



InPlay Oil Corp. (IPOOF)

Updated November 28th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	\$9.06	5 Year Annual Expected Total Return:	6.6%	Market Cap:	\$252.2 M
Fair Value Price:	\$6.75	5 Year Growth Estimate:	5.0%	Ex-Dividend Date:	11/14/2025
% Fair Value:	134%	5 Year Valuation Multiple Estimate:	-5.7%	Dividend Payment Date:	11/28/2025
Dividend Yield:	8.5%	5 Year Price Target	\$8.61	Years Of Dividend Growth:	0
Dividend Risk Score:	F	Sector:	Energy	Rating:	Sell

Overview & Current Events

InPlay Oil is a Calgary-based oil and gas exploration and production company focused on developing light oil and natural gas assets in Alberta, primarily targeting the Cardium and Belly River formations. InPlay Oil combines horizontal drilling, enhanced oil recovery, and infrastructure optimization to maximize efficiency and returns. Last year, it averaged 8,712 boe/d in production, with 58% attributed to crude oil and NGLs, and generated C\$68.5 million in adjusted funds flow. The company reports in CAD. All figures have been converted to USD unless otherwise noted.

On November 11th, 2025, InPlay Oil reported its Q3 2025 results for the period ending September 30th, 2025. The company posted total revenue of about \$56.3 million, a 131% year-over-year increase, driven by the Pembina asset acquisition and higher production volumes and oil weighting. Average production for the quarter was 18,970 boe/d, up sharply from 8,206 boe/d last year. Adjusted funds flow for the quarter was \$19.0 million, up from \$9.3 million last year, with diluted AFF/share of about \$0.68. For this year, we expect AFF/share \$0.75.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
AFF/Share	(\$9.10)	(\$3.63)	(\$0.43)	(\$0.49)	\$0.00	(\$0.72)	\$3.00	\$2.61	\$1.06	\$0.34	\$0.75	\$0.96
DPS	---	---	---	---	---	---	---	\$0.13	\$0.82	\$0.75	\$0.77	\$0.77
Shares¹	2.0	3.3	10.4	11.3	11.4	11.4	11.9	15.2	15.1	15.5	27.8	35.0

InPlay Oil's adjusted funds flow per share (AFF/Share) over past decade highlights a period of transformation shaped by market volatility, strategic acquisitions, and disciplined capital execution. The company entered the period with severe negative cash flow ((\$9.10) in 2015 and (\$3.63) in 2016), reflecting the broader energy downturn and costs tied to its reverse takeover of Anderson Energy. This deal, completed in late 2016, gave InPlay access to new assets in Pembina and reset its operating platform, though near-term results remained weak as the company integrated and optimized its position.

From 2017 to 2019, AFF/Share gradually improved, reaching breakeven by 2019 as production stabilized and drilling activity focused on core Cardium assets. The downturn in 2020, driven by the COVID-19 pandemic, sent AFF/Share back into negative territory ((\$0.72)), as InPlay shut in production and paused capital spending to manage through record-low commodity prices. A sharp turnaround followed in 2021, with AFF/Share jumping to \$3.00, bolstered by surging oil prices and the accretive acquisition of Prairie Storm Resources. This momentum continued into 2022 (\$2.61) as higher production and strong pricing supported record funds flow.

However, in 2023 and 2024, AFF/Share declined to \$1.06 and \$0.34 respectively. The drop was driven by significantly lower natural gas prices, inflationary cost pressures, and a less favorable commodity mix. Despite these challenges, the company maintained disciplined operations, achieved consistent drilling success. We believe that the company can achieve AFF/share growth of about 5% per year through increased production assuming stable oil prices. However, considering the volatile nature of the commodity, our estimate is utterly speculative.

¹ Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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The company has paid a stable monthly dividend of C\$0.09 since initiating payouts in November of 2022. We believe the company can sustain this dividend, for now, but don't think there is enough room for it to grow from here.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/AFF	---	---	---	---	---	---	1.2	5.0	11.8	29.4	12.1	9.0
Avg. Yld.	---	---	---	---	---	---	---	1.0%	6.6%	7.5%	8.5%	8.9%

InPlay's historical P/AFF ratio is not a reliable valuation metric due to years of negative AFF and extreme volatility even recently, from 1.2x in 2021 to 29.4x in 2024, driven more by commodity price swings than consistent fundamentals. Still, we believe that, generally, a multiple of 9x makes for a somewhat fair valuation considering its risk/reward profile. This means the stock is overvalued today. The dividend yield, at a notable 8.5%, reflects the underlying risks attached to it.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	---	---	---	---	---	---	---	5%	77%	221%	103%	80%

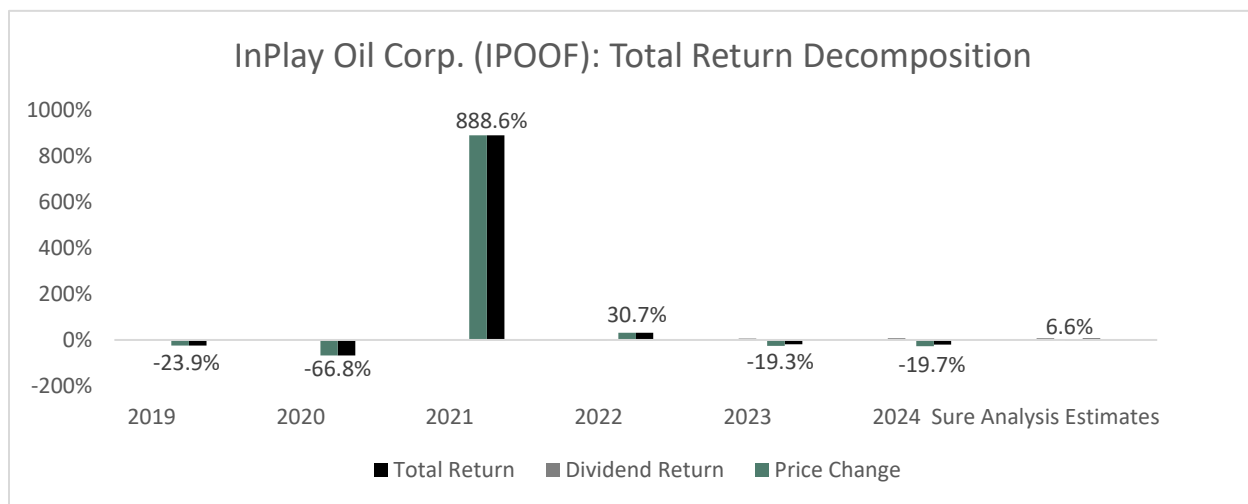
InPlay Oil offers some quality attributes but carries elevated risk. The company operates in well-known, low-cost light oil plays in Alberta and has a track record of strong execution, including a 100% drilling success rate and effective capital allocation. Its assets provide solid operating netbacks, and the company has successfully integrated acquisitions like Prairie Storm to grow scale and improve efficiency.

However, InPlay's investment case is limited by its small size, concentrated asset base, and high sensitivity to commodity prices, as seen in 2020 and the steep drop in AFF from 2022 to 2024. This volatility, along with limited geographic and product diversification, exposes investors to significant earnings risk during downturns. While InPlay has made some progress in strengthening its balance sheet, we believe you shouldn't trust its monthly dividend.

Final Thoughts & Recommendation

InPlay Oil offers leveraged exposure to light oil with solid execution and upside in strong commodity markets, but its small scale, concentration, and cash flow volatility make it a higher-risk, cyclical investment. Thus, if you are looking for reliable monthly income, we believe you should look elsewhere. We forecast annualized total returns of 6.6% assuming the company sees some AFF/share growth and maintains the dividend, but this is an utterly speculative scenario. Combined with the fact that we don't see consistent dividend growth ahead, we rate the stock a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	26	21	48	59	57	31	91	183	133	112
Gross Profit	10	9	26	32	30	14	60	121	81	62
Gross Margin	38.9%	41.9%	53.7%	53.9%	53.5%	43.2%	65.7%	65.8%	60.7%	55.6%
SG&A Exp.	6	5	6	6	5	4	6	9	10	9
D&A Exp.								0	0	1
Operating Profit	(6)	(7)	(2)	(3)	3	(8)	22	73	28	12
Operating Margin	-21.7%	-34.3%	-4.0%	-4.5%	4.5%	-25.1%	24.8%	39.8%	20.9%	11.0%
Net Profit	(24)	15	(6)	(7)	(20)	(84)	92	64	24	7
Net Margin	-93%	71.9%	-12.4%	-11.3%	-35.8%	-269%	101%	35.2%	18.2%	6.2%
Free Cash Flow	(5)	(35)	(21)	(20)	(3)	(12)	4	35	1	6
Income Tax	(8)	(5)	(1)	(1)	20	23	(19)	1	1	2

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	103	225	257	231	228	165	319	318	357	332
Cash & Equivalents	-	0								
Accounts Receivable	2	3	6	1	5	3	9	14	10	10
Inventories			-	1	1	1	3	5	7	4
Total Liabilities	62	86	106	96	107	130	170	116	135	129
Accounts Payable	3	6	7	7	6	11	13	20	15	10
Long-Term Debt	42	22	36	33	41	50	62	22	36	44
Shareholder's Equity	41	139	151	135	121	36	149	201	222	203
LTD/E Ratio	1.02	0.16	0.24	0.25	0.34	1.40	0.42	0.11	0.16	0.22

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	-21.9%	9.2%	-2.5%	-2.7%	-8.8%	-42.7%	37.9%	20.3%	7.2%	2.0%
Return on Equity	-279%	16.8%	-4.1%	-4.6%	-15.8%	-107%	99.6%	36.9%	11.4%	3.3%
ROIC	-33.9%	12.4%	-3.4%	-3.7%	-12.3%	-67.9%	61.9%	29.8%	10.1%	2.7%
Shares Out.	2.0	3.3	10.4	11.3	11.4	11.4	11.9	15.2	15.1	15.5
Revenue/Share	12.70	6.43	4.60	5.21	4.97	2.75	7.60	12.07	8.80	7.21
FCF/Share	(2.60)	(10.82)	(2.05)	(1.75)	(0.30)	(1.07)	0.33	2.29	0.06	0.37

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

Disclaimer

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