InPlay Oil Corp. Announces Second Quarter 2026 Financial and Operating Results

August 13, 2026 – Calgary, Alberta – InPlay Oil Corp. (TSX: IPO) (TASE: IPO) (OTCQX: IPOOF) ("InPlay" or the "Company") is pleased to announce its financial and operating results for the three and six months ended June 30, 2026. InPlay's unaudited interim financial statements and notes, and Management's Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2026 will be available at "www.sedarplus.ca" and the Company's website at "www.inplayoil.com". An updated corporate presentation will be available on our website in due course.

Second Quarter 2026 Highlights:

- Achieved average quarterly production of 18,663 boe/d(1) (62% light crude oil and NGLs), a 2% increase from Q1 2026.
- Improved light oil production to 9,382 bbl/d, a 6% increase from Q1 2026. Light crude oil weighting improved by 3% from Q1 2026 driving stronger per boe netbacks and returns.
- Realized strong operating income of $68.4 million, a 50% increase from Q1 2026, resulting in an operating income profit margin(4) of 55%, a 7% improvement from Q1 2026. Field operating netbacks(4) improved to $40.26/boe, an increase of 46% compared to Q1 2026.
- Delivered Adjusted Funds Flow ("AFF")(2) of $44.7 million ($1.61 per weighted average basic share(3)), a 48% increase from Q1 2026.
- Generated significant Free Adjusted Funds Flow ("FAFF")(4) of $28.4 million.
- Returned $7.6 million to shareholders via monthly dividends (7.2% yield relative to current share price). Since November 2022, InPlay has returned $82 million ($4.14/share) to shareholders through dividends, including dividends declared to date in the third quarter.
- Under the Normal Course Issuer Bid initiated on May 21, 2026, began repurchasing shares in June and 0.5% of outstanding shares were cancelled.
- Subsequent Events:
  - On August 5, 2026, the Company announced it had entered into a definitive agreement to acquire a private oil and gas producer for cash consideration of $54.25 million, prior to closing adjustments adding 1,400 boe/d of current production and 50 additional net drilling locations all in our core Pembina area.
  - On July 24, 2026, the Company renewed its Senior Credit Facility, which now consists of committed amounts of a $140 million revolving line of credit and a $50 million operating line of credit. In addition, the borrowing base was expanded by $60 million, for a total borrowing base of $250 million.

Message to Shareholders:

The second quarter of 2026 was another period of strong execution for InPlay. Operationally, InPlay's first half capital program was executed under budget and ahead of schedule, continuing our track-record of doing more with less. InPlay's H1 2026 drilling program also achieved IP rates that were 30% - 48% ahead of our internal projections, resulting in corporate oil production exceeding internal forecasts.

The combination of high oil prices and strong oil production led to InPlay delivering quarterly AFF of $44.7 million, the highest quarterly level in its 10- year history as a public company. InPlay also returned $7.6 million ($0.27/share) to shareholders through dividends and repurchased $2.2 million (0.5% of shares outstanding), while also reducing net debt.

InPlay's financial strength positioned the Company to be able to sign a definitive agreement to acquire a private oil and gas producer for cash consideration of $54.25 million (the "**Acquisition**"), funded entirely through our recently expanded credit capacity. Completing an acquisition of this quality without dilution to shareholders directly enhances per share growth and accretion. The Acquisition is expected to be 18% accretive on both AFF per share and FAFF per share, while adding 1,400 boe/d of production (85% liquids) and 50 net drilling locations in our core areas.

The Acquisition builds on InPlay's decade-long track record of value-add M&A, utilizing conservative leverage ratios to acquire high-quality, free cash flow generating assets to generate sustainable long-term shareholder returns while maintaining a conservative balance sheet. This approach supports the rapid repayment of acquisition debt, positioning the Company for the next accretive opportunity. The Acquisition advances InPlay's strategy of building a disciplined, sustainable light oil growth company by increasing production, AFF and FAFF per share while expanding its high-quality drilling inventory. The complementary assets of the Acquisition directly offset InPlay's existing operations and infrastructure, delivering immediate operational synergies.

InPlay's year to date capital program has been completed below budget, allowing the Company to increase the number of planned wells by 30% with only a 15% increase in capital (from mid-point). InPlay expanded its pre-acquisition capital program to drill a total of 15.0 net Cardium wells, an increase from 13.0 net (mid-point) Cardium wells in our original capital budget. In addition, 2.0 net Belly River wells are planned on the acquired assets, resulting in a pro forma capital program of $80 - $82 million drilling 17.0 net horizontal wells.

InPlay has increased 2026 average annual production guidance to 18,900 boe/d – 19,400 boe/d(1) (61% - 63% light oil and NGLs). The Company also increased 2026 AFF by 12% to $165 million (mid-point) from $147 million (mid-point), with no change to commodity price assumptions. This is expected to increase FAFF by 9% from $77 million (mid-point) to $84 million (mid-point), equating to a FAFF yield(4) of 20% (mid-point). The Company's leverage metrics are projected to remain strong with net debt to Q4 2026 EBITDA(4) now forecasted to be 1.25x (mid-point).

Further information related to the Acquisition and revised pro forma guidance is outlined in the Company's August 5, 2026 Press Release (Press Release - August 5, 2026).

Second Quarter 2026 Financial & Operations Overview:

InPlay completed an active capital program during the second quarter, investing $16.3 million to complete and bring on production three (3.0 net) Pembina Cardium wells drilled in the first quarter of 2026, and to drill and complete three (3.0 net) additional Pembina Cardium wells. Operational execution remained strong during the quarter, with drilling and completion operations under budget. The three most recent wells were drilled approximately 40 days ahead of schedule, as field access occurred earlier than typically anticipated following spring break-up, which was beneficial as wet weather in the second half of June and into mid-July caused delays to the start of our H2 2026 drilling program.

Quarterly production averaged 18,663 boe/d(1) (62% light crude oil and NGLs), representing a 2% increase from the first quarter of 2026. Quarterly crude oil production averaged 9,382 bbl/d, a 6% increase from the first quarter of 2026. Oil production remained strong throughout the quarter and exceeded internal forecasts.

The second quarter was our largest to date for turnaround activity and resulted in slightly increased operating costs compared to the first quarter of 2026, as well as the reactivation of shut-in, low-rate wells that went down in a lower commodity environment and are economic to return to production in the strong commodity price environment.

InPlay generated record quarterly AFF of $44.7 million ($1.61 per basic share), representing a 48% increase from the first quarter of 2026. These results were achieved despite realizing $14.1 million in hedging losses, primarily reflecting the significant increase in WTI during the quarter relative to the hedges required by our first-lien lenders to facilitate the 2025 acquisition. The Company expects minimal hedge losses in the future at our current commodity price forecast as significantly less crude oil volumes are hedged going forward and due to our strong natural gas hedges. This is reflected in the mark-to-market value of the Company's hedges, which was an asset of $6.9 million at June 30, 2026 compared to a liability of $30.5 million at March 31, 2026. Details of the Company's current hedges are provided in the "Hedging Summary" section of the Reader Advisories.

During the quarter, InPlay paid dividends of $7.6 million to shareholders, representing a 7.2% yield relative to our current share price. Since November 2022, InPlay has distributed $82 million ($4.14/share) in dividends, including dividends declared to date in the third quarter.

Net income of $22.9 million ($0.82 per basic share; $0.78 per diluted share), was realized in the second quarter of 2026 which includes a $37 million unrealized mark-to-market gain on the Company's hedge portfolio.

Financial and Operating Results:

	Three months ended June 30		Six months ended June 30	
	2026	**2025**	**2026**	**2025**
Financial (CDN - $millions)				
Oil and natural gas sales	124.1	91.6	212.6	130.6
Adjusted funds flow(2)	44.7	40.1	74.9	56.9
Per share – basic(3)	1.61	1.49	2.69	2.71
Per share – diluted(3)	1.53	1.49	2.54	2.71
Per boe(3)	26.31	21.59	22.37	21.27
Comprehensive income (loss)	22.9	(3.2)	(11.7)	(6.1)
Per share – basic	0.82	(0.12)	(0.42)	(0.29)
Per share – diluted	0.78	(0.12)	(0.42)	(0.29)
Dividends	7.6	7.9	15.1	12.0
Per share - declared	0.27	0.27	0.54	0.54
Capital expenditures – PP&E and E&E	16.2	4.6	39.2	18.5
Property acquisitions	-	293.3	0.4	293.6
Net debt(2)	(216.0)	(223.2)	(216.0)	(223.2)
Shares outstanding	27.7	27.8	27.7	27.8
Basic weighted-average shares	27.8	26.9	27.9	21.0
Diluted weighted-average shares	29.3	26.9	27.9	21.0
Operational				
Daily production volumes				
Light and medium crude oil (bbls/d)	9,382	10,328	9,099	6,898
Natural gas liquids (boe/d)	2,224	2,401	2,259	1,989
Conventional natural gas (Mcf/d)	42,345	46,029	42,856	35,300
Total (boe/d)	18,663	20,401	18,501	14,770
Realized prices(3)				
Light and medium crude oil & NGLs ($/bbls)	110.95	75.13	95.42	72.50
Conventional natural gas ($/Mcf)	1.80	1.83	2.11	2.00
Total ($/boe)	73.08	49.36	63.47	48.84
Operating netbacks ($/boe)(4)				
Oil and natural gas sales	73.08	49.36	63.47	48.84
Royalties	(12.51)	(6.35)	(9.69)	(6.20)
Transportation expense	(1.07)	(0.71)	(1.00)	(0.84)
Operating costs	(19.24)	(15.10)	(18.76)	(15.06)
Operating netback(4)	40.26	27.20	34.02	26.74
Realized gain (loss) on derivative contracts	(8.33)	(0.20)	(5.87)	(0.12)
Operating netback (including realized derivative contracts) (4)	31.93	27.00	28.15	26.62

On behalf of our employees, management team and Board of Directors, we thank our shareholders for their continued support. With a high-quality asset base, a strengthened outlook and the recently announced acquisition, InPlay is well positioned to continue generating sustainable free cash flow and long-term shareholder value.

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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. *Supplementary financial measure. See "Non-GAAP and Other Financial Measures" contained within this press release.*
4. *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.*

Reader Advisories

Hedging Summary

Commodity Hedges

	Q3/26	Q4/26	Q1/27	Q2/27	Q3/27	Q4/27	2028
Natural Gas AECO Swap (mcf/d)	14,215	8,560	4,265	-	-	-	-
Hedged price ($AECO/mcf)	$3.00	$3.05	$3.65	-	-	-	-
Natural Gas AECO Costless Collar (mcf/d)	11,375	16,400	18,950	-	-	-	-
Hedged price ($AECO/mcf)	$2.45 - $3.50	$2.85 - $4.55	$3.00 - $4.85	-	-	-	-
Crude Oil WTI Swap (bbl/d)	-	2,000	2,000	-	-	-	-
Hedged price ($USD WTI/bbl)	-	$61.05	$61.05	-	-	-	-
Crude Oil WTI Costless Collar (bbl/d)	-	-	-	-	-	-	-
Hedged price ($USD WTI/bbl)	-	-	-	-	-	-	-
Crude Oil WTI Three-way Collar (bbl/d)	1,750	1,750	1,500	3,000	2,000	2,000	2,000
Low sold put price ($USD WTI/bbl)	$50.00	$50.00	$60.00	$55.50	$60.50	$60.50	$50.00
Mid bought put price ($USD WTI/bbl)	$57.50	$57.50	$70.00	$64.65	$70.50	$70.50	$60.00
High sold call price ($USD WTI/bbl)	$72.15	$72.15	$82.00	$79.65	$83.30	$83.30	$70.65
Electricity AESO Swap (kW)	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Hedged price ($kWh)	$0.06217	$0.06217	$0.06217	$0.06217	$0.06217	$0.06217	$0.06217

Foreign Exchange Hedges

	2026	2027	2028	2029
USD/CAD Variable Rate Collar (US $'000s)	70,500	96,000	-	-
Put strike rate (USD/CAD)	$1.347	$1.342	-	-
Restrike rate (USD/CAD)	$1.376	$1.372	-	-
Call Strike rate (USD/CAD)	$1.403	$1.402	-	-
NIS/CAD FX Forward Contract (NIS ₪'000s)	17,179	67,265	65,298	496,116
Hedged rate (NIS/CAD)	2.2235	2.2235	2.2235	2.2235

Currency

USD refers to United States Dollars, NIS or ILS refers to New Israeli Shekels and CAD refers to Canadian Dollars.

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 Yield

Management considers FAFF and FAFF Yield as 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 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. Free adjusted funds flow yield is calculated by the Company as free adjusted funds flow divided by the market capitalization of the Company. Refer to the "Forward Looking Information and Statements" section for a calculation of forecast FAFF and 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 June 30		Six Months Ended June 30	
	2026	2025	**2026**	2025
Revenue[(1)]	**124,113**	91,639	**212,550**	130,575
Royalties	**(21,248)**	(11,795)	**(32,453)**	(16,568)
Operating expenses	**(32,675)**	(28,033)	**(62,813)**	(40,250)
Transportation expenses	**(1,816)**	(1,311)	**(3,333)**	(2,246)
Operating income	**68,374**	50,500	**113,951**	71,511
Sales volume (Mboe)	**1,698.4**	1,856.5	**3,348.7**	2,673.4
Per boe				
Revenue[(1)]	**73.08**	49.36	**63.47**	48.84
Royalties	**(12.51)**	(6.35)	**(9.69)**	(6.20)
Operating expenses	**(19.24)**	(15.10)	**(18.76)**	(15.06)
Transportation expenses	**(1.07)**	(0.71)	**(1.00)**	(0.84)
Operating netback per boe	**40.26**	27.20	**34.02**	26.74
Operating income profit margin	**55%**	55%	**54%**	55%

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 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.

Net Debt

Net debt 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. 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 (Long-term debt (Bond at Inception value) plus accounts payable and accrued liabilities less accounts receivables and accrued receivables, restricted cash, cash and cash equivalents, 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 anticipated funding and timing of the Acquisition, including the use of the Company's credit facility and anticipated borrowing capacity; the anticipated timing of the closing of the Acquisition; the anticipated benefits of the Acquisition, including the impact of the Acquisition on the Company's operations, inventory and development opportunities; financial results and shareholder returns; anticipated production from the acquired assets associated with the Acquisition; anticipated production following completion of the Acquisition; anticipated increases in light oil production and product mix; expected accretion to AFF per share; FAFF per share, production per share and funds flow netback metrics; anticipated FAFF and FAFF yield; anticipated dividends and dividend yield; anticipated benefits of the Company's NCIB and shareholder return strategy; anticipated operating netbacks, operating income and FAFF generated by the acquired assets associated with the Acquisition; anticipated operating, infrastructure, administrative and other synergies associated with the Acquisition, including anticipated annual cost savings and the expectation that no additions to corporate office personnel will be required; anticipated Belly River production, development opportunities and drilling inventory associated with the acquired assets, including identified drilling locations and expected payout periods; the satisfaction or waiver of the closing conditions to the Acquisition; anticipated future liquidity, financial flexibility, borrowing capacity and financial capacity; anticipated net debt and Net Debt to EBITDA ratios; future development, exploration, acquisition and infrastructure activities and related capital expenditures; the Company's planned 2026 capital program; the amount and timing of capital projects; the number of wells expected to be drilled and completed; the Company's asset retirement and decommissioning activities; the Company's 2026 guidance; the Company's anticipated 2026 annual average production and product mix; future oil, natural gas and NGL prices; future results from operations and operating metrics, including AFF, FAFF, operating income, operating netbacks, operating income profit margins and Net Debt to EBITDA; future costs, expenses and royalty rates; future interest costs; the exchange rates between USD and CAD and between NIS and CAD; methods of funding the Company's capital program; future debt levels, leverage ratios, dividends, share repurchase and other shareholder return initiatives; and other similar statements.

The internal projections, expectations, or beliefs underlying the 2026 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 wars in the Middle East, ongoing results, prevailing economic circumstances, volatile commodity prices, and changes in industry conditions and regulations. InPlay's 2026 financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions (other than the Acquisition), 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 guidance for 2026 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 wars 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 Board of Directors of InPlay. 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 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 30, 2026 and InPlay's annual management's discussion & analysis for the year ended December 31, 2025.

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 2026 capital budget, anticipated 2026 production 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.

<u>Risk Factors to FLI</u>

Risk factors that could materially impact successful execution and actual results of the Company's 2026 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;
- changes in Federal and Provincial regulations;
- the Company's ability to secure financing for the 2026 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 2026 guidance are as follows:

		Actuals FY 2025	Guidance FY 2026[(1)]
WTI	US$/bbl	$64.81	$80.50
NGL Price	$/boe	$33.42	$38.80
AECO	$/GJ	$1.59	$1.75
Foreign Exchange Rate	CDN$/US$	0.72	0.73
MSW Differential	US$/bbl	$3.57	$1.15
Production	Boe/d	17,043	18,900 – 19,400
Revenue	$/boe	46.84	59.75 – 64.75
Royalties	$/boe	6.36	10.25 – 11.25
Operating Expenses	$/boe	16.42	17.50 – 19.50
Transportation	$/boe	0.89	0.80 – 1.00
Interest	$/boe	3.13	2.85 – 3.85
General and Administrative	$/boe	2.36	2.10 – 2.55
Hedging loss (gain)	$/boe	(0.72)	2.50 – 3.50
Decommissioning Expenditures	$ millions	$4.2	$11.0 – $15.0
Adjusted Funds Flow	$ millions	$114.4	$161 – $169
Dividends	$ millions	$27	$30

		Actuals FY 2025	Guidance FY 2026[(1)]
Adjusted Funds Flow	$ millions	$114.4	$161 – $169
Capital Expenditures	$ millions	$52	$80 – $82
Free Adjusted Funds Flow	$ millions	$62.4	$79 – $89
Shares outstanding, end of year	# millions	28.0	28.0
Assumed share price	$/share	$12.40	15.00
Market capitalization	$ millions	$347	$420
FAFF Yield	%	18%	19% – 21%

		Actuals FY 2025	Guidance FY 2026[(1)]
Revenue	$/boe	46.84	59.75 – 64.75
Royalties	$/boe	6.36	10.25 – 11.25
Operating Expenses	$/boe	16.42	17.50 – 19.50
Transportation	$/boe	0.89	0.80 – 1.00
Operating Netback	$/boe	23.17	29.75 – 34.75
Operating Income Profit Margin		49%	52%

		Actuals FY 2025[(2)]	Guidance FY 2026[(1)(3)]
Adjusted Funds Flow	$ millions	$122.8	$172 – $180
Interest	$/boe	3.43	2.75 – 3.75
EBITDA	$ millions	$147.6	$196 – $204
Net Debt	$ millions	$218	$246 – $254
Net Debt/EBITDA		1.47	1.2 – 1.3

(1) As previously released August 5, 2026.

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

(3) InPlay's EBITDA for this column is based on Q4 2026 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.

Test Results and Initial Production Rates

Any references in this press release to initial production ("IP") rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not indicative of long-term performance or ultimate recovery. Test results and IP rates disclosed herein, particularly those short in duration, may not necessarily be indicative of long-term performance or of ultimate recovery. A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production of the Company.

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 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)
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 Average Production	8,143	2,180	40,323	17,043
Q1 2026 Average Production	8,813	2,295	43,373	18,337
Q2 2026 Average Production	9,382	2,224	42,345	18,663
2026 Annual Guidance	9,605	2,290	43,530	19,150(1)

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.*

References to crude oil, light oil, NGLs or natural gas production in this press release refer to the light and medium crude oil, natural gas liquids and conventional natural gas product types, respectively, as defined in NI 51-101.

BOE Equivalent

Barrel of oil equivalents or BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Dividends

InPlay's future shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof is uncertain. Any decision to pay dividends on InPlay's shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) will be subject to the discretion of the Board of Directors and may depend on a variety of factors, including, without limitation, InPlay's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on InPlay under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board of Directors. There can be no assurance that InPlay will pay dividends in the future.