InPlay Oil Corp. Announces Closing of Highly Accretive Acquisition

August 21, 2026 – Calgary, Alberta – InPlay Oil Corp. (TSX: IPO) (TASE: IPO) (OTCQX: IPOOF) ("**InPlay**" or the "**Company**") is pleased to announce the closing of its previously announced acquisition of a private oil and gas producer for cash consideration of $54.25 million, prior to closing adjustments (the "**Acquisition**"). Further details regarding the Acquisition can be found in InPlay's press release dated August 5, 2026.

The Acquisition adds approximately 1,400 boe/d(1) (85% light oil and NGLs), bringing InPlay's total Belly River production to approximately 2,000 boe/d and total corporate production to approximately 20,100 boe/d(1) (63% light oil and NGLs). InPlay has identified 50 drilling locations on the acquired assets including over 10 years of Tier 1 drilling inventory(2). The Acquisition was completed at 2.0x net operating income(3)(4) and delivered annualized per-share accretion of 18% to both Adjusted Funds Flow(5) and Free Adjusted Funds Flow ("FAFF")(3), 12% to oil production per share, and 9% to funds flow per barrel netback.

ADVISORS

ATB Capital Markets acted as financial advisors to InPlay with respect to the Acquisition. Burnet, Duckworth & Palmer LLP acted as legal counsel to InPlay with respect to the Acquisition.

About InPlay Oil Corp.

InPlay Oil Corp. is a growth-oriented, sustainable oil and gas producer focused on long-term value creation for its shareholders. The Company's operations are centered in the Western Canadian Sedimentary Basin, where InPlay holds a diverse portfolio of oil and natural gas assets. InPlay is committed to delivering strong per-share growth, maintaining a disciplined approach to capital investment, and providing consistent returns to shareholders.

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Notes:

1. *See "Reader Advisories – Production Breakdown by Product Type" contained within this press release.*
2. *See "Reader Advisories – Drilling Locations" for additional details.*
3. *Non-GAAP financial measure or ratio. See "Reader Advisories – Non-GAAP and Other Financial Measures" for additional details.*
4. *The acquired assets' sustaining net operating income of $28 million multiplies 1,500 boe/d of sustaining production by the operating netback of $51.75/boe. Operating Netback estimate of $51.75/boe assumes current guidance commodity price assumptions of US$80.50 WTI, US$1.15 MSW differential, $1.75 AECO, 0.73 FX, in addition to $18.50/boe operating and transportation costs, and $16.90/boe royalties.*
5. *Capital management measure. See "Non-GAAP and Other Financial Measures" for additional details.*

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's 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" and "operating netback per boe". 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.

Operating Income/Operating Netback per boe/Operating Income Multiple

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 multiple is calculated by the Company as the Acquisition consideration divided by operating income for the acquired assets for the relevant period. Management considers operating income multiple a key performance indicator as it is a key metric used to evaluate the Acquisition in comparison to other transactions. Refer below for a calculation of the operating income multiple in relation to the Acquisition.

		2026E
Net Consideration (before adjustments)	$ millions	$54.25
Operating Income	$ millions	$26.5
Operating Income Multiple		2.0x

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 six months ended June 30, 2026. All references to adjusted funds flow throughout this document are calculated as funds flow adjusting for foreign exchange loss, transaction and integration costs and decommissioning expenditures. Foreign exchange loss is primarily an unrealized movement on the Company's NIS denominated Bonds due to movements in the CAD/NIS exchange rate. In addition, InPlay has effectively mitigated its exposure to fluctuations in the CAD to NIS exchange rate on the NIS denominated Bond by entering into NIS/CAD foreign exchange hedges with notional amounts and terms that align with the future cash outflow requirements of the Bonds. Therefore, at the end of the life of the Bonds, the FX impact on the Company will be insignificant. Transaction and integration costs are non-recurring costs for the purposes of an acquisition, making the exclusion of these items relevant in Management's view to the reader in the evaluation of InPlay's operating performance. 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.

Production Breakdown by Product Type:

Disclosure of production on a per boe basis in this press release consists of the constituent product types as defined in National Instrument 51-101, *Standards of Disclosure for Oil and Gas Activities* ("**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)**
2025 Average Production	8,143	2,180	40,323	17,043
2026 Annual Guidance	9,605	2,290	43,530	19,150(1)
Acquired Assets	1,125	92	1,100	1,400
Post-Acquisition	10,500	2,200	44,400	20,100

Notes:

1. *This reflects the mid-point of the Company's 2026 production guidance range of 18,900 to 19,400 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.

Drilling Locations

This press release discloses drilling inventory in two categories: (a) proved locations; and (b) probable locations. Proved locations and probable locations are derived from the independent reserves evaluation effective December 31, 2025 for the acquired assets and account for drilling locations that have associated proved and/or probable reserves, as applicable. Of the 50 net drilling locations identified herein, 25.5 are proved locations and 1.8 are probable locations. The drilling locations considered for future development will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

Booked locations are proved locations and probable locations derived from the independent reserves evaluation effective December 31, 2025 for the acquired assets, respectively, and account for drilling locations that have associated proved and/or probable reserves, as applicable. We have not risked potential drilling locations, and actual locations drilled and quantities that may be ultimately recovered may differ substantially from estimates. We make no commitment to drill all of the drilling locations that have been identified. Factors affecting ultimate recovery include the scope of our on-going drilling program, which will be directly affected by the availability of capital, drilling, and production costs, availability of drilling and completion services and equipment, drilling results, lease expirations, regulatory approvals, and geological and mechanical factors. Estimates of reserves, type/decline curves, EURs, per-well economics, and resource potential may change significantly as development of our oil and gas assets provides additional data. Additionally, initial production rates are subject to decline over time and should not be reflective of sustained production levels.

Abbreviations

2026E	Estimate for the year ending December 31, 2026
AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
bbl	barrel of oil
bbls	barrels of oil
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
GJ	gigajoules
IFRS	International Financial Reporting Standards
Mbbl	thousand barrels of oil
Mmbbl	million barrels of oil
Mboe	thousand boe
Mmboe	million boe
Mcf	thousand cubic feet
Mmcf	million cubic feet
MSW	Mixed sweet Alberta benchmark oil price
NGL	natural gas liquids
WTI	West Texas Intermediate benchmark Oil price