InPlay Oil Corp. (IPOOF)

Updated May 12th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$12.27	**5 Year Annual Expected Total Return:**	4.7%	**Market Cap:**	$339 M
Fair Value Price:	$9.00	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	05/15/2026
% Fair Value:	136%	**5 Year Valuation Multiple Estimate:**	-6.0%	**Dividend Payment Date:**	05/29/2026
Dividend Yield:	6.4%	**5 Year Price Target**	$11.49	**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, InPlay Oil averaged 17,043 boe/d in production, with 61% attributed to light crude oil and NGLs, and generated C$114.4 million in adjusted funds flow. The company reports in CAD. All figures have been converted to USD unless otherwise noted.

On May 8th, 2026, InPlay Oil reported its Q1 results for the period ending March 31st, 2026. InPlay Oil posted oil and natural gas sales of about $64.5 million, a 127% year-over-year increase, driven by the continued integration of the Pembina asset acquisition and strong production volumes. Average production for the quarter was 18,337 boe/d, up sharply from 9,076 boe/d last year. Adjusted funds flow for the quarter was $22.0 million, up from $12.2 million last year, with diluted AFF/share of about $0.74. For this year, we expect AFF/share $3.00. However, we have embedded an AFF/share estimate of $1.00 under "normal conditions".

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
AFF/Share	($3.63)	($0.43)	($0.49)	$0.00	($0.72)	$3.00	$2.61	$1.06	$0.34	$3.40	***$3.00***	***$1.28***
DPS	-	-	-	-	-	-	$0.13	$0.82	$0.75	$0.62	***$0.79***	***$0.79***
Shares[1]	3.3	10.4	11.3	11.4	11.4	11.9	15.2	15.1	15.5	24.4	***27.9***	***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 ($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. This downward trend was notably reversed in 2025 as the transformational Pembina acquisition and record production volumes drove full-year AFF/Share back up to $3.40.

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

[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.

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.

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/AFF	---	---	---	---	---	1.2	5.0	11.8	29.4	---	***12.3***	***9.0***
Avg. Yld.	---	---	---	---	---	---	1.0%	6.6%	7.5%	---	***6.4%***	***6.9%***

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 6.4%, reflects the underlying risks attached to it.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	---	---	---	---	---	---	5%	77%	221%	18%	***79%***	***62%***

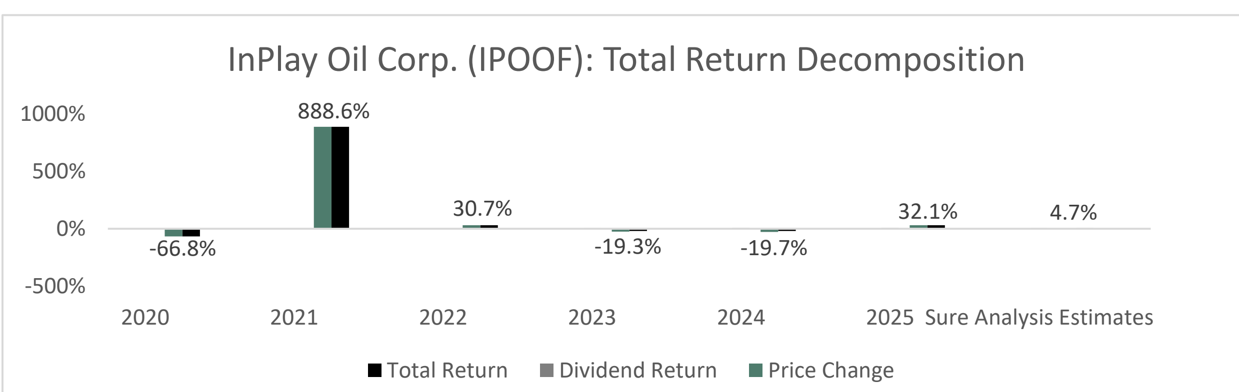
InPlay Oil offers some quality attributes but carries elevated risk. The company operates in well-known, low-cost light oil plays in Alberta and has a track record of strong execution, including a 100% drilling success rate and effective capital allocation. Its assets provide solid operating netbacks, 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 4.7% assuming the company sees some AFF/share growth and maintains the dividend, but this is an utterly speculative scenario. In any case, because we don't see consistent dividend growth ahead, we rate the stock a sell.

Total Return Breakdown by Year



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.

InPlay Oil Corp. (IPOOF)

Updated May 12th, 2026, by Nikolaos Sismanis

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	21	48	59	57	31	91	183	133	112	180
Gross Profit	9	26	32	30	14	60	121	81	62	22
Gross Margin	41.9%	53.7%	53.9%	53.5%	43.2%	65.7%	65.8%	60.7%	55.6%	12.2%
SG&A Exp.	5	6	6	5	4	6	9	10	9	10
D&A Exp.	-	-	-	-	-	-	0	0	1	79
Operating Profit	(7)	(2)	(3)	3	(8)	22	73	28	12	8
Operating Margin	-34.3%	-4.0%	-4.5%	4.5%	-25.1%	24.8%	39.8%	20.9%	11.0%	4.4%
Net Profit	15	(6)	(7)	(20)	(84)	92	64	24	7	(6)
Net Margin	71.9%	-12.4%	-11.3%	-35.8%	-269%	101%	35.2%	18.2%	6.2%	(3.3%)
Free Cash Flow	(35)	(21)	(20)	(3)	(12)	4	35	1	6	(123)
Income Tax	(5)	(1)	(1)	20	23	(19)	1	1	2	2

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	225	257	231	228	165	319	318	357	332	806
Cash & Equivalents	0	-	-	-	-	-	-	-	-	0
Accounts Receivable	3	6	1	5	3	9	14	10	10	22
Inventories		-	1	1	1	3	5	7	4	9
Total Liabilities	86	106	96	107	130	170	116	135	129	536
Accounts Payable	6	7	7	6	11	13	20	15	10	33
Long-Term Debt	22	36	33	41	50	62	22	36	44	165
Shareholder's Equity	139	151	135	121	36	149	201	222	203	270
LTD/E Ratio	0.16	0.24	0.25	0.34	1.40	0.42	0.11	0.16	0.22	0.61

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.2%	-2.5%	-2.7%	-8.8%	-42.7%	37.9%	20.3%	7.2%	2.0%	-1.0%
Return on Equity	16.8%	-4.1%	-4.6%	-15.8%	-107%	99.6%	36.9%	11.4%	3.3%	-2.4%
ROIC	12.4%	-3.4%	-3.7%	-12.3%	-67.9%	61.9%	29.8%	10.1%	2.7%	-1.6%
Shares Out.	3.3	10.4	11.3	11.4	11.4	11.9	15.2	15.1	15.5	24.4
Revenue/Share	6.43	4.60	5.21	4.97	2.75	7.60	12.07	8.80	7.21	7.37
FCF/Share	(10.82)	(2.05)	(1.75)	(0.30)	(1.07)	0.33	2.29	0.06	0.37	(5.03)

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