InPlay Oil Corp. Announces First Quarter 2025 Financial and Operating Results and Updated 2025 Capital Budget Post Closing of the Highly Accretive Pembina Asset Acquisition

May 8, 2025 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) ("**InPlay**" or the "**Company**") announces its financial and operating results for the three months ended March 31, 2025 and an updated 2025 capital budget following the successful completion of the strategic acquisition of Cardium light oil focused assets (the "**Acquired Assets**") in the Pembina area of Alberta (the "**Acquisition**") from Obsidian Energy Ltd. And certain of its affiliates (collectively "**Obsidian**"). InPlay's condensed unaudited interim financial statements and notes, as well as Management's Discussion and Analysis ("MD&A") for the three months ended March 31, 2025 will be available at "www.sedarplus.ca" and on our website at "www.inplayoil.com". All figures presented herein reflect the Company's six (6) to one (1) share consolidation, which was effective April 14, 2025. An updated corporate presentation will be available on our website shortly.

First Quarter 2025 Highlights

- Achieved average quarterly production of 9,076 boe/d(1) (55% light crude oil and NGLs), a 5% increase over Q1 2024 and ahead of internal forecasts.
- Generated strong quarterly Adjusted Funds Flow ("AFF")(2) of $16.8 million ($1.10 per basic share(3)).
- Returned $4.1 million to shareholders by way of monthly dividends, equating to a 16% yield relative to the current share price. Since November 2022 InPlay has distributed $44 million in dividends including dividends declared to date.
- Maintained a strong operating income profit margin(3) of 54%.
- Improved field operating netbacks(3) to $25.71/boe, an increase of 3% compared to Q4 2024.

First quarter results exceeded expectations, driven in part by the outperformance of newly drilled wells at Pembina Cardium Unit #7 (PCU#7). A two well pad delivered average initial production ("IP") rates of 677 boe/d (75% light oil and NGLs) over the first 30 days and 492 boe/d (66% light oil and NGLs) over the first 60 days, both significantly above expectations. Over the initial two-month period, production from these wells was more than 100% above our type curve. These wells ranked in the top-ten for production rates for all Cardium wells in the basin for the month of March.

Complementing InPlay's strong operational momentum, Obsidian drilled four (4.0 net) wells on the Acquired Assets in the first quarter. The first two (2.0 net) wells, which started production mid quarter, are outperforming our internal type curve by approximately 50% with average IP rates of 304 boe/d (91% light oil and NGLs) over the first 30 days and 295 boe/d (85% light oil and NGLs) over the first 60 days. The remaining two wells, brought online in the final days of the first quarter, are performing more than 350% above our internal type curve, with average IP rates per well of 887 boe/d (88% light oil and NGLs) over their initial 30 day period.

The Company is very excited about the highly accretive Pembina Acquisition announced February 19, 2025 and had anticipated strong results from the combined assets. The exceptional results from the first quarter drilling program, combined with the outperformance of base production, have driven current field estimated production to approximately 21,500 boe/d (64% light oil and NGLs) significantly exceeding what we had initially forecasted at the announcement of the Acquisition. Given the current volatility in commodity prices, this material outperformance provides the Company with significant flexibility to scale back our capital program, providing "more for less" while maintaining our production forecasts, allowing for more aggressive debt repayment even in a lower pricing environment.

2025 Capital Budget and Associated Guidance

Following the closing of the highly accretive Acquisition on April 7, 2025, InPlay is pleased to provide initial pro forma guidance inclusive of the Acquired Assets. This guidance reflects the exceptional operational performance across the Company's expanded asset base, while taking into account the current volatile commodity price environment. It also underscores InPlay's continued commitment to maximizing free cash flow to support ongoing debt reduction, while positioning the Company to support its return to shareholder strategy.

InPlay's Board has approved an updated capital program of $53 – $60 million for 2025. InPlay plans to drill approximately 5.5 – 7.5 net Extended Reach Horizontal ("ERH") Cardium wells over the remainder of the year. A significant portion of the remaining 2025 capital budget is expected to be directed toward the Acquired Assets, which (as outlined above) continue to materially outperform internally modelled type curves. Cost efficiencies realized through InPlay's recent drilling program, combined with the application of InPlay's drilling and completion techniques to the Acquired Assets, are expected to further enhance well economics. Capital will also be spent tying in certain InPlay assets into the newly acquired facilities, eliminating significant trucking costs, and marks the first step in our synergy cost savings strategy. Due to the outperformance of production across our asset base, InPlay has reduced total capital spending for the remainder of 2025 by approximately 30% (relative to initial expectations) without reducing production estimates.

Key highlights of the updated 2025 capital program include:

- **Production per Share Growth:**
  - Forecasted average annual production of 16,000 – 16,800 boe/d(1) (60% – 62% light oil and NGLs), a 15% increase (based on mid-point) in production per weighted average share compared to 2024 despite 30% less capital spending than initially expected, driven by:
    - Lower corporate base decline rate of 24% due to the favorable decline profile of the Acquired Assets;
    - Improved corporate netbacks driven by the higher oil and liquids weighting of the Acquired Assets; and
    - Enhanced capital efficiencies from high graded drilling inventory of the pro forma assets.
- **FAFF Generation and Dividend Sustainability:**
  - AFF(2) per weighted average share(4) of $5.00 – $5.35, a 13% increase (based on mid-point) compared to 2024.
  - Free adjusted funds flow ("FAFF")(3) of $68 – $76 million equating to a 35% – 40% FAFF Yield(3), a 10x increase (based on mid-point) in FAFF per share compared to 2024 despite a 17% year over year reduction in forecasted WTI price.
- **Top Tier Returns:**
  - Total return of 50% – 55% after combining FAFF Yield and production per share growth(4), which is expected to be at the high end of our peer group.
- **Debt Reduction:**
  - Excess FAFF(3) is planned to be used to reduce debt.
  - Projected year-end Net Debt(2) of $213 – $221 million equating to a $31 – $39 million reduction from closing of the Acquisition.
  - Year-end Net Debt to Q4 2025 annualized EBITDA(3) ratio of 1.1x – 1.3x.

InPlay continues to monitor global trade and commodity dynamics, including United States tariffs on Canada. Capital spending will be weighted towards the back end of the year with drilling expected to resume again in

August, providing ample time to finalize capital spending allocation depending on commodity pricing and continued asset performance. As a result of minimal capital spending in the second quarter, InPlay anticipates generating significant FAFF which will be directed to reducing debt. InPlay will remain flexible and will make decisions based on our core strategy of disciplined capital allocation, maintaining financial strength to ensure the long term sustainability of our strategy and return to shareholder program.

Updated 2025 Guidance Summary:

	2025
WTI (US$/bbl)	63.10
FX (CAD$/USS)	0.70
AECO (CAD$/GJ)	2.30
Production (boe/d) (1)	16,000 – 16,800
Capital ($ millions)	53 – 60
Net Wells Drilled	8.5 – 10.5
AFF ($ millions) (2)	124 – 133
FAFF ($ millions) (3)	68 – 76
Year-end Net Debt ($ millions) (2)	213 – 221
Net Debt / Q4 2025 annualized EBITDA (3)	1.1 – 1.3
Dividend ($ millions)	26 – 27

Following closing of the Acquisition, a significant hedging program was undertaken to help provide downside commodity price protection. As further detailed in the hedging summary section in this press release, InPlay has hedged approximately 75% of its net after royalty oil production and 67% of its net after royalty production on a BOE basis for the remainder of 2025. InPlay's strong hedge book provides insulation to the current commodity price volatility which is highlighted in the sensitivity table below.

	Impact to 2025 AFF
US$5.00/bbl Decrease in WTI ($ million)	(7.6)
US$5.00/bbl Increase in WTI ($ million)	4.5
C$0.25/GJ Decrease in AECO ($ million)	(1.1)
C$0.25/GJ Increase in AECO ($ million)	1.7

With low decline high netback assets, a flexible budget, a resilient balance sheet, and becoming a larger company, InPlay remains well positioned to sustainably navigate future commodity price cycles. Adhering to this disciplined strategy has allowed the Company to navigate previous commodity price cycles including the COVID-19 pandemic price environment.

Financial and Operating Results:

(CDN) ($000's)	Three months ended March 31 2025	2024
Financial		
Oil and natural gas sales	38,936	37,997
Adjusted funds flow(2)	16,782	16,525
Per share – basic(3)(5)	1.10	1.08
Per share – diluted(3) (5)	1.06	1.08
Per boe(3)	20.54	21.10
Comprehensive income (loss)	(2,887)	1,686
Per share – basic(5)	(0.19)	0.11
Per share – diluted(5)	(0.18)	0.11
Dividends	4,098	4,098
Per share	0.27	0.27
Capital expenditures – PP&E and E&E	13,888	25,530
Property acquisitions (dispositions)	343	(25)
Net debt(2)	63,286	59,897
Shares outstanding(5)	15,236,681	15,019,893
Basic weighted-average shares(5)	15,211,366	15,032,425
Diluted weighted-average shares(5)	15,839,268	15,308,537
Operational		
Daily production volumes		
Light and medium crude oil (bbls/d)	3,429	3,452
Natural gas liquids (boe/d)	1,572	1,487
Conventional natural gas (Mcf/d)	24,452	22,000
Total (boe/d)	9,076	8,605
Realized prices(3)		
Light and medium crude oil & NGLs ($/bbls)	75.13	72.72
Conventional natural gas ($/Mcf)	2.33	2.66
Total ($/boe)	47.66	48.52
Operating netbacks ($/boe)(4)		
Oil and natural gas sales	47.66	48.52
Royalties	(5.84)	(5.78)
Transportation expense	(1.15)	(1.09)
Operating costs	(14.96)	(15.36)
Operating netback(4)	25.71	26.29
Realized gain on derivative contracts	0.07	0.29
Operating netback (including realized derivative contracts) (4)	25.78	26.58

First Quarter 2025 Financial & Operations Overview:

The year has begun with strong momentum as production for the quarter exceeded internal forecasts, largely due to the outperformance of new ERH wells in PCU#7. Three (3.0 net) ERH wells were brought online at the end of February as part of a $13.9 million capital program, inclusive of $1.4 million invested in well optimization initiatives which continues to lower corporate declines. Production averaged 9,076 boe/d(1) (55% light crude oil and NGLs) in the quarter, a 5% increase from 8,605 boe/d(1) in the first quarter of 2024.

Notably, a two well pad drilled in PCU#7 exceeded expectations, delivering average IP rates of 677 boe/d (75% light oil and NGLs) and 492 boe/d (66% light oil and NGLs) per well over their first 30 and 60 days, respectively, which is over 100% above our internally modeled type curve for these wells.

Obsidian drilled four (4.0 net) wells on the Acquired Assets in the first quarter. The first two (2.0 net) wells, which came on production mid quarter, are outperforming the internal type curve with IP rates averaging 304 boe/d (91% light oil and NGLs) and 295 boe/d (85% light oil and NGLs) over the first 30 and 60 days, respectively (approximately 50% above our internally modelled type curve). The last two wells were brought online in the final days of the quarter and are performing significantly above internal forecasts with IP rates averaging 887 boe/d (88% light oil and NGLs) per well over their first 30 days (more than 350% above our type curve).

AFF for the quarter was $16.8 million. In addition, the Company returned $4.1 million ($0.09 per share) in base dividends to shareholders which equates to a yield of 16% based on the current share price. Net debt at quarter-end totaled $63 million, with a net debt to EBITDA ratio(3) of 0.8x, reflecting a healthy financial position.

On behalf of the entire InPlay team and the Board of Directors, we thank our shareholders for their continued support as we advance our strategy of disciplined growth, returns, and long-term value creation. We are excited to report our progress with respect to the strategic Acquisition.

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 and in our most recently filed MD&A.*
4. *Supplementary measure. See "Non-GAAP and Other Financial Measures" contained within this press release.*
5. *Common share and per common share amounts have been updated to reflect the six for one common share consolidation effective April 14, 2025.*

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

Reader Advisories

Hedging Summary

	Q2/25	Q3/25	Q4/25	Q1/26	Q2/26 – Q4/26	Q1/27
Natural Gas AECO Swap (mcf/d)	14,215	14,215	12,960	12,320	7,900	2,845
Hedged price ($AECO/mcf)	$2.20	$2.20	$2.60	$2.80	$2.90	$3.65
Natural Gas AECO Costless Collar (mcf/d)	9,830	13,270	12,640	12,320	11,795	13,270
Hedged price ($AECO/mcf)	$2.10 - $3.05	$2.10 - $3.20	$2.20 - $3.40	$2.25 - $3.50	$2.55 - $3.80	$2.90 - $4.85
Crude Oil WTI Swap (bbl/d)	3,820	3,250	2,500	3,750	500	500
Hedged price ($USD WTI/bbl)	$61.70	$62.45	$62.20	$60.30	$60.20	$60.60
Crude Oil WTI Costless Collar (bbl/d)	-	1,300	1,300	-	-	-
Hedged price ($USD WTI/bbl)	-	$55.00 - $59.35	$55.00 - $59.35	-	-	-
Crude Oil WTI Three-way Collar (bbl/d)	1,700	1,300	1,300	-	-	-
Low sold put price ($USD WTI/bbl)	$60.20	$59.50	$59.50	-	-	-
Mid bought put price ($USD WTI/bbl)	$68.10	$67.50	$67.50	-	-	-
High sold call price ($USD WTI/bbl)	$82.90	$83.00	$83.00	-	-	-
Crude Oil MSW Differential Swap (bbl/d)	3,000	-	-	-	-	-
Hedged price ($USD/bbl)	$5.68	-	-	-	-	-
Electricity AESO Swap (kW)	1,000	1,000	1,000	1,000	1,000	1,000
Hedged price ($kWh)	$0.06217	$0.06217	$0.06217	$0.06217	$0.06217	$0.06217

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/FAFF per share

Management considers FAFF and FAFF per share important measures 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 that can be used for additional capital activity, corporate acquisitions, 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 shares outstanding. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast FAFF and FAFF per share.

Free Adjusted Funds Flow Yield

InPlay uses "free adjusted funds flow yield" as a key performance indicator. When presented on a corporate basis, free adjusted funds flow is calculated by the Company as free adjusted funds flow divided by the market capitalization of the Company. When presented on an asset basis for acquisition purposes, free adjusted funds flow is calculated by the Company as free adjusted funds flow divided by the operating income of the Acquired Assets. Management considers FAFF yield to be an important performance indicator as it demonstrates a Company or asset's ability to generate cash to pay down debt and provide funds for potential distributions to shareholders. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast FAFF Yield.

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 March 31	
	2025	2024
Revenue	**38,936**	37,997
Royalties	**(4,774)**	(4,527)
Operating expenses	**(12,217)**	(12,030)
Transportation expenses	**(935)**	(857)
Operating income	**21,010**	20,583
Sales volume (Mboe)	**816.9**	783.1
Per boe		
Revenue	**47.66**	48.52
Royalties	**(5.84)**	(5.78)
Operating expenses	**(14.96)**	(15.36)
Transportation expenses	**(1.15)**	(1.09)
Operating netback per boe	**25.71**	26.29
Operating income profit margin	**54%**	54%

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 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 months ended March 31, 2025. 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 months ended March 31, 2025. 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; expectations regarding the Company's 2025 capital program; 2025 forecast production; 2025 guidance based on the planned capital program and all associated underlying assumptions set forth in this document including, without limitation, forecasts of 2025 annual average production levels, adjusted funds flow, free adjusted funds flow, Net Debt/EBITDA ratio, operating income profit margin, net debt and Management's belief that the Company can grow some or all of these attributes and specified measures; light crude oil and NGLs weighting estimates; anticipated timing of release of the updated corporate presentation; expectations regarding future commodity prices; future oil and natural gas prices; future liquidity and financial capacity; expectations regarding the ability to realize cost efficiencies and the anticipated benefits therefrom; 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 InPlay's planned 2025 capital program; the amount and timing of capital projects; InPlay's expectations regarding its ability to generate FAFF and reduce debt; InPlay's ability to remain flexible and make decisions that maintain financial strength; the Company's hedging program and anticipated benefits therefrom; and methods of funding our capital program.

The internal projections, expectations, or beliefs underlying our Board approved 2025 capital budget and associated guidance are subject to change in light of, among other factors, changes to U.S. economic, regulatory and/or trade policies (including tariffs), the impact of world events including the Russia/Ukraine conflict and war in the Middle East, ongoing results, prevailing economic circumstances, volatile commodity prices, and changes in industry conditions and regulations. InPlay's 2025 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 2025 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 current U.S. economic, regulatory and/or trade policies; 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; that (i) the tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; the duration and impact of tariffs that are currently in effect on goods exported from or imported into Canada, and that other than the tariffs that are currently in effect, neither the U.S. nor Canada (i) increases the rate or scope of such tariffs, reenacts tariffs that are currently suspended, or imposes new tariffs, on the import of goods from one country to the other, including on oil and natural gas, and/or (ii) imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas;' changes in political and economic conditions, including risks associated with tariffs, export taxes, export restrictions or other trade actions; impacts of any tariffs imposed on Canadian exports into the United States by the Trump administration and any retaliatory steps taken by the Canadian federal government; that InPlay's results and operations could be adversely affected by economic or geopolitical developments, including protectionist trade policies such as tariffs, or other events; conditions in international markets, including social and political conditions, civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, tariffs and other protectionist measures; 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. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the InPlay Board of Directors. There can be no assurance that InPlay will pay dividends in the future.

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: changes in industry regulations and legislation (including, but not limited to, tax laws, royalties, and environmental regulations); that (i) the tariffs that are currently in effect on goods exported from or imported into Canada continue in effect for an extended period of time, the tariffs that have been threatened are implemented, that tariffs that are currently suspended are reactivated, the rate or scope of tariffs are increased, or new tariffs are imposed, including on oil and natural gas, (ii) the U.S. and/or Canada imposes any other form of tax, restriction or prohibition on the import or export of products from one country to the other, including on oil and natural gas, and (iii) the tariffs imposed or threatened to be imposed by the U.S. on other countries and retaliatory tariffs imposed or threatened to be imposed by other countries on the U.S., will trigger a broader global trade war which could have a material adverse effect on the Canadian, U.S. and global economies, and by extension the Canadian oil and natural gas industry and the Company, including by decreasing demand for (and the price of) oil and natural gas, disrupting supply chains, increasing costs, causing volatility in global financial markets, and limiting access to financing; ‘‘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 2025 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 InPlay operates; changes in the demand for or supply of InPlay’s products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans or strategies of InPlay or by third party operators of InPlay’s properties; changes in InPlay’s credit structure, increased debt levels or debt service requirements; inaccurate estimation of InPlay’s 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 InPlay’s Annual Information Form dated March 31, 2025 and the annual management’s discussion & analysis for the year ended December 31, 2024.

This document contains future-oriented financial information and financial outlook information (collectively, “FOFI”) about InPlay’s financial and leverage targets and objectives, potential dividends, and beliefs underlying our Board approved 2025 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 statements and FOFI 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 FOFI, 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 2025 capital program and associated guidance and estimates include:

- risks related to an international trade war, including the risk that the U.S. government imposes additional tariffs on Canadian goods, including crude oil and natural gas, and that such tariffs (and/or the Canadian government’s response to such tariffs) adversely affect the demand and/or market price for the Company’s products and/or otherwise adversely affects the Company;
- 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 2025 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 updated 2025 guidance are as follows:

		Actuals FY 2024	Updated Guidance FY 2025	Previous Guidance FY 2025(1)	Previous Pro-forma Estimate FY 2025(2)(3)
WTI	US$/bbl	$75.72	$63.10	$72.00	$72.65
NGL Price	$/boe	$32.99	$35.00	$35.40	$48.65
AECO	$/GJ	$1.39	$2.30	$1.90	$1.85
Foreign Exchange Rate	CDN$/US$	0.73	0.70	0.70	0.70
MSW Differential	US$/bbl	$4.51	$3.70	$4.50	$4.75
Production	Boe/d	8,712	16,000 – 16,800	8,650 – 9,150	18,750
Revenue	$/boe	48.21	46.75 – 51.75	46.00 – 51.00	56.50 – 61.50
Royalties	$/boe	6.26	5.25 – 6.75	5.50 – 7.00	7.00 – 8.50
Operating Expenses	$/boe	15.12	15.00 – 17.00	13.00 – 15.00	16.00 – 18.00
Transportation	$/boe	0.97	0.80 – 1.05	0.90 – 1.15	0.90 – 1.15
Interest	$/boe	2.19	2.80 – 3.50	1.30 – 1.90	2.20 – 2.80
General and Administrative	$/boe	3.06	2.00 – 2.75	3.00 – 3.75	1.50 – 2.25
Hedging loss (gain)	$/boe	(0.86)	(0.00) – (1.00)	0.00 – 0.25	0.00 – 0.50
Decommissioning Expenditures	$ millions	$3.4	$5.5 – $6.5	$3.0 – $3.5	$6.0
Adjusted Funds Flow	$ millions	$68.5	$124 – $133	$69 – $75	$204
Dividends	$ millions	$16	$26 - $27	$16.5	$26

		Actuals FY 2024	Updated Guidance FY 2025	Previous Guidance FY 2025(1)	Previous Pro-forma Estimate FY 2025(2)(3)
Adjusted Funds Flow	$ millions	$68.5	$124 – $133	$69 – $75	$204
Capital Expenditures	$ millions	$63	$53 – $60	$41 – $44	$94
Free Adjusted Funds Flow	$ millions	$5.5	$68 – $76	$25 – $34	$104
Shares outstanding, end of year	# millions	15.0	28.0	15.1	26.3
Assumed share price	$/share	$10.38	$6.60	$9.90	$9.30
Market capitalization	$ millions	$156	$185	$150	245
FAFF Yield	%	4%	35% – 40%	17% – 23%	42%

		Actuals FY 2024	Updated Guidance FY 2025	Previous Guidance FY 2025(1)	Previous Pro-forma Estimate FY 2025(2)(3)
Revenue	$/boe	48.21	46.75 – 51.75	46.00 – 51.00	56.50 – 61.50
Royalties	$/boe	6.26	5.25 – 6.75	5.50 – 7.00	7.00 – 8.50
Operating Expenses	$/boe	15.12	15.00 – 17.00	13.00 – 15.00	16.00 – 18.00
Transportation	$/boe	0.97	0.80 – 1.05	0.90 – 1.15	0.90 – 1.15
Operating Netback	$/boe	25.86	23.75 – 28.75	24.75 – 29.75	31.50 – 36.50
Operating Income Profit Margin		54%	53%	56%	58%

		Actuals FY 2024	Updated Guidance FY 2025	Previous Guidance FY 2025(1)	Previous Pro-forma Estimate FY 2025(2)(3)
Adjusted Funds Flow	$ millions	$68.5	$146 – $164(4)	$69 – $75	$204
Interest	$/boe	2.19	3.05 – 3.65(4)	1.30 – 1.90	2.20 – 2.80
EBITDA	$ millions	$76	$168 – $186(4)	$74 – $80	$221
Net Debt	$ millions	$61	$213 – $221	$52 – $58	$203
Net Debt/EBITDA		0.8	1.1 – 1.3	0.6 – 0.8	0.9

(1) As previously released February 4, 2025.

(2) As previously released February 19, 2025.

(3) InPlay's previous pro-forma estimate for 2025 were preliminary in nature and did not reflect a Board approved capital expenditure budget. The previous pro-forma estimate for 2025 was presented as though InPlay acquired the Acquired Assets at January 1, 2025 notwithstanding that income from January 1, 2025 to closing represented a purchase price adjustment and such production is not to be directly attributed to InPlay.

(4) InPlay's EBITDA for this column is based on Q4 2025 annualized figures.

- 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.

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 2024 Average Production	3,452	1,487	22,000	8,605
2024 Average Production	3,523	1,499	22,139	8,712
Q1 2025 Average Production	3,429	1,572	24,452	9,076
2025 Updated Annual Guidance	7,890	2,070	38,640	16,400(1)
2025 Previous Annual Guidance	3,425	1,510	23,790	8,900(2)
2025 Previous Pro Forma Estimate	9,535	2,180	42,215	18,750(3)

Notes:

1. *This reflects the mid-point of the Company's 2025 updated production guidance range of 16,000 to 16,800 boe/d.*
2. *This reflects the mid-point of the Company's 2025 previous production guidance range of 8,650 to 9,150 boe/d.*
3. *The 2025 Previous Pro Forma production estimate is for the entirety of 2025 notwithstanding that production from January 1, 2025 to Closing of the acquisition of the Acquired Assets represents a purchase price adjustment and such production will not be directly attributed to InPlay.*
4. *With respect to forward-looking production guidance, product type breakdown is based upon management's expectations based on reasonable assumptions but are subject to variability based on actual well results.*

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.

Initial Production Rates

References in this press release to IP rates, other short-term production rates or initial performance measures relating to new wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Accordingly, the Company cautions that the test results should be considered to be preliminary.