

InPlay Oil Corp. And Prairie Storm Resources Corp. Announce Completion of Strategic Cardium Combination

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CALGARY, Nov. 30, 2021 - [InPlay Oil Corp.](#) (TSX: IPO) (OTCQX: IPOOF) ("InPlay" or the "Company") and [Prairie Storm Resources Corp.](#) (TSXV: PSEC) ("Prairie Storm") are pleased to announce that they have closed on today's date (the "Effective Date") the previously announced plan of arrangement under section 193 of the *Business Corporations Act* (Alberta) (the "Acquisition"). Pursuant to the Acquisition, InPlay acquired all of the issued and outstanding common shares of Prairie Storm (the "Prairie Storm Shares") on the basis of \$0.2514 in cash and 0.0524 of a common share of InPlay ("InPlay Shares") in exchange for each Prairie Storm Share outstanding and Prairie Storm became a wholly-owned subsidiary of InPlay. As a final step of the Acquisition, InPlay, Prairie Storm and Prairie Storm's wholly-owned subsidiary, Prairie Storm Energy Corp., were subsequently amalgamated under the name "[InPlay Oil Corp.](#)" (the "Resulting Issuer").

The Acquisition is representative of the Company's continued Cardium consolidation and sustainability strategy, positioning InPlay as a sizable producer and acreage holder with significant drilling inventory in the light oil window of Central Alberta's Cardium fairway. Willesden Green will be a focus area for continued development and growth as the wells drilled to date are some of the most prolific Cardium oil wells in Alberta. The production profile characteristics of Prairie Storm's assets complement InPlay's current suite of assets in its core areas.

The Acquisition and related matters were overwhelmingly approved by holders of 100% of the Prairie Storm Shares voted at the special meeting of such holders held on November 29, 2021. The Acquisition was also approved by the Court of Queen's Bench of Alberta on the same date.

The highly accretive Acquisition was funded by a combination of net proceeds released to InPlay pursuant to its previously announced \$11.5 million bought deal subscription receipt financing (the "Financing"), available borrowings under InPlay's senior credit facilities (collectively, the "Senior Credit Facility") which have been increased from \$65.0 million to \$85.0 million and the issuance of an aggregate of 8,320,335 InPlay Shares to the previous holders of Prairie Storm Shares.

In accordance with their terms, each one (1) subscription receipt issued pursuant to the Financing was automatically exchanged for one (1) InPlay Share concurrently with the completion of the Acquisition, and the net proceeds were released to InPlay from escrow and used to fund a portion of the cash consideration payable to former holders of Prairie Storm Shares under the Acquisition. Previous holders of subscription receipts of InPlay are not required to take any action in order to receive the underlying InPlay Shares. Trading in the subscription receipts on the Toronto Stock Exchange is expected to be halted today and the subscription receipts delisted in due course.

Letters of transmittal have been forwarded to previous holders of Prairie Storm Shares to be utilized in order to exchange their Prairie Storm Shares for the InPlay Shares and cash consideration to which they are entitled under the Arrangement. Copies of the letter of transmittal are available on Prairie Storm's SEDAR profile at www.sedar.com. Holders of InPlay Shares continue to hold common shares of the Resulting Issuer on a one-for-one basis and are not required to take any action in conjunction with completion of the Acquisition.

Immediately following completion of the Acquisition, InPlay has 86,214,751 InPlay Shares issued and outstanding, inclusive of the underlying 9,591,000 InPlay Shares issued upon conversion of subscription receipts previously issued pursuant to the Financing.

An aggregate of approximately 5.6 million of the InPlay Shares issued to former holders of Prairie Storm Shares are subject to contractual escrow, with 50% of such escrowed shares being releasable three (3)

months following the Effective Date and the remaining 50% being releasable six (6) months following the Effective Date, respectively.

Concurrent with completion of the Acquisition, the Resulting Issuer entered into an amended and restated credit agreement with its current syndicate of lenders (the "Lenders") pursuant to which the aggregate available borrowing capacity under InPlay's Senior Credit Facility has been increased from \$65.0 million to \$85.0 million by way of the addition of a \$20 million syndicated term facility maturing November 30, 2022 (the "Senior Term Facility"). The Senior Term Facility requires mandatory repayments as follows: (i) \$6 million by May 31, 2022; (ii) \$7 million by August 31, 2022; and (iii) \$7 million by November 30, 2022. The covenant and security package under the new Senior Term Facility is substantially the same as that prescribed under InPlay's pre-acquired Senior Credit Facility, with the exception of an additional affirmative covenant to satisfy certain prescribed hedging requirements during the period the Senior Term Facility remains outstanding.

It is expected that the Prairie Storm Shares will be delisted from trading on the TSX Venture Exchange within 2 to 3 business days following the date of this press release and the Resulting Issuer will make an application for an order that Prairie Storm cease to be a reporting issuer shortly thereafter.

Update and Outlook

InPlay's Cardium focus has resulted in record quarterly production and financial results and we are excited to continue to pursue these same successful results in the upcoming quarters following today's closing of the strategic Acquisition of Prairie Storm. This focused, synergistic acquisition is a positive complementary piece in our consolidation strategy providing a further enhanced solid foundation and more sustainable Company. Current production of the combined Company based on field estimates is approximately 8,050 boe/d (61% light oil and NGLs). InPlay's plans are to immediately start drilling two (1.6 net) additional Extended Reach Horizontal wells on the Prairie Storm lands that were originally intended to be drilled in November and on production in December. Completions are expected to start on these two wells early in 2022. In December, work to tie-in these two wells will commence as well as preliminary construction work allowing us to start further drilling early in the first quarter of 2022. Our updated 2021 capital program is now expected to total approximately \$32.5 million. InPlay's updated post-Acquisition pro-forma 2021 guidance and post-Acquisition preliminary corporate outlook for 2022 remains otherwise unchanged. Please refer to our press release dated September 28, 2021 for further details.

Final decisions relating to our board approved 2022 capital program and outlook are expected to be made and announced early in 2022 and will be largely influenced by commodity prices and industry fundamentals at that time. The Company will continue to be disciplined and flexible with capital spending allowing us to execute our strategy generating measured production per share growth combined with strong free adjusted funds flow, debt reduction and maximizing returns to shareholders.

About InPlay Oil Corp.

InPlay Oil is a junior oil and gas exploration and production company with operations in Alberta focused on light oil production. The Company operates long-lived, low-decline properties with drilling development and enhanced oil recovery potential as well as undeveloped lands with exploration possibilities. The common shares of InPlay trade on the Toronto Stock Exchange under the symbol IPO and the OTCQX under the symbol IPOOF.

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Note Regarding Forward-Looking Statements:

Forward-looking statements in this news release include statements regarding the Company's

strategy, production estimates, future development plans, including planned drilling and completion operations on the Prairie Storm lands and timing thereof, our estimated 2021 capital program and timing of release of our Board approved 2022 program and associated guidance, the anticipated benefits of the Acquisition, the delisting of the Prairie Storm Shares and the subscription receipts, respectively, and the application for an order that Prairie Storm cease to be a reporting issuer. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

Forward-looking statements or information are based on a number of factors and assumptions 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.

Readers are cautioned that the foregoing list of factors and assumptions is not exhaustive. Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and InPlay does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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