



InPlay Oil Corp. Announces Second Quarter 2025 Financial and Operating Results and Provides Operations Update

August 14, 2025 - Calgary Alberta – InPlay Oil Corp. (TSX: IPO) (OTCQX: IPOOF) (“**InPlay**” or the “**Company**”) announces its financial and operating results for the three and six months ended June 30, 2025 which is our first quarter following the April 7, 2025 closing date of the strategic acquisition of Cardium focused light oil assets in the Pembina area of Alberta (the “**Acquisition**”). InPlay’s condensed unaudited interim financial statements and notes, as well as its Management’s Discussion and Analysis (“MD&A”) for the three and six months ended June 30, 2025 will be available at “www.sedarplus.ca” and on our website at “www.inplayoil.com”. An updated corporate presentation is available on our website.

We are excited about InPlay’s future following the highly accretive acquisition completed in the second quarter. This transformative transaction has significantly enhanced the Company’s scale, market capitalization, and long-term sustainability. With a longer reserve life and an expanded inventory of high quality drilling locations, the combined Company is well positioned to generate strong free adjusted funds flow (“FAFF”)⁽³⁾ for many years to come.

InPlay is off to a very strong start with second quarter production exceeding expectations by approximately 1,000 boe/d. This outperformance was driven by base production performing above expectations and seven (7.0 net) wells brought onstream in March significantly outperforming our type curves by ~135% on average based on the first 120 days of initial production (“IP”). Notably, three wells brought onstream in March ranked among the top ten Cardium producers in April with two of them holding the number one and two spots in April and May, and ranking second and third in June. These wells achieved payout in under 90 days in a US\$60 WTI pricing environment. As a result of this outperformance, current production based on field estimates remains at 19,400 boe/d even though no new wells have been brought on since March. We now expect 2025 average production to be at the upper end of our guidance range. In addition, strong capital efficiencies are expected to result in capital spending landing in the lower half of our previously announced capital budget of \$53 – \$60 million. The Company continues to prioritize free cash flow generation to be used for debt reduction and the continued return of capital to shareholders through our monthly dividend.

Another exciting development is the recent announcement that Delek Group Ltd. (“**Delek**”) has become a 32.7% strategically aligned shareholder of InPlay. Delek brings a proven track record of value creation in the energy sector. They hold a 45% working interest in the largest natural gas field in the Mediterranean, with an estimated 23 TCF of recoverable natural gas. Additionally, Delek has been instrumental in the growth of Ithaca Energy plc, where they hold a 52% equity stake and have overseen production growth from 30,000 boe/d to over 120,000 boe/d since 2019.

For the remainder of 2025, InPlay plans to drill 5.0 – 5.5 net Cardium wells in Pembina. InPlay’s second half drilling campaign recently commenced in August, with the spudding of a three well pad which are in close proximity to the Company’s top producing Cardium wells and are expected to be on production near the beginning of October. The application of InPlay’s drilling and completion techniques to the acquired assets is expected to drive continued strong performance from new wells with additional capital directed to facility upgrades, optimization and required infrastructure projects.

InPlay will continue to be disciplined and timely in capital spending in the current commodity price environment, maintaining a focus on strong FAFF, debt reduction, per share growth and continuation of our return to shareholder strategy. To further enhance stability and mitigate risk, the Company has secured commodity hedges extending through 2025 and into 2026. InPlay has hedged over 70% of natural gas production and approximately 60% of light crude oil production for the second half of 2025.

Second Quarter 2025 Highlights

- Successfully closed the strategic acquisition of Cardium focused light oil assets at highly accretive metrics, enhancing FAFF by 65% on a per share basis, expanding our drilling inventory to over 400 locations,

lowering our corporate base decline rate to 24% and strengthening dividend sustainability (2025 forecasted FAFF equal to 2.5 times base dividend).

- Achieved average quarterly production of 20,401 boe/d⁽¹⁾ (62% light crude oil and NGLs), a 125% increase from Q1 2025, including a 13% increase to light crude oil and liquids weighting to 62% from 55% and a 35% increase in light oil weighting to 51% from 38% in the first quarter of 2025 with oil being the main driver behind our netbacks.
- Generated strong quarterly Adjusted Funds Flow (“AFF”)⁽²⁾ of \$40.1 million (\$1.49 per basic share⁽³⁾).
- Achieved significant FAFF of \$35.5 million (\$1.32 per basic share⁽³⁾) allowing the Company to reduce net debt by approximately \$26 million, more than originally forecasted, resulting in a quarterly annualized net debt to earnings before interest, taxes and depreciation (“EBITDA”)⁽³⁾ ratio of 1.2 times.
- Realized operating income of \$50.5 million⁽³⁾, an increase of 140% compared to Q1 2025 leading to a strong operating income profit margin⁽³⁾ of 55%, up from 54% in Q1 2025.
- Improved field operating netbacks⁽³⁾ to \$27.20/boe, a 6% increase compared to Q1 2025 despite an 11% decrease to WTI pricing (13% decrease to realized crude oil pricing) and a 22% decrease in AECO natural gas pricing compared to Q1 2025.
- Returned \$7.9 million to shareholders via monthly dividends, representing a 10% yield relative to the current share price. Since November 2022, InPlay has distributed \$52 million in dividends (including dividends declared to date in the third quarter).

Second Quarter 2025 Financial & Operations Overview:

InPlay’s second quarter results exceeded expectations and marked the first reporting period incorporating the recently acquired assets, with pro forma operations effective April 8, 2025. Due to the outstanding efforts of our team and InPlay’s strong knowledge and focus in the area, the acquired assets were seamlessly integrated with no disruption to the Company’s ongoing operations.

Quarterly production averaged 20,401 boe/d⁽¹⁾ (62% light crude oil and NGLs) which was approximately 1,000 boe/d above internal forecasts. Base production exceeded expectations, and the seven (7.0 net) wells drilled on the combined assets in the first quarter significantly outperformed internal forecasts by approximately 135% (based on IP 120) as highlighted in the table below.

	02-25 Pad (per well average)		14-33 Pad (per well average)		08-01 Pad (per well average)	
	boe/d	Oil and NGLs %	boe/d	Oil and NGLs %	boe/d	Oil and NGLs %
IP 30	887	88%	680	75%	265	89%
IP 60	937	87%	493	66%	290	87%
IP 90	922	85%	569	63%	288	86%
IP 120	892	85%	430	60%	285	83%
IP 150	N/A	N/A	487	58%	275	82%
Current	791	82%	299	44%	217	77%
	>300% above type curve		>75% above type curve		>25% above type curve	

InPlay generated AFF of \$40.1 million (\$1.49 per basic share) a 138% increase from the first quarter of 2025. Limited capital spending in the second quarter of \$4.6 million, resulted in \$35.5 million of FAFF (\$1.32 per basic share), highlighting the strong FAFF generation of the combined Company. These strong results were achieved despite an 11% decrease to WTI pricing (13% decrease to realized crude oil pricing) and a 22% decrease in AECO natural gas pricing compared to Q1 2025. The Company paid \$7.9 million (\$12.0 million in the first half of 2025) in dividends during the quarter.

During the quarter InPlay generated a net loss of \$3.2 million. After excluding one-time transaction costs and the impact of unrealized mark-to-market hedging gains/losses, InPlay generated adjusted net income⁽³⁾ of \$2.0 million (\$0.08 per basic share) in the quarter.

Strong results had net debt levels at the end of the quarter at \$223 million, \$5 million lower than originally anticipated. The quarterly annualized net debt to EBITDA ratio for the second quarter of 1.2x is evidence that our post-Acquisition accelerated debt reduction goals are well on track.

Operating synergies and stronger production allowed InPlay to maintain operating costs per boe in the second quarter in line with pre-acquisition levels and synergies have started to show a reduction in G&A cost per boe.

Financial and Operating Results:

(CDN) (\$000's)	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Financial				
Oil and natural gas sales	91.6	41.5	130.6	79.5
Adjusted funds flow ⁽²⁾	40.1	20.1	56.9	36.7
Per share – basic ⁽³⁾⁽⁵⁾	1.49	1.34	2.71	2.44
Per share – diluted ⁽³⁾⁽⁵⁾	1.49	1.30	2.71	2.36
Per boe ⁽³⁾	21.59	25.57	21.27	23.34
Comprehensive income (loss)	(3.2)	5.4	(6.1)	7.1
Per share – basic ⁽⁵⁾	(0.12)	0.36	(0.29)	0.47
Per share – diluted ⁽⁵⁾	(0.12)	0.35	(0.29)	0.46
Dividends	7.9	4.1	12.0	8.2
Per share	0.09	0.09	0.09	0.09
Capital expenditures – PP&E and E&E	4.6	6.2	18.5	31.7
Property acquisitions (dispositions)	293.3	-	293.6	(0.0)
Net debt ⁽²⁾	(223.2)	(50.8)	(223.2)	(50.8)
Shares outstanding ⁽⁵⁾	27.8	15.0	27.8	15.0
Basic weighted-average shares ⁽⁵⁾	26.9	15.0	21.0	15.0
Diluted weighted-average shares ⁽⁵⁾	26.9	15.5	21.0	15.5
Operational				
Daily production volumes				
Light and medium crude oil (bbls/d)	10,328	3,671	6,898	3,561
Natural gas liquids (boe/d)	2,401	1,438	1,989	1,462
Conventional natural gas (Mcf/d)	46,029	21,291	35,300	21,645
Total (boe/d)	20,401	8,657	14,770	8,631
Realized prices ⁽³⁾				
Light and medium crude oil & NGLs (\$/bbls)	75.13	83.24	72.50	78.07
Conventional natural gas (\$/Mcf)	1.83	1.43	2.00	2.05
Total (\$/boe)	49.36	52.63	48.84	50.58
Operating netbacks (\$/boe) ⁽⁴⁾				
Oil and natural gas sales	49.36	52.63	48.84	50.58
Royalties	(6.35)	(6.43)	(6.20)	(6.10)
Transportation expense	(0.71)	(0.98)	(0.84)	(1.04)
Operating costs	(15.10)	(14.81)	(15.06)	(15.09)
Operating netback ⁽⁴⁾	27.20	30.41	26.74	28.35
Realized gain (loss) on derivative contracts	(0.20)	0.25	(0.12)	0.27
Operating netback (including realized derivative contracts) ⁽⁴⁾	27.00	30.66	26.62	28.62

On behalf of the entire InPlay team and our Board of Directors, we thank our shareholders for their ongoing support as we execute our strategy of disciplined growth, reliable returns, and long-term value creation. We would like to send a special thanks to our employees for their significant effort in enabling a smooth integration of the new assets. We are very optimistic about building on the momentum from our strategic Acquisition that has transformed the future of the Company.

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 (6:1) common share consolidation effective April 14, 2025.

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Reader Advisories**Hedging Summary**

	Q3/25	Q4/25	Q1/26	Q2/26	Q3/26	Q4/26	Q1/27
Natural Gas AECO Swap (mcf/d)	17,060	15,800	15,165	14,215	14,215	8,560	4,265
Hedged price (\$AECO/mcf)	\$2.30	\$2.65	\$2.85	\$3.00	\$3.00	\$3.05	\$3.65
Natural Gas AECO Costless Collar (mcf/d)	13,270	12,640	12,320	11,375	11,375	16,400	18,950
Hedged price (\$AECO/mcf)	\$2.10 - \$3.20	\$2.20 - \$3.40	\$2.25 - \$3.50	\$2.45 - \$3.50	\$2.45 - \$3.50	\$2.80 - \$4.40	\$2.90 - \$4.85
Crude Oil WTI Swap (bbl/d)	3,250	2,500	3,750	2,000	2,000	2,000	2,000
Hedged price (\$USD WTI/bbl)	\$62.50	\$62.20	\$60.30	\$60.90	\$60.90	\$61.05	\$61.05
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)	1,300	1,300	-	-	-	-	-
Low sold put price (\$USD WTI/bbl)	\$59.50	\$59.50	-	-	-	-	-
Mid bought put price (\$USD WTI/bbl)	\$67.50	\$67.50	-	-	-	-	-
High sold call price (\$USD WTI/bbl)	\$83.00	\$83.00	-	-	-	-	-
Electricity AESO Swap (kW)	1,000	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	\$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 below for a calculation of Free Adjusted Funds Flow and FAFF per share. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast FAFF and FAFF per share.

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars)	2025	2024	2025	2024
Adjusted funds flow	40,080	20,145	56,863	36,671
Exploration and dev. capital expenditures	4,613	6,156	18,500	31,687
Property acquisitions (dispositions)	-	-	343	(25)
Free adjusted funds flow	35,467	13,989	38,020	5,009
Weighted average number of common shares (basic)	26,903	15,020	21,007	15,026
FAFF per share	1.32	0.93	1.81	0.33

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.

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars)	2025	2024	2025	2024
Revenue ⁽¹⁾	91,639	41,460	130,575	79,457
Royalties	(11,795)	(5,063)	(16,568)	(9,590)
Operating expenses	(28,033)	(11,672)	(40,250)	(23,701)
Transportation expenses	(1,311)	(773)	(2,246)	(1,630)
Operating income ⁽²⁾	50,500	23,952	71,511	44,536
Sales volume (Mboe)	1,856.5	787.8	2,673.4	1,570.9
Per boe ⁽¹⁾				
Revenue	49.36	52.63	48.84	50.58
Royalties	(6.35)	(6.43)	(6.20)	(6.10)
Operating expenses	(15.10)	(14.81)	(15.06)	(15.09)
Transportation expenses	(0.71)	(0.98)	(0.84)	(1.04)
Operating netback per boe ⁽²⁾	27.20	30.41	26.74	28.35
Operating income profit margin ⁽²⁾	55%	58%	55%	56%

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 below for a calculation of Net Debt to EBITDA. Refer to the “Forward Looking Information and Statements” section for a calculation of forecast Net Debt to EBITDA.

	Three Months Ended June 30	
(thousands of dollars)	2025	2024
Adjusted funds flow	40,080	20,145
Interest	5,778	1,776
EBITDA (annualized)	183,432	87,684
Net Debt	(223,223)	(50,841)

Net Debt/EBITDA	1.2	0.6
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Adjusted Net Income

Management considers Adjusted Net Income an important measure as it is a key metric to identify the Company's net income after excluding non-recurring expenses and unrealized hedging gains/losses. Adjusted net income is calculated by the Company as net income (loss) plus transaction costs and unrealized hedging gains/(losses). Management considers adjusted net income 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 below for a calculation of adjusted net income.

	Three Months Ended June 30		Six Months Ended June 30	
(thousands of dollars)	2025	2024	2025	2024
Net income (loss)	(3,194)	5,415	(6,081)	7,102
Transaction and integration costs	10,141	-	10,141	-
Unrealized hedging losses / (gains)	(4,925)	(1,130)	(333)	(337)
Adjusted net income	2,022	4,285	3,727	6,765

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; the Company's expectations that 2025 average production will be at the upper end of the guidance range; that strong capital efficiencies will result in capital spending being in the lower end of the previously announced capital budget; that the Company will continue to prioritize free cash flow generation for debt reduction; the continued return of capital to shareholders through dividends; InPlay's drilling plans for the remainder of 2025 and the anticipated timing and benefits therefrom; that InPlay will direct additional capital to finalizing facility upgrades, optimization and required infrastructure projects; InPlay's current and future commodity hedges; expectations regarding the Company's 2025 capital program; InPlay's expectations regarding the Acquisition and the Acquired Assets; 2025 forecast average 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; 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 differ 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 2025 guidance are as follows:

		Actuals FY 2024	Guidance FY 2025 ⁽¹⁾
WTI	US\$/bbl	\$75.72	\$63.10
NGL Price	\$/boe	\$32.99	\$35.00
AECO	\$/GJ	\$1.39	\$2.30
Foreign Exchange Rate	CDN\$/US\$	0.73	0.70
MSW Differential	US\$/bbl	\$4.51	\$3.70
Production	Boe/d	8,712	16,000 – 16,800
Revenue	\$/boe	48.21	46.75 – 51.75
Royalties	\$/boe	6.26	5.25 – 6.75
Operating Expenses	\$/boe	15.12	15.00 – 17.00
Transportation	\$/boe	0.97	0.80 – 1.05
Interest	\$/boe	2.19	2.80 – 3.50
General and Administrative	\$/boe	3.06	2.00 – 2.75
Hedging loss (gain)	\$/boe	(0.86)	(0.00) – (1.00)
Decommissioning Expenditures	\$ millions	\$3.4	\$5.5 – \$6.5
Adjusted Funds Flow	\$ millions	\$68.5	\$124 – \$133
Dividends	\$ millions	\$16	\$26 - \$27

		Actuals FY 2024	Guidance FY 2025 ⁽¹⁾
Adjusted Funds Flow	\$ millions	\$68.5	\$124 – \$133
Capital Expenditures	\$ millions	\$63	\$53 – \$60
Free Adjusted Funds Flow	\$ millions	\$5.5	\$68 – \$76
Shares outstanding, end of year	# millions	15.0	28.0
Assumed share price	\$/share	\$10.38	\$6.60
Market capitalization	\$ millions	\$156	\$185
FAFF Yield	%	4%	35% – 40%

		Actuals FY 2024	Guidance FY 2025 ⁽¹⁾
Revenue	\$/boe	48.21	46.75 – 51.75
Royalties	\$/boe	6.26	5.25 – 6.75
Operating Expenses	\$/boe	15.12	15.00 – 17.00
Transportation	\$/boe	0.97	0.80 – 1.05

Operating Netback	\$/boe	25.86	23.75 – 28.75
Operating Income Profit Margin		54%	53%

		Actuals FY 2024	Guidance FY 2025 ⁽¹⁾
Adjusted Funds Flow	\$ millions	\$68.5	\$146 – \$164 ⁽⁴⁾
Interest	\$/boe	2.19	3.05 – 3.65 ⁽⁴⁾
EBITDA	\$ millions	\$76	\$168 – \$186 ⁽⁴⁾
Net Debt	\$ millions	\$61	\$213 – \$221
Net Debt/EBITDA		0.8	1.1 – 1.3

⁽¹⁾ As previously released May 8, 2025.

⁽²⁾ 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
Q2 2024 Average Production	3,671	1,438	21,291	8,657
2024 Average Production	3,523	1,499	22,139	8,712
Q1 2025 Average Production	3,429	1,572	24,452	9,076
Q2 2025 Average Production	10,328	2,401	46,029	20,401
2025 Annual Guidance	7,890	2,070	38,640	16,400 ⁽¹⁾

Notes:

1. This reflects the mid-point of the Company's 2025 production guidance range of 16,000 to 16,800 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.

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.