InPlay Oil Corp. Announces Third Quarter 2024 Financial and Operating Results

November 14, 2024 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) ("InPlay" or the "Company") announces its financial and operating results for the three and nine months ended September 30, 2024. InPlay's condensed unaudited interim financial statements and notes, as well as Management's Discussion and Analysis ("MD&A") for the three and nine months ended September 30, 2024 will be available at "www.sedarplus.ca" and our website at "www.inplayoil.com". Our corporate presentation will soon be available on our website.

Commodity prices continue to be volatile however InPlay views them to be robust long-term. Currently, crude oil and refined product inventories in the United States and globally are at low levels. Oil demand is projected to grow, and we believe there is potential for demand to exceed growth forecasts as declining interest rates in developed countries should drive more consumer spending. OPEC+ continues to show restraint to ensure pricing supports their budget requirements, and most U.S. shale producers' commentary this quarter emphasized capital discipline and prioritizing free cash flow opposed to growth in 2025. Additionally, a significant increase in LNG export capacity in North America is expected, including the first Canadian LNG facility expected to become operational in 2025. With the support of expanded LNG export capacity, Canadian producers are looking forward to significantly stronger natural gas prices in 2025 and beyond, as the average AECO natural gas price for the third quarter of 2024 ($0.65/GJ) was the lowest average quarterly price on record dating back to 1988.

InPlay has resumed operations and development in Pembina Cardium Unit 7 ("PCU7") and is excited to return to this area with strong initial results from our first wells drilled in the area since May 2022. Development of this area is no longer facility constrained after InPlay entered into a long-term gas handling agreement providing guaranteed access to natural gas processing capacity. Four (4.0 net) extended reach horizontal ("ERH") wells were drilled in PCU7 during the third quarter, with one well on production in September and a three-well pad coming on production in October. The three-well pad has outperformed internal expectations with average initial production ("IP") rates per well of 480 boe/d(1) (66% light crude oil and NGLs) over the first 22 days.

Operational enhancements in drilling and completions since our last wells drilled in PCU7 (spring 2022) led to significant cost reductions, with the all-in cost of our latest three-well pad coming in approximately 25% lower than our forecast. The Company is confident these cost savings will be achieved in the area moving forward, and with a significant portion of our 2025 capital budget anticipated to be allocated to PCU7, InPlay will benefit from continued enhanced capital efficiencies. The area's strong production rates and lower declines compared to other Cardium assets, combined with improved capital costs, allows PCU7 to yield high returns and the strongest capital efficiencies in the Company's asset portfolio.

InPlay's drilling program for the year is complete, with 12.6 net wells brought on production. Disciplined capital allocation, cost savings, and efficient operations in Pembina have resulted in 2024 exploration and development expenditures forecasted to be approximately $63 million, coming in $2.5 million below the mid-range of our $64 - $67 million budget. We anticipate the fourth quarter to be our strongest quarter of production driven by the strong performance of our new wells, optimization success, and improved third-party facility runtimes. With minimal capital expenditures planned for the fourth quarter and all wells on production in October, the fourth quarter is projected to deliver our highest quarterly free adjusted funds flow ("FAFF")(3) of the year.

InPlay's current production, based on field estimates, is approximately 9,740 boe/d(1) (58% light crude oil and NGLs). Annual production forecast remains unchanged at 8,700 – 9,000 boe/d(1) (58% – 60% light crude oil and NGLs) with AFF(2) forecasted to be $70 to $73 million, based on realized prices to date and forecast strip pricing through the end of the year, and estimated FAFF(3) of $7 to $10 million. The Company's leverage metrics are expected to remain among the lowest in our peer group, with a forecasted net debt to EBITDA(3) of 0.7x – 0.8x for 2024.

To further enhance our strong balance sheet, InPlay has hedged approximately 50% of our natural gas and light crude oil production for the fourth quarter of 2024. In the first quarter of 2025, InPlay has hedged approximately 45% of natural gas production and 30% of light crude oil production. These hedges are all currently in the money, having been implemented at favorable pricing levels and are designed to mitigate risk, safeguard the Company's capital program and provide stability during periods of commodity price volatility. Refer below for a summary of the Company's commodity based hedges.

	Q4/24	Q1/25	Q2/25	Q3/25	Q4/25	Q1/26
Natural Gas AECO Swap (mcf/d)	3,480	2,845	2,845	2,845	2,845	2,845
Hedged price ($AECO/mcf)	$2.31	$2.38	$2.38	$2.38	$2.38	$2.38
Natural Gas AECO Costless Collar (mcf/d)	7,890	6,635	2,845	2,845	2,845	2,845
Hedged price ($AECO/mcf)	$2.22 - $2.94	$2.32 - $3.16	$2.11 - $2.77	$2.11 - $2.77	$2.11 - $2.77	$2.11 - $2.77
Crude Oil WTI Collar (bbl/d)	500	-	-	-	-	-
Hedged price ($USD WTI/bbl)	$70.00 - $74.75	-	-	-	-	-
Crude Oil WTI Three-way Collar (bbl/d)	1,600	1,200	1,200	800	800	-
Low sold put price ($USD WTI/bbl)	$64.85	$62.40	$62.40	$62.35	$62.35	-
Mid bought put price ($USD WTI/bbl)	$73.00	$69.40	$69.40	$69.05	$69.05	-
High sold call price ($USD WTI/bbl)	$85.75	$84.10	$84.10	$84.90	$84.90	-

The fourth quarter of 2024 is expected to be the strongest operating and financial quarter of 2024 and we are excited about 2025. The improved capital efficiencies achieved in the third quarter of 2024 are expected to carry over to our future Cardium development. Due to InPlay's significant investment in facilities over the past two years, minimal facilities capital is expected for 2025, therefore, the Company is well positioned to deliver a disciplined and efficient 2025 capital budget. In 2025, InPlay will be focused on maximizing FAFF, debt repayment, and maintaining a low leverage ratio relative to our peers, allowing the Company to take advantage of opportunities that may arise. We look forward to providing our 2025 capital budget in early 2025.

We extend our gratitude to our staff, contractors, and suppliers for their ongoing dedication. We also thank our Board of Directors and shareholders for their steadfast guidance and support.

Third Quarter 2024 Financial & Operations Overview:

During the third quarter, the Company executed an active capital program, investing $25.2 million in exploration and development. This activity included the completion and tie-in of one (1.0 net) Belly River well drilled in the second quarter, drilling and completing two (2.0 net) Willesden Green wells brought on production in late August and one (1.0 net) Pembina ERH well brought on production in September. A three (3.0 net) Pembina ERH well pad was drilled in September and completed and brought on production in October. Additionally, as previously discussed in our second quarter press release, the Company incurred drilling costs on a Glauconite well where drilling challenges resulted in casing issues that led to the termination of operations. InPlay continues to evaluate options for this well.

The one (1.0 net) Belly River well drilled in the second quarter began production in July and was in the cleanup phase with water cuts decreasing over time as anticipated. This well has outperformed internal expectations with average initial production ("IP") rates of 84 boe/d[(1)] (99% light crude oil and NGLs) over the first 90 days and is currently producing 152 boe/d[(1)] (98% light crude oil and NGLs).

The Company invested $1.5 million this quarter in its successful downhole optimization program ($4.4 million year to date), which includes lowering pumps in horizontal oil wells and adding pumpjacks to certain flowing wells with plunger lift installations. This approach has yielded low-decline production adds at strong capital efficiency rates. Results have reduced the drilling capital needed to maintain production and further improves the Company's capacity to generate FAFF. The Company intends to continue this program by taking advantage of routine well servicing opportunities to lower pumps on selected wells and earlier installation of pumpjacks to newer wells that are flowing.

Quarterly production averaged 8,206 boe/d[(1)] (57% light crude oil and NGLs), compared to 8,657 boe/d[(1)] (59% light crude oil and NGLs) in the second quarter of 2024. Revenue and adjusted funds flow ("AFF") were impacted by lower commodity prices specifically with the lowest quarterly average AECO natural gas price seen in over 35 years averaging $0.65 per GJ compared to $2.46 and $1.12 per GJ in the third quarter of 2023 and second quarter of 2024. WTI prices averaged $75.10 US per bbl, 9% and 7% lower than the third quarter of 2023 and second quarter of 2024 respectively. AFF totaled $13.1 million ($0.15 per basic share). The Company issued $4.1 million ($12.3 million in the first nine months of 2024) in dividends during the quarter as part of our return to shareholder strategy.

Third quarter production was impacted by approximately 480 boe/d mostly due to third party facility downtime, and a strategic decision to delay capital spending to bring on new production into the stronger winter natural gas pricing season. The production that was down due to issues at third-party facilities was back online by early October and we have experienced minimal downtime since. The Company currently has approximately 100 boe/d of high gas-weighted production shut-in and anticipates bringing this production back online over the next few months with higher gas prices.

Third quarter operating costs include costs associated with the clean-up of a pipeline leak at a non-operated property. The majority of the expected clean costs were incurred by the end of the quarter and amounted to a $0.5 million net to InPlay or $0.70/boe during the quarter.

Financial and Operating Results:

	Three months ended September 30		Nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Financial (CDN) ($millions)				
Oil and natural gas sales	34.2	46.7	113.7	131.7
Adjusted funds flow[(2)]	13.1	25.2	49.8	68.2
Per share – basic[(4)]	0.15	0.28	0.55	0.77
Per share – diluted[(4)]	0.14	0.28	0.53	0.76
Per boe[(4)]	17.36	30.40	21.40	28.30
Comprehensive income	0.1	7.5	7.2	21.1
Per share – basic	0.00	0.08	0.08	0.24
Per share – diluted	0.00	0.08	0.08	0.23
Dividends	4.1	4.0	12.3	12.0
Capital expenditures – PP&E & E&E	25.2	27.5	56.8	69.8
Property acquisitions (dispositions)	(0.0)	-	(0.0)	0.3
Net debt[(2)]	(68.0)	(48.8)	(68.0)	(48.8)
Shares outstanding	90.1	90.3	90.1	90.3
Basic weighted-average shares	90.1	89.3	90.1	88.7
Diluted weighted-average shares	93.2	90.8	93.3	90.2

	Three months ended September 30		Nine months ended September 30	
	2024	**2023**	**2024**	**2023**
Operational				
Daily production volumes				
Light and medium crude oil (bbls/d)	3,279	3,697	3,467	3,714
Natural gas liquids (bbls/d)	1,418	1,420	1,448	1,355
Conventional natural gas (Mcf/d)	21,052	23,316	21,446	22,581
Total (boe/d)	8,206	9,003	8,489	8,832
Realized prices(4)				
Light and medium crude oil & NGLs ($/bbls)	75.77	86.28	77.33	82.09
Conventional natural gas ($/Mcf)	0.76	2.82	1.63	2.94
Total ($/boe)	45.32	56.35	48.87	54.63
Operating netbacks ($/boe)(3)				
Oil and natural gas sales	45.32	56.35	48.87	54.63
Royalties	(6.78)	(6.50)	(6.33)	(6.71)
Transportation expense	(0.88)	(0.85)	(0.99)	(0.90)
Operating costs	(16.01)	(15.31)	(15.39)	(15.07)
Operating netback(3)	21.65	33.69	26.16	31.95
Realized gain on derivative contracts	1.24	1.76	0.58	1.27
Operating netback (including realized derivative contracts) (3)	22.89	35.45	26.74	33.22

For further information please contact:

Doug Bartole
President and Chief Executive Officer
InPlay Oil Corp.
Telephone: (587) 955-0632

Darren Dittmer
Chief Financial Officer
InPlay Oil Corp.
Telephone: (587) 955-0634

Notes:

1. *See "Production Breakdown by Product Type" at the end of this press release.*
2. *Capital management measure. See "Non-GAAP and Other Financial Measures" contained within this press release.*
3. *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.*
4. *Supplementary financial 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 previous and updated 2024 capital program and associated guidance.*

Reader Advisories

Non-GAAP and Other Financial Measures

Throughout this document 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" and "Net Debt to EBITDA". 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 before taxes", "profit and comprehensive income", "adjusted funds flow", "capital expenditures", "net debt", 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 below for a calculation of operating income, operating netback per boe and operating income profit margin. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast operating income, operating netback per boe and operating income profit margin.

(thousands of dollars)	Three Months Ended September 30		Six Months Ended September 30	
	2024	2023	**2024**	2023
Revenue	**34,217**	46,672	**113,674**	131,735
Royalties	**(5,122)**	(5,387)	**(14,711)**	(16,178)
Operating expenses	**(12,085)**	(12,677)	**(35,786)**	(36,343)
Transportation expenses	**(667)**	(698)	**(2,296)**	(2,190)
Operating income	**16,343**	27,910	**60,881**	77,024
Sales volume (Mboe)	**755.0**	828.3	**2,325.9**	2,411.2
Per boe				
Revenue	**45.32**	56.35	**48.87**	54.63
Royalties	**(6.78)**	(6.50)	**(6.33)**	(6.71)
Operating expenses	**(16.01)**	(15.31)	**(15.39)**	(15.07)
Transportation expenses	**(0.88)**	(0.85)	**(0.99)**	(0.90)
Operating netback per boe	**21.65**	33.69	**26.16**	31.95
Operating income profit margin	**48%**	60%	**54%**	58%

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.

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 financial statements for the three and nine months ended September 30, 2024. All references to adjusted funds flow throughout this document are calculated as funds flow adjusting for decommissioning expenditures. Decommissioning expenditures are adjusted from funds flow as they are incurred on a discretionary and irregular basis and are primarily incurred on previous operating assets. 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 per common share.

Net Debt

Net debt is a GAAP measure and is disclosed in the notes to the Company's financial statements for the three and nine months ended September 30, 2024. The Company closely monitors its capital structure with the goal of maintaining a strong balance sheet to fund the future growth of the Company. The Company monitors net debt as part of its capital structure. The Company uses 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 net debt 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 volumes. 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 volumes. 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 volumes. 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 volumes. Average prices are before deduction of transportation costs and do not include gains and losses on financial instruments.

"Adjusted funds flow per weighted average basic share" is comprised of adjusted funds flow divided by the basic weighted average common shares.

"Adjusted funds flow per weighted average diluted share" is comprised of adjusted funds flow divided by the diluted weighted average common shares.

"Adjusted funds flow per boe" is comprised of adjusted funds flow divided by total production.

Forward-Looking Information and Statements

This document contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends", "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this document contains forward-looking information and statements pertaining to the following: the Company's business strategy, milestones and objectives; the Company's planned 2024 capital program including wells to be drilled and completed and the timing of the same including, without limitation, the timing of wells coming on production; InPlay's revised 2024 guidance based on the planned capital program and all associated underlying assumptions set forth in this document including, without limitation, revised forecasts of 2024 annual average production levels, adjusted funds flow, free adjusted funds flow, Net Debt/EBITDA ratio, operating income profit margin, and Management's belief that the Company can grow some or all of these attributes and specified measures; InPlay's ability to continue implementing cost savings measures; expectations regarding anticipated allocation of the 2025 capital budget and benefits therefrom; that InPlay will be able to focus on maximizing FAFF, debt repayment and maintaining a low leverage ratio in 2025 and the anticipated benefits therefrom; the anticipated timing of providing the 2025 capital budget; expectations that PCU7 will continue to yield high returns; InPlay's expectations regarding production, operations and FAFF in the fourth quarter of 2024; that the Company will be able to bring 100 boe/d of high gas weighted production back online and the anticipated timing thereof; light crude oil and NGLs weighting estimates; expectations regarding future commodity 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 2024 capital program; the amount and timing of capital projects; and methods of funding our capital program.

The internal projections, expectations, or beliefs underlying our Board approved 2024 capital budget and associated guidance are subject to change in light of, among other factors, the impact of world events including the Russia/Ukraine conflict and war in the Middle East, potential changes to U.S. economic, regulatory and/or trade policies as a result of a change in government, ongoing results, prevailing economic circumstances, volatile commodity prices, and changes in industry conditions and regulations. InPlay's 2024 financial outlook and revised 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. Readers are cautioned that events or circumstances could cause capital plans and associated results to differ materially from those predicted and InPlay's revised guidance for 2024 may not be appropriate for other purposes. Accordingly, undue reliance should not be placed on same.

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 anticipated tax treatment of the monthly base dividend; 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; the ongoing impact of the Russia/Ukraine conflict and war in the Middle East; 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.

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.

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 Russia/Ukraine conflict and war in the Middle East; potential changes to U.S. economic, regulatory and/or trade policies as a result of a change in government; inflation and the risk of a global recession; changes in our planned 2024 capital program; changes in our approach to shareholder returns; 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 document contains future-oriented financial information and financial outlook information (collectively, "FOFI") about InPlay's financial and leverage targets and objectives, potential dividends, share buybacks and beliefs underlying our Board approved 2024 capital budget and associated guidance, 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 document and such variation may be material. InPlay and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable 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 document was made as of the date of this document 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 document should not be used for purposes other than for which it is disclosed herein.

The forward-looking information and statements contained in this document 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 2024 capital program and associated guidance and estimates include:

- volatility of petroleum and natural gas prices and inherent difficulty in the accuracy of predictions related thereto;
- the extent of any unfavourable impacts of wildfires in the province of Alberta.
- changes in Federal and Provincial regulations;
- the Company's ability to secure financing for the Board approved 2024 capital program and longer-term capital plans sourced from AFF, bank or other debt instruments, asset sales, equity issuance, infrastructure financing or some combination thereof; and
- 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 2024 guidance are as follows:

		Actuals FY 2023	Updated Guidance FY 2024	Previous Guidance FY 2024(1)
WTI	US$/bbl	$77.62	$76.10	$79.38
NGL Price	$/boe	$36.51	$33.10	$35.40
AECO	$/GJ	$2.50	$1.33	$1.85
Foreign Exchange Rate	CDN$/US$	0.74	0.73	0.73
MSW Differential	US$/bbl	$3.25	$4.55	$4.55
Production	Boe/d	9,025	8,700 – 9,000	8,700 – 9,000
Revenue	$/boe	54.45	46.00 – 51.00	51.00 – 56.00
Royalties	$/boe	6.84	5.75 – 7.25	6.40 – 7.90
Operating Expenses	$/boe	15.05	13.50 – 15.50	13.00 – 15.25
Transportation	$/boe	0.95	0.85 – 1.10	0.85 – 1.10
Interest	$/boe	1.65	1.90 – 2.50	1.80 – 2.40
General and Administrative	$/boe	3.13	2.50 – 3.25	2.50 – 3.25
Hedging loss (gain)	$/boe	(1.10)	(0.50) – (1.00)	(0.00) – (0.50)
Decommissioning Expenditures	$ millions	$3.3	$3.0 – $3.5	$4.0 – $4.5
Adjusted Funds Flow	$ millions	$92	$70 – $73	$80 – $85
Dividends	$ millions	$16	$16 – $17	$16 – $17

		Actuals FY 2023	Updated Guidance FY 2024	Previous Guidance FY 2024(1)
Adjusted Funds Flow	$ millions	$92	$70 – $73	$80 – $85
Capital Expenditures	$ millions	$84.5	$63	$64 – $67
Free Adjusted Funds Flow	$ millions	$7	$7 – $10	$13 – $21

		Actuals FY 2023	Updated Guidance FY 2024	Previous Guidance FY 2024(1)
Revenue	$/boe	54.45	46.00 – 51.00	51.00 – 56.00
Royalties	$/boe	6.84	5.75 – 7.25	6.40 – 7.90
Operating Expenses	$/boe	15.05	13.50 – 15.50	13.00 – 15.25
Transportation	$/boe	0.95	0.85 – 1.10	0.85 – 1.10
Operating Netback	$/boe	31.61	24.00 – 29.00	28.00 – 33.00
Operating Income Profit Margin		58%	55%	58%

		Actuals FY 2023	Updated Guidance FY 2024	Previous Guidance FY 2024(1)
Adjusted Funds Flow	$ millions	$92	$70 – $73	$80 – $85
Interest	$/boe	1.65	1.90 – 2.50	1.90 – 2.40
EBITDA	$ millions	$98	$77 – $81	$87 – $92
Net Debt	$ millions	$46	$56 – $59	$48 – $53
Net Debt/EBITDA		0.5	0.7 – 0.8	0.5 – 0.6

As previously released August 14, 2024.

- 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 are not assumed to have a material impact between the years presented above.

Test Results and Initial Production Rates

Test results and initial production (“IP”) rates disclosed herein, particularly those short in duration, may not necessarily be indicative of long-term performance or of ultimate recovery. A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed.

Production Breakdown by Product Type

Disclosure of production on a per boe basis in this document consists of the constituent product types as defined in NI 51-101 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)
Q1 2023 Average Production	3,788	1,458	22,648	9,020
Q2 2023 Average Production	3,658	1,187	21,772	8,474
Q3 2023 Average Production	3,697	1,420	23,316	9,003
2023 Average Production	3,822	1,396	22,839	9,025
Q1 2024 Average Production	3,452	1,487	22,000	8,605
Q2 2024 Average Production	3,671	1,438	21,291	8,657
Q3 2024 Average Production	3,279	1,418	21,052	8,206
2024 Annual Guidance	3,735	1,435	22,080	8,850(1)

Notes:

1. *This reflects the mid-point of the Company's 2024 production guidance range of 8,700 to 9,000 boe/d.*
2. *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, light oil, NGLs or natural gas production in this document 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.