DATE: March 16, 2023

STAMPEDE DRILLING ANNOUNCES 2022 FINANCIAL RESULTS AND THE APPOINTMENT OF NEW DIRECTORS

CALGARY, ALBERTA – Stampede Drilling Inc. ("Stampede" or the "Corporation") (TSX-V: SDI) announces today its consolidated financial and operational results for the three month and year ended December 31, 2022.

The following should be read in conjunction with the Corporation's consolidated financial statements and the notes thereto for the year ended December 31, 2022, related management's discussion and analysis and annual information form, which are available on SEDAR at www.sedar.com.

All amounts or dollar figures are denominated in thousands of Canadian dollars except for per share amounts, number of drilling rigs, and operating days, or unless otherwise noted.

Estimates and forward-looking information are based on assumptions of future events and actual results may vary from these estimates. See "Forward-Looking Information" in this press release for additional details.

FOURTH QUARTER 2022 OPERATIONAL HIGHLIGHTS

For the three months ended December 31, 2022, the Corporation achieved record quarterly revenue, adjusted EBITDA and net income.

- Revenue for the three month period ended December 31, 2022 was $23,238, up $14,058 (153%) compared to $9,180 for the corresponding 2021 period.
- Adjusted EBITDA for the three months ended December 31, 2022 was $5,737, up $3,788 (194%) from $1,949 in the corresponding 2021 period.
- Net income for the three months ended December 31, 2022 was $3,483, up $3,111 (836%) from a net income of $372 from the corresponding 2021 period.

The Corporation's record quarterly results were driven by strong utilization rates. The Corporation's drilling rig utilization for the fourth quarter of 2022 was 61%, which was a 30% increase from the corresponding 2021 period and 22% higher than the CAOEC industry average utilization rate of 39% for the fourth quarter of 2022. The Corporation had a total of 867 operating days in the fourth quarter of 2022, an increase of 433 operating days (100%) from the 434 operating days in the corresponding 2021 period.

The Corporation had total capital expenditures of $4,520 in the fourth quarter of 2022 primarily related to capital upgrades on the drilling rigs acquired during 2022.

2022 ANNUAL OPERATIONAL HIGHLIGHTS

For the year ended December 31, 2022, the Corporation achieved record annual revenue, adjusted EBITDA and net income.

- Revenue for the year ended December 31, 2022 was $66,879, up $34,716 (108%) compared to $32,163 for the corresponding 2021 period.
- Adjusted EBITDA for the year ended December 31, 2022 was $15,305, up $6,944 (83%) from $8,361 in the corresponding 2021 period.
- Net income for the year ended December 31, 2022 was $8,210, up $5,358 (188%) from a net income of $2,852 from the corresponding 2021 period.

During 2022, the Corporation completed two separate rig acquisitions ("Asset Acquisition"), increasing its rig fleet by 90%, from 10 to 19 rigs. In April 2022, Stampede announced the acquisition of three telescopic double drilling rigs, two top drives and ancillary equipment for the purchase price of $5,000, paid in cash. In August 2022, Stampede announced the acquisition of six drilling rigs (comprised of two "doubles", three "heavy doubles" and one "super spec triple") and related assets from a private company for a purchase price of approximately $21,500. The purchase price was funded by proceeds from the Corporation's concurrent public offering ("Offering") of common shares at a price of $0.32 per common share, for aggregate gross proceeds of $26,600. Pursuant to the Offering, the Corporation issued 83,202 common shares, including 5,077 common shares issued pursuant to the exercise of the over-allotment option granted to the agents.

The Corporation also entered into an amending agreement with HSBC Bank of Canada to increase the aggregate credit capacity under its credit facility (the "Credit Facility"). Under the Credit Facility, which has a term of five years, the Corporation has an available limit of $22,500 pursuant to a revolving facility (the "Demand Facility") and $10,000 under a term loan (the "Term Loan"). The proceeds of the Term Loan were used to help finance the Asset Acquisition in the third quarter and corresponding portion of the capital expenditures of the newly acquired rigs.

The Corporation had a total capital spend of $41,122 in 2022 primarily related to the six and three rig Asset Acquisitions during 2022.

OUTLOOK

Throughout 2022 and into the first quarter of 2023, Stampede's customers have continued to strengthen their balance sheets and remain disciplined on spending while growing production within their operating cash flows. While macroeconomic factors such as such as the war in Ukraine, worldwide inflationary pressures, possible near-term recession and overall demand globally will continue to create ongoing uncertainty for energy markets, Stampede anticipates the current commodity price environment will continue to drive producer cash flows and increased drilling activity in Western Canadian Canada throughout 2023.

The Corporation is on pace with another strong start to the year with 17 out of its 19 rig fleet operational and fully crewed in the first quarter of 2023. Access to qualified field labour will continue to be an industry wide challenge in 2023, however management has proven their ability to crew underutilized assets since Stampede's inception. The Corporation will continue to assess additional acquisition opportunities as they arise, as well as making focused capital expenditures to further enhance customer desirability of its current fleet in 2023 while maintaining our strong balance sheet and debt facility.

APPOINMENT OF NEW DIRECTORS

Mr. Whitmarsh is pleased to announce that, effective today, Tim Beatty, Kerri Beuk and Andrew Ross have joined Stampede's Board of Directors. Over the past several months, largely as a result of Stampede's continued rapid growth and expansion, the Corporate Governance and Compensation Committee had been undertaking a formal director recruitment process. The goal of the process was to further augment the already strong depth and breadth of skills possessed by Stampede's Directors, as well as providing additional members for the Board Committees. The three new Directors are independent, and are not nominees of any of Stampede's stakeholders.

Mr. Whitmarsh commented, "We are fortunate to have added three new talented Directors with diverse skillsets to our already robust Board. These Directors will work with the existing Directors to help oversee our strategic plans for the coming years. I am pleased to welcome them on behalf of the Board and Management."

The following are brief biographies for each of the new Directors:

<u>Drew Ross</u>

Mr. Ross has over 27 years of investment banking experience primarily focused in the Canadian and international energy sector. He was a Managing Director of Scotiabank Global Markets, the investment banking division of Scotiabank, from 2007 to 2021, and prior thereto worked at Genuity Capital Markets (2005-2007), Merrill Lynch Canada (2000-2005) and RBC Capital Markets (1994-2000). Before working in investment banking, Mr. Ross was a professional Geophysicist with Chevron Canada Resources from 1987-1992. Mr. Ross holds a Bachelor of Engineering Honours (Geophysics) from Queen's University and a Master of Business Administration from the University of British Columbia.

<u>Tim A. Beatty P.Eng.,ICD.D</u>

Mr. Beatty holds a BSc in Petroleum Engineering from Montana Tech University and is a Professional Engineer member with APEGA. Mr. Beatty has over 30 years of oil and gas experience in both the E&P and service sectors and more than 20 years directly related to the drilling industry. Mr. Beatty has obtained his ICD.D designation and is President & CEO/Board of Director at Aral Resources Ltd. Mr. Beatty gained strong banking/financing knowledge when he sat on the Board of Bow Valley Credit Union and has been responsible for annual drilling budgets of $1 billion. Mr. Beatty has successfully created several unique partnerships within the Indigenous communities where his organizations have conducted operations.

Kerri Beuk

Mrs. Beuk is an executive business leader with 30 years of experience in the energy services industry. Mrs. Beuk is the Founder and Principal Consultant of Eleven Street Ventures, a Canadian-based business management firm focused on assisting start-ups/scale-ups in achieving growth and development through the provision of personalized financial solutions, business development strategies and other bespoke corporate services. Previously, Mrs. Beuk worked at PTW Energy Services Ltd. as Chief Operating Officer, where she was responsible for North American operations totalling a half billion in revenue and over 1,800 employees. Prior thereto, Mrs. Beuk held various positions throughout a decades-long career with AECOM (formerly Flint Energy Services Ltd./URS Corp.) progressively advancing to her final role of VP of Operations where she led the division's largest region that served more than 30 high-value clients throughout Western Canada. Mrs. Beuk earned her Haskayne Executive MBA degree in 2011 from the University of Calgary.

FINANCIAL SUMMARY

	Three months ended December 31,			Twelve months ended December 31,		
(000's CAD $ except per share amounts)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Revenue	23,238	9,180	153%	66,879	32,163	108%
Direct operating expenses	15,068	6,011	151%	44,564	20,135	121%
Gross margin (1)	8,170	3,169	158%	22,315	12,028	86%
Net income (loss)	3,483	372	836%	8,210	2,852	188%
Basic and diluted income (loss) per share	0.02	0.00	nm	0.05	0.02	150%
Adjusted EBITDA (1)	5,737	1,949	194%	15,305	8,361	83%
Funds from operating activities	5,713	1,827	213%	14,659	8,203	79%
Weighted average common shares outstanding	192,297	132,171	45%	162,505	132,171	23%
Weighted average diluted common shares outstanding	207,205	144,972	43%	176,899	144,972	22%
Capital expenditures	4,520	2,667	69%	41,122	4,086	nm
Number of marketed rigs	19	10	90%	19	10	90%
Drilling rig utilization(3)	61%	47%	30%	60%	44%	36%
CAOEC industry average utilization(3)	39%	29%	34%	35%	25%	40%

nm - not meaningful
(1) Refer to "Non-GAAP Measures" for further information.
(2) Drilling rig utilization is calculated based on operating days (spud to rig release)
(3) Source: The Canadian Association of Energy Contractors ("CAOEC") monthly Contractor Summary. The CAOEC industry average is based on Operating Days divided by total available drilling days.

DESCRIPTION OF STAMPEDE'S BUSINESS

Stampede is an energy services company that provides premier contract drilling services in Western Canada. Stampede operates a fleet of 18 telescopic double drilling rigs and 1 high spec triple drilling rig suited for most formations within the Western Canadian Sedimentary Basin ("WCSB"). The Corporation's head office is located in Calgary, Alberta with operations based out of Nisku, Alberta and Estevan, Saskatchewan. The Corporation's common shares trade on the TSX Venture Exchange under the symbol "SDI".

RESULTS FROM OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2022

	Twelve months ended December 31,		
(000's CAD $ except operating days)	**2022**	**2021**	**% Change**
Revenue	66,879	32,163	108%
Direct operating expenses	44,564	20,135	121%
Gross margin[(1)]	22,315	12,028	86%
Gross margin %[(1)]	33%	37%	(11%)
Net income	8,210	2,852	188%
General and administrative expenses	8,302	4,503	84%
Adjusted EBITDA[(1)]	15,305	8,361	83%
Drilling rig operating days[(2)]	2,674	1,620	65%
Drilling rig revenue per day[(3)]	25.0	19.8	26%
Drilling rig utilization[(4)]	60%	44%	36%
CAOEC industry average utilization[(5)]	35%	25%	40%

nm - not meaningful

(1) Refer to "Non-GAAP and Other Financial Measures" for further information.

(2) Defined as contract drilling days, between spud to rig release

(3) Drilling rig revenue per day is calculated by revenue divided by drilling rig operating days

(4) Drilling rig utilization is calculated based on operating days (spud to rig release)

(5) Source: The Canadian Association of Energy Contractors ("CAOEC") monthly Contractor Summary. The CAOEC industry average is based on Operating Days divided by total available drilling days.

- **Revenue of $66,879** – an increase of $34,716 (108%) compared to the corresponding 2021 period. The increase was primarily related to the addition of 9 drilling rigs to the Corporation's fleet throughout 2022, combined with increased customer activity levels due to higher demand, and increased revenue per day.
- **Operating days of 2,674** – an increase of 1,054 operating days (65%) from the 1,620 operating days in the corresponding 2021 period. Operating days increased as a result of higher demand along with the increase in rig count compared to the prior period. Drilling rig utilization for the year ended December 31, 2022 was 60%, which was a 36% increase from the corresponding 2021 period and 73% higher than the CAOEC industry average utilization rate of 35% for 2022.
- **Gross margin percentage of 33%** – a decrease of 11% from 37% in the corresponding 2021 period. The gross margin decrease was primarily related to higher rig operating expenses due to inflationary pressures partially offset by the increase in revenue per day. The Corporation did not record any Canadian Emergency Wage Subsidy ("CEWS") during the twelve month period of 2022 as compared to $2,056 for the corresponding 2021 period. In accordance with its accounting policy, the Corporation recorded the CEWS as a reduction of direct operating expenses in 2021. Without the CEWS 2021 gross margin percentage would have been 31%.
- **Adjusted EBITDA of $15,305** – an increase of $6,944 (83%) from $8,361 in the corresponding 2021 period. The increase is primarily related to increased operating days due to increased customer demand and rig count. Total revenue and revenue per day and partially offset by higher operating expenses and general and administrative expenses.
- **Net income of $8,210** – an increase of $5,358 (188%) from $2,852 in the corresponding period of 2021. The increase is primarily related to increased operating days and revenue per day and partially offset by higher operating expenses, general and administrative expenses, and finance costs.
- **General and administrative expenses of $8,302** – an increase of $3,799 (84%) as compared to $4,503 in the corresponding period of 2021. The increase in general and administrative expense is primarily related to the increase in headcount compensation and corresponding administration expenses due to increased 2022 activity levels. Additionally, in 2021, the Corporation received $263 in CEWS and $114 in Canada Emergency Rent Subsidy ("CERS") which were recorded as a reduction of 2021 general and administrative expenses.

NON-GAAP AND OTHER FINANCIAL MEASURES

This news release contains references to (i) adjusted EBITDA, (ii) Gross margin and (iii) Gross margin percentage. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as non-GAAP (Generally Accepted Accounting Principles) measures. The non-GAAP measures used by the Corporation may not be comparable to similar measures used by other companies.

(i) **Adjusted EBITDA** - is defined as "income (loss) from operations before interest income, interest expense, taxes, transaction costs, depreciation and amortization, share-based compensation expense, gains on asset disposals, impairment expenses, other income, foreign exchange, non-recurring restructuring charges, transaction costs, finance costs, accretion of debentures and other income/expenses, foreign exchange gain and any other items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations." Management believes that in addition to net income (loss), adjusted EBITDA is a useful supplemental measure as it provides an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed, how assets are depreciated, amortized and impaired, the impact of foreign exchange, or how the results are affected by the accounting standards associated with the Corporation's stock-based compensation plan. Investors should be cautioned, however, that adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's method of calculating adjusted EBITDA may differ from that of other organizations and, accordingly, its adjusted EBITDA may not be comparable to that of other companies.

	Three months ended December 31,			**Twelve months ended December 31,**		
(000's CAD $)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Net income	3,483	372	836%	8,210	2,852	188%
Depreciation	1,421	1,122	27%	4,747	4,486	6%
Finance costs	450	161	180%	1,246	670	86%
Other income	-	(93)	nm	(9)	(101)	(91%)
Gain on asset disposal	(533)	-	nm	(530)	(301)	76%
Share-based payments	886	187	374%	1,029	515	100%
Transaction costs	14	210	nm	609	210	nm
Foreign exchange (gain) loss	16	(10)	(260%)	3	30	(90%)
Adjusted EBITDA	5,737	1,949	194%	15,305	8,361	83%

nm - not meaningful

(ii) **Gross margin** - is defined as "Income from operations before depreciation of property and equipment". Gross margin is a measure that provides shareholders and potential investors additional information regarding the Corporation's cash generating and operating performance. Management utilizes this measure to assess the Corporation's operating performance. Readers should be cautioned, however, that gross margin should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of the Corporation's performance. The Corporation's method of calculating gross margin may differ from that of other organizations and, accordingly, its gross margin may not be comparable to that of other companies.

The following table reconciles the Corporation's income from operations, being the most directly comparable financial measure disclosed in the Corporation's interim financial statements, to gross margin:

	Three months ended December 31,			**Twelve months ended December 31,**		
(000's CAD $)	**2022**	**2021**	**% Change**	**2022**	**2021**	**% Change**
Income from operations	6,859	2,128	222%	17,831	7,863	127%
Depreciation of property and equipment	1,311	1,041	26%	4,484	4,165	8%
Gross margin	8,170	3,169	158%	22,315	12,028	86%
Gross margin %	35%	35%	0%	33%	37%	(11%)

(iii) **Gross margin percentage** - is calculated as gross margin divided by revenue. The Corporation believes gross margin as a percentage of revenue is an important measure to determine how the Corporation is managing its revenues and corresponding cost of sales. The Corporation’s method of calculating gross margin percentage may differ from that of other organizations and, accordingly, its gross margin percentage may not be comparable to that of other companies.

FORWARD-LOOKING INFORMATION

Certain statements contained in this news release constitute forward-looking statements or forward-looking information (collectively, "forward-looking information"). Forward-looking information relates to future events or the Corporation's future performance. All information other than statements of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "could", "should", "believe", "predict", and "forecast" are intended to identify forward-looking information.

This news release contains forward-looking information pertaining to, among other things: the Corporation's performance; expectations associated with the Corporation's outlook, including among other things, anticipated commodity pricing and the volatility thereof, expectations about industry activities, market conditions and corresponding rig utilization; the crewing and contracting of the Corporation's rigs; anticipated industry wide challenges with access to qualified field labour; the assessment of additional acquisition opportunities by the Corporation; and anticipated industry wide inflationary costs and supply chain constraints and the resulting impact on the profitability of the Corporation.

Forward-looking information is based on certain assumptions that Stampede has made in respect thereof as at the date of this news release regarding, among other things: the Corporation’s ability to fully crew and contract its rigs; the success of the measures implemented by the Corporation to ensure the safe, efficient and reliable operations at each of its drilling sites; the creditworthiness of the Corporation's customers and counterparties; the effectiveness of the Corporation's financial risk management policies at ensuring all payables are paid within the pre-agreed credit terms; that the Corporation has adequate access to its Credit Facility to provide the necessary liquidity needed to manage fluctuations in the timing of receipt and/or disbursement of operating cash flows; the belief that adjusted EBITDA, gross margin and gross margin percentage are useful supplemental financial measures; the condition of the global economy, including certain geopolitical risks; the stability of the economic and political environment in which the Corporation operates; the ability of the Corporation to retain qualified staff; management's ability to crew underutilized assets; the ability of the Corporation to maintain key customers; the ability of the Corporation to obtain financing on acceptable terms; the belief that the Corporation's principal sources of liquidity will be sufficient to service its debt and fund its operations and other strategic opportunities; the ability of the Corporation to obtain financing on acceptable terms; the ability to protect and maintain the Corporation's intellectual property; the Corporation’s ability to maintain financial resiliency in light of current macroeconomic conditions; and the regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Corporation operates.

Forward-looking information is presented in this news release for the purpose of assisting investors and others in understanding certain key elements of the Corporation's financial results and business plan, as well as the objectives, strategic priorities and business outlook of the Corporation, and in obtaining a better understanding of the Corporation's anticipated operating environment. Readers are cautioned that such forward-looking information may not be appropriate for other purposes.

While Stampede believes the expectations and material factors and assumptions reflected in the forward-looking information is reasonable as of the date hereof, there can be no assurance that these expectations, factors and assumptions will prove to be correct. Forward-looking information is not a guarantee of future performance and actual results or events could differ materially from the expectations of the Corporation expressed in or implied by such forward-looking information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information is subject to a number of known and unknown risks and uncertainties including, but not limited to: the condition of the global economy, including trade, inflation, interest rates, the ongoing conflict in Ukraine and other geopolitical risks; the condition of the crude oil and natural gas industry and related commodity prices; other commodity prices and the potential impact on the Corporation and the industry in which the Corporation operates, including levels of exploration and development activities; the impact of increasing competition; fluctuations in operating results; the ongoing significant volatility in world markets and the resulting impact on drilling and completions programs; foreign currency exchange rates; interest rates; labour and material shortages; cyber security risks; natural catastrophes; and certain other risks and uncertainties detailed under the heading "Risks and Uncertainties" in the Corporation's annual management's discussion and analysis dated March 16, 2023 for the year ended December 31, 2022 and under the heading "Risk Factors" in the Corporation's annual information form dated March 16, 2023 for the year ended December 31, 2022, and from time to time in Stampede's public disclosure documents available at www.sedar.com.

This list of risk factors should not be construed as exhaustive. Readers are cautioned that events or circumstances could cause actual results to differ materially from those predicted, forecasted, or projected. Statements, including forward-looking information, are made as of the date of this news release and the Corporation does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The forward-looking information contained in this news release is expressly qualified by this cautionary statement.

For further information, please contact:

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