽¹⁾

1) The average North American car emits 4.6 tonnes of CO₂ per year (Source: EPA / Natural Resources Canada)

EMISSIONS

The stringent emission regulations in the province combined with the conventional and light oil nature of InPlay's operations allows the Company to have a lower emissions intensity relative to other hydrocarbon plays. Our operations team has taken further action to reduce the emissions intensity of our light oil weighted production. For example, the Company is prioritizing methane reduction through lower flaring and venting and we have recently completed numerous emission reduction projects which are outlined on the next slide.

Monitoring of emissions pertaining to Scope 1 (direct emissions from our owned or controlled operations) and Scope 2 (indirect emissions related to the purchase of electricity or other energy forms) categories has been implemented in order to establish benchmarks and to set realistic emissions targets in the future. Currently, the Company is aiming to achieve emission reduction targets as guided by the *Technology Innovation and Emissions Reduction* regulation.

EMISSIONS/ENVIRONMENTAL HIGHLIGHTS

Instrumentation: 38 InPlay sites have been constructed or converted to instrument air, a proven, reliable technology that eliminates venting emissions and/or reduces fuel gas to run operations. Variable frequency drives (“VFD”), pump off controls and automated instrumentation has been installed to avoid unnecessary equipment operation, reducing energy consumption and improving operating netbacks.

High to Low Bleed Conversions: InPlay is in process of completing a conversion of all high bleed pneumatic devices to low bleed options. To date, InPlay has performed 144 conversions which are forecasted to result in significant emission reductions and carbon credits to offset the cost of these conversions.

Plunger Lifts: InPlay has been an industry leader in utilizing plunger lifts as opposed to artificial lift technology (pump jacks), reducing energy consumption to operate wells and instead using gravity and natural reservoir pressures. To date, InPlay has converted 27 wells to plunger lifts and 11 newly drilled wells have utilized this technology since initial production.

Facilities: Our multi-well pad programs reduce surface lease footprints, improve battery efficiencies and reduces trucking requirements for rig moves and product transportation. The Company has reduced flaring by pre-building pipelines to pad sites, which also allows company-produced natural gas to heat water used for fracing, reducing the use of diesel fuel. Equipment is reused when still in good condition and is no longer required at its original location.

Well Design: Extended Reach Horizontal, multi-well pad design and our pace-setting drilling operations has created efficiencies through the reduction in drilling days relative to reservoir accessed and surface acreage disturbance. Land use has been further reduced through utilizing pre-existing leases and tighter well spacing.

Gas Conservation: Identified the opportunity to install a Vapor Recovery Unit (“VRU”) at a battery in Willesden Green in June 2019, resulting in the capture of gas that was previously flared and increasing revenues through higher gas conservation. This installation led to emissions reduction of approximately 1,750 tCO₂e. Two additional VRU installations are planned at our larger facilities in 2022.

Pipelines: Industry leader in the utilization of boring for pipeline installation to avoid surface acreage disturbance.



Sites have been converted to instrument air to reduce venting and fuel gas



Three well pad at 04-08-047-09W5 utilizing plunger lifts and tight well spacing reducing surface acreage disturbance

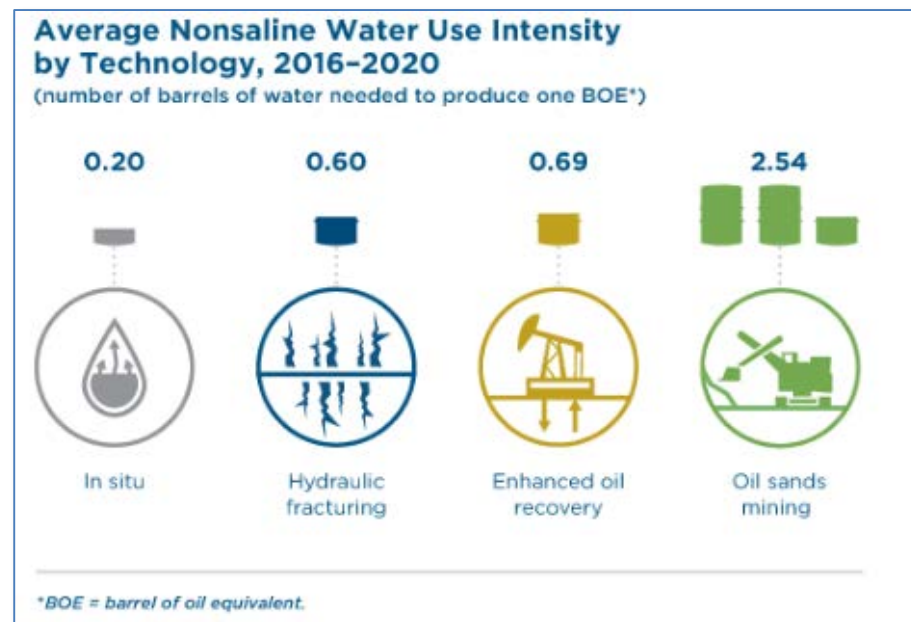
WATER MANAGEMENT

Canada's significant water sources are a valuable resource to both the public and industry that should not be taken for granted. InPlay is of the view that our shared water resources should be respected and used in a responsible manner. We attempt to minimize water use in our operations and follow stringent water withdrawal and disposal regulation. The following outlines InPlay's water management strategy:

Reservoir: Our reservoirs, which are conventional in nature, require less intense use of water to develop in comparison to unconventional plays. Conventional operations require water for drilling and hydraulic fracturing, with minimal water requirements after production begins. Given the long-life nature of our wells, water intensity goes down over time.

Reuse: InPlay attempts to use produced saltwater, that would otherwise be destined for deep disposal, in enhanced oil recovery and completion operations, greatly reducing our reliance on fresh water. The Company used a total of 160,552 m³ of water to conduct our operations, of which approximately 55% was saltwater destined for deep basin disposal. Our water use intensity of 0.48 barrels of water to produce one boe decreased by 18% in comparison to 2020.

Sourcing: Where produced water is not available in sufficient volumes, InPlay sources water from dugouts and ponds, while adhering to strict regulations relating to surface water sources and groundwater withdrawal. This reduces emissions from the trucking of water from distant sources.



Source: <https://www.aer.ca/protecting-what-matters/holding-industryaccountable/industry-performance/water-use-performance>

SPILL MITIGATION

InPlay's effective asset maintenance, inspection, monitoring, and mitigation program is designed to dramatically reduce the risk of a spill occurring and the potential severity. InPlay's is responsible for approximately 775 segments of pipeline and numerous facilities. The Company has had zero recordable spills over the last two years as a result of our rigorous asset integrity program, which is outlined below:

- **Surveillance:** Pipeline right-of-ways are inspected from the air or the ground. In 2020, InPlay deployed drone inspections in addition to annual aerial surveillance. Inspections occur on a risk-based schedule ranging from bi-monthly to annually and look for any visible issues (signs of leaks, external damage, changes to the area) and identify other anomalies (temperature changes via thermal imaging). In addition, operators verify pressures and production numbers from wells and facilities to account for all volumes on a daily basis. 24/7 visual monitoring is utilized during the first month of production for a new well when the potential for a spill is highest.
- **Corrosion:** Pipeline corrosion is a critical issue that must be managed. To avoid corrosion, InPlay installs composite (non-metallic) pipe for new projects. For pre-existing pipelines, corrosion is mitigated through protective coatings, cathodic protection, corrosion inhibiting chemicals or other methods. Corrosion is monitored through fluid sampling, inline inspections, pipe cutouts and other testing.
- **Abandonment:** Pipelines and other equipment have a finite life and InPlay is proactive in decommissioning old or inactive infrastructure well before its end of life. The Company incorporates a risk ranking process on these items based on life, potential impact (i.e. water crossings) or other characteristics to identify infrastructure that should be taken out of service.
- **Emergency Response Plan:** Should a spill or other emergency occur, InPlay maintains an Emergency Response Plan ("ERP") to formalize response procedures to potential risks impacting the business. The primary goal of this ERP is to protect employee and contractor safety, as well as ensure the safety of our communities and the environment. Regular ERP training and scenario exercises occur on a frequent basis and ERP discussion topics occur at monthly corporate safety meetings.



Water crossing inspection at 12-18-049-08W5M

**InPlay has had 0
recordable spills over
the last 2 years**

ABANDONMENT & RECLAMATION

InPlay remains committed to effectively managing its inactive asset retirement liabilities while ensuring that wells and facilities are left in a safe and secure state which does not pose a risk to the public or environment. Consultant expertise is utilized to ensure that the provincial standards and procedures have been achieved on all abandonments and reclamation operations.

Substantial progress has been made in reducing the surface footprint of operated areas outside of our core operations. In 2021, InPlay voluntarily joined the AER's area-based closure program. As a result, we have achieved efficiencies and economies of scale through the execution of a large-scale, shallow gas abandonment project, which saw savings of approximately 20% over the AER's estimated liability values. In addition, during 2020 and 2021, InPlay actively applied for the Alberta and British Columbia Governments' Site Rehabilitation Programs, resulting in \$3.0 million of grants for deployment through the end of 2022. These programs and InPlay's commitment to environmental stewardship has resulted in the acceleration of our liability reduction program. In 2021, we completed our most active abandonment and reclamation program to date, highlighted by the following:

- 75** wells abandoned in 2021 of approximately 500 suspended wells in our portfolio.
- 22** reclamation certificates earned in Alberta in 2021, returning 36 acres to their natural state
- 46** pipeline segments abandoned in 2021, amounting to 44 kms
- \$2.4 million** spent on reducing our liability by 3% through successful abandonment of wellbores and reclamation of well sites



Reclamation of 102/16-26-040-05W5M well site and new vegetation at well center.

SOCIAL

InPlay's number one priority is the safety of our employees, contractors and communities within our operating areas. Many stakeholders, including our employees, communities, shareholders and lenders are key players to our long-term success.

SAFETY

InPlay's has an exemplary safety track record, with a Lost Time Incident Frequency ("LTIF") and Total Recordable Incident Frequency ("TRIF") rate of zero over the last four years. A strong culture of safety has been developed throughout our organization resulting from:

InPlay has a LTIF and TRIF rate of 0 over the last 4 years

- **Monthly safety meetings:** InPlay holds monthly area safety meetings with all operators and operational employees. Regular meetings also occur at the field level to discuss detailed issues impacting various areas.
- **Asset integrity:** InPlay's effective asset integrity program (outlined on slide 12) significantly reduces the potential of safety risks from infrastructure malfunction.
- **Emergency Response Plan:** Regular ERP training and scenario exercises occur on a frequent basis and ERP discussion topics occur at monthly corporate safety meetings to ensure employees and contractors are aware of emergency response procedures.

HUMAN RESOURCES

InPlay is proud to directly employ over 30 individuals, indirectly create employment for many contractors and utilize many more local vendors within our communities. Our small company atmosphere constructs a collaborative work environment with strong communication.

To ensure our retention policies remain competitive, we incorporate the following:

- **Compensation:** We compensate staff based on performance. Our compensation program has been reviewed by a third party for competitiveness and areas of improvement.
- **Benefits:** InPlay provides employees with a very competitive benefits program that ensures our employees and their families can take care of their health. This program was recently enhanced to provide employees with additional benefits, including the implementation of an Employee and Family Assistance Program (EFAP), which provides 24/7 clinical counselling, work-health-life services, and professional advice.

COMMUNITIES

InPlay is committed to being a trusted contributor to communities where we live and work through supporting local economies, contributing to community-based organizations and charitable donations. Our employees and contractors are active members in the community. InPlay provides support to organizations that these individuals are involved with.

INDIGENOUS RELATIONS

We acknowledge that InPlay operates on traditional territories in Alberta of the many Indigenous peoples whose footsteps have marked these lands for centuries. InPlay works along-side the Aboriginal Consultation Office (ACO) and follows all regulations set out by the Government of Alberta's policy on consultation with First Nations on land and natural resources management. InPlay engages, consults and works with affected Indigenous and First Nations groups and incorporates their interests when development may impact their continued exercise of constitutionally protected Treaty rights and traditional uses including burial grounds, gathering sites and historical or ceremonial locations.



InPlay is a gold sponsor of the Cochrane Crush 15U AAA baseball team

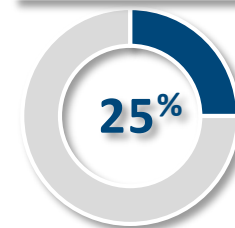
GOVERNANCE

InPlay believes that strong governance is paramount in establishing a foundation so that the Company can effectively manage risk, capitalize on opportunities and ultimately provide shareholder returns. The Board has formally implemented sustainability related responsibilities into its mandates and has established the Corporate Governance and EHS&S committee. This committee is responsible for reviewing InPlay's climate objectives, policies and strategies and meets at least annually to review how management is addressing EHS&S issues.

InPlay values the diverse perspectives and backgrounds of our employees and board members and believes that these differing experiences are beneficial to the long-term success of the Company. The composition of our board is structured so that a diverse skill set is available to address the wide array of issues that may face the Company.

InPlay does not differentiate by race, color, ethnicity, religion, gender, sexual orientation or any other aspect and has adopted a diversity policy (the "Diversity Policy") founded on these principles. The Diversity Policy requires that board candidates are evaluated based on merit while also maintaining a diverse and inclusive culture which solicits multiple perspectives and views that are free of bias.

Female Board
Representation
(Non-Management)



Female Staff
Representation



The matrix below demonstrates the diverse skills and competencies that each Board member currently brings:

Diversity of Board Member Skills

Number of Members out of 5



Performance Summary

<u>OPERATIONS</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Crude oil	bbl/d	2,981	2,031
NGLs	boe/d	782	668
Natural gas	Mcf/d	12,030	7,715
Total	boe/d	5,768	3,985
Net Wells (Producing)	count	362	269
Net Wells (Non-Producing)	count	270	250
Gross Wells (Producing)	count	484	358
Gross Wells (Non-Producing)	count	424	414
<u>EMISSIONS</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Direct, scope 1	CO ₂ e tonnes	46,599	41,550
Fuel combustion	CO ₂ e tonnes	12,030	11,526
Flare	CO ₂ e tonnes	6,682	6,572
Vent	CO ₂ e tonnes	20,025	16,233
Fugitives	CO ₂ e tonnes	7,862	7,219
Indirect, scope 2	CO ₂ e tonnes	6,086	5,820
Total, Scope 1 & Scope 2	CO ₂ e tonnes	52,865	47,370
Direct GHG intensity	tonnes CO ₂ e/boe	0.022	0.029
Indirect GHG intensity	tonnes CO ₂ e/boe	0.003	0.004
Total GHG intensity	tonnes CO ₂ e/boe	0.025	0.033

Performance Summary (Continued)

<u>WATER</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Waterfloods	m ³	89,374	86,210
Drilling and completions	m ³	71,178	44,357
Total water usage	m ³	160,552	130,567
Fresh water intensity	bbl/boe	0.56	0.48
Saltwater usage	%	55%	67%
<u>SPILLS</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Number of reportable spills	count	0	0
Total volume of reportable spills	m ³	0	0
Spill intensity	m ³ /boe produced	0	0
Pipeline incidents	count	0	0
Pipeline operated distance	kms	856	592
Pipeline incident frequency rate	count/1000km	0	0
<u>ABANDONMENT & RECLAMATION</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Gross Wells (Producing)	count	484	358
Gross Wells (Non-Producing)	count	424	414
Wells abandoned	count	75	16
Active reclamations ongoing	Gross	77	46
Reclamation certificates received	Gross	22	14
Area of wellsites reclaimed	Acres	36	22
Area of wellsites of wellbores abandoned	Acres	126	29
Gross ARO Spend	\$'000s	2,548	691

Performance Summary (Continued)

<u>HEALTH & SAFETY</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Lost-time injury frequency ("LTIF")	count	-	-
Total recordable injury frequency ("TRIF")	count	-	-
Fatalities	count	-	-
<u>SOCIAL</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Full-time	count	25	27
Part-time	count	1	3
Field	count	4	4
Office	count	22	26
Corporate, % Female	percentage	42%	37%
Corporate, % Male	percentage	58%	63%
Board of Directors (Non-Management), % Female	percentage	25%	20%
Board of Directors (Non-Management), % Male	percentage	75%	80%
<u>STAKEHOLDER ECONOMIC BENEFITS</u>	<u>Units</u>	<u>2021</u>	<u>2020</u>
Oil and natural gas sales	\$'000s	113,854	41,934
Royalties – governments	\$'000s	8,303	1,304
Royalties – land owners	\$'000s	3,292	1,620
Capital expenditures	\$'000s	33,434	23,136
Operating expenses – governments	\$'000s	1,749	1,714
Operating expenses – vendors	\$'000s	23,374	17,287
Operating expenses – land owners	\$'000s	1,887	2,041
Salaries and benefits	\$'000s	4,138	3,152
Providers of capital	\$'000s	5,614	3,570

Advisories

Forward Looking Statements

This report contains forward looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities laws. Forward-looking statements reflect management's views related to future events and circumstances – including those which may relate to InPlay's strategies, focus, goals, ambitions, aims, targets, plans, objectives, operations and results. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intend", "objective", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future outcomes. In particular, this report contains forward looking statements relating, but not limited, to:

- the refinement of the Company's policies, procedures and reporting;
- InPlay's business strategy, goals and management focus regarding, among other things, emission reduction, minimizing water usage, creating strong shareholder returns while focusing on sustainability and reliability over the short and long term and other climate objectives and ESG related measures;
- forecasted emission reductions and carbon credits;
- planned installation of VRUs on the Company's facilities in 2022; and
- the management and reduction of InPlay's ARO.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond the control of management and because they relate to events and depend on circumstances that will or may occur in the future. These risks include, without limitation, the continuing impact of the COVID-19 pandemic and the Russia/Ukraine conflict; changes in commodity prices and other assumptions outlined herein; the potential for variation in the quality of the reservoirs in which we operate; changes in the demand for or supply of our products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans or strategies of InPlay or by third party operators of our properties; changes in our credit structure, increased debt levels or debt service requirements; inaccurate estimation of our light crude oil and natural gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors and those risks considered under the heading "Risk Factors" in InPlay's most recent Annual Information Form.

Forward-looking statements regarding InPlay are based on certain key expectations and assumptions of InPlay concerning anticipated business prospects, strategies, regulatory developments, current commodity prices and exchange rates, applicable royalty rates, applicable laws, future well production rates and reserve volumes, future operating costs, the performance of existing wells, the success of its exploration and development activities, the sufficiency and timing of budgeted capital expenditures in carrying out planned activities, the availability and cost of labor and services, the impact of increasing competition, conditions in general economic and financial markets, availability of drilling and related equipment effects of regulation by governmental agencies, the ability to obtain financing on acceptable terms which are subject to change based on commodity prices, market conditions, the ability to reduce the Company's ARO, achievement of InPlay's strategies and goals, drilling success and potential timing delays. Readers are cautioned that although InPlay considers the assumptions used in the preparation of such forward-looking statements to be reasonable and based on reliable information, such forward-looking statements are based on a number of assumptions which may prove to be incorrect.

No representation is made as to any future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. There are a number of factors that could cause our actual results levels of activity, performance or achievement to differ materially from those expressed or implied in any forward-looking statements made by in this report. Nothing in this document constitutes or should be relied upon by a reader as a promise or representation as to the future or as to past or future performance. Past performance of InPlay is not necessarily indicative of and cannot be relied on as a guide to future performance.

We have included the forward-looking statements in this report in order to provide readers with a more complete perspective on our future operations and such information may not be appropriate for other purposes. InPlay disclaims any intention, responsibility or obligation to update or revise any forward-looking statements set forth in this report, whether as a result of new information, future events or otherwise, except as required by law.

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 is a GAAP measure and is disclosed in the notes to the Company's consolidated financial statements for the year ending December 31, 2021. All references to adjusted funds flow 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 adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of profit (loss) per common share.

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

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