DATE: July 27, 2023

STAMPEDE DRILLING INC. ANNOUNCES 2023 SECOND QUARTER RESULTS

CALGARY, ALBERTA – Stampede Drilling Inc. (“Stampede” or the “Corporation”) (TSX-V: SDI) announces today its consolidated financial and operational results for the three and six month periods ended June 30, 2023.

The following press release should be read in conjunction with the December 31, 2022 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), December 31, 2022 annual MD&A and the annual information form (“AIF”) for the year ended December 31, 2022, as well as the condensed unaudited consolidated interim financial statements and notes for the three and six month periods ended June 30, 2023 and 2022. Additional information regarding Stampede, including the AIF, is 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.

SECOND QUARTER 2023 OPERATIONAL HIGHLIGHTS

For the three months ended June 30, 2023, the Corporation recorded:

- Revenue was $13,244, up $4,892 (59%) compared to $8,352 for the corresponding 2022 period.
- Adjusted EBITDA(1) for the three month period ended June 30, 2023 was $2,000, up $1,170 (141%) compared to $830 for the corresponding 2022 period.
- Net loss(1) for the three month period ended June 30, 2023 was $61, down $396 (87%) compared to a net loss of $457 for the corresponding 2022 period.

The Corporation’s results were driven by higher operating days and higher revenue per day partially offset by higher operating expenses and general and administrative expenses. Total operating days in the quarter were 508, up 169 (50%) from the 339 operating days in the corresponding period of 2022. The increase in operating days was the result of an increase in the number of marketable rigs through acquisitions over the past nine months. The Corporation currently has 19 marketable rigs as compared to 13 for the corresponding 2022 period.

Total revenue per day of $26.1 was up $1.5 (6%) from the revenue per day of $24.6 in the corresponding period of 2022. Revenue per day increased due to increased customer demand and flow through field labour charges to our customers.

OUTLOOK

Stampede is anticipating continued commodity volatility throughout the remainder of 2023 due to current macroeconomic influences. Despite the anticipated volatility, Stampede is forecasting to continue its strong utilization and day rates for its fleet of 19 rigs for the back half of 2023. Coming out of spring breakup, Stampede was able to carry forward its first quarter momentum with 14 of our rigs firing up late May and early June and is forecasting again to be an industry utilization leader in Western Canada. Access to qualified field labour will continue to be an industry wide challenge for the remainder of 2023, however management has proven their ability to attract and crew qualified field hands since Stampede’s inception.

Stampede ended Q2 2023 with a debt to EBITDA of under 1x and will continue to focus on maintaining its strong balance sheet and corresponding low debt levels. The Corporation will continue to align all levels of compensation and G&A spending to ensure shareholder value and alignment.

The Corporation will continue to assess capital allocations on its recently announced normal course issuer bid, acquisition opportunities and capital expenditures to further enhance customer desirability of its current fleet in 2023 while earning positive returns for our Shareholders.

FINANCIAL SUMMARY

(000's CAD $ except per share amounts)	Three months ended, June 30 2023	2022	% Change	Six months ended, June 30 2023	2022	% Change
Revenue	13,244	8,352	59%	38,942	22,920	70%
Direct operating expenses	9,482	5,996	58%	26,865	15,564	73%
Gross margin (1)	3,762	2,356	60%	12,077	7,356	64%
Net (loss) income	(61)	(457)	(87%)	3,704	1,866	98%
Basic and diluted income per share	(0.00)	(0.00)	-	0.02	0.01	100%
Adjusted EBITDA (1)	2,000	830	141%	7,991	4,587	74%
Funds from operating activities	1,974	840	135%	7,941	4,543	75%
Free cash flow(1)	(2,530)	(9,535)	(73%)	1,563	1,184	32%
Weighted average common shares outstanding	228,590	132,186	73%	226,691	132,178	72%
Weighted average diluted common shares outstanding	228,590	132,186	73%	230,171	147,778	56%
Capital expenditures	4,715	10,016	(53%)	6,956	11,669	(40%)
Number of marketed rigs	19	13	46%	19	13	46%
Drilling rig utilization(2)	29%	36%	(19%)	41%	53%	(23%)
CAOEC industry average utilization(3)	25%	23%	9%	35%	31%	13%

(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 SIX MONTH PERIOD ENDED JUNE 30, 2023

(000's CAD $)	Six months ended, June 30 2023	2022	% Change
Revenue	38,942	22,920	70%
Direct operating expenses	26,865	15,564	73%
Gross margin(1)	12,077	7,356	64%
Gross margin %(1)	31%	32%	(3%)
Net income	3,704	1,866	98%
General and administrative expenses	4,864	2,976	63%
Adjusted EBITDA(1)	7,991	4,587	74%
Drilling rig operating days(2)	1,426	983	45%
Drilling rig revenue per day(3)	27.3	23.3	17%
Drilling rig utilization(4)	41%	53%	(23%)
CAOEC industry average utilization(5)	35%	31%	13%

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 $38,942** – an increase of $16,022 (70%) compared to $22,920 for the corresponding 2022 period. The increase was primarily related to the addition of 9 drilling rigs to the Corporation's fleet throughout 2022, combined with increased revenue per day due to increased customer demand and flow through field labour charges to our customers.
- **Operating days of 1,426** – an increase of 443 operating days (45%) from the 983 operating days in the corresponding 2022 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 six month period ended June 30, 2023 was 41%, which was a 23% decrease from the corresponding 2022 period and 17% higher than the CAOEC industry average utilization rate of 35% for the six month period ended June 30, 2023.
- **Gross margin percentage of 31%** – a decrease of 1% from 32% as compared to the corresponding 2022 period. The gross margin decrease was primarily related to higher rig operating expenses due to inflationary pressures and labour costs, partially offset by the increase in revenue per day.
- **Adjusted EBITDA of $7,991** – an increase of $3,404 (74%) from $4,587 from the corresponding 2022 period. The increase is primarily related to higher revenue due to increased revenue per day and partially offset by higher operating expenses and general and administrative expenses.
- **Net income of $3,704** – an increase of $1,838 (98%) from $1,866 from the corresponding 2022 period. 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 $4,864** – an increase of $1,888 (63%) from $2,976 compared to the corresponding 2022 period. The increase is primarily related to the Corporation's increased headcount and administration expenses due to the increased activity levels.

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2023

	Three months ended, June 30		
(000's CAD $)	**2023**	**2022**	**% Change**
Revenue	13,244	8,352	59%
Direct operating expenses	9,482	5,996	58%
Gross margin(1)	3,762	2,356	60%
Gross margin %(1)	28%	28%	0%
Net loss	(61)	(457)	(87%)
General and administrative expenses	2,214	1,603	38%
Adjusted EBITDA(1)	2,000	830	141%
Drilling rig operating days(2)	508	339	50%
Drilling rig revenue per day(3)	26.1	24.6	6%
Drilling rig utilization(4)	29%	36%	(19%)
CAOEC industry average utilization(5)	25%	23%	9%

(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 $13,244** – an increase of $4,892 (59%) compared to $8,352 for the corresponding 2022 period. The increase was primarily related to the addition of 9 drilling rigs to the Corporation's fleet throughout 2022, combined with increased revenue per day due to increased customer demand and flow through field labour charges to our customers.
- **Operating days of 508** – an increase of 169 operating days (50%) from the 339 operating days in the corresponding 2022 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 three month period ended June 30, 2023 was 29%, which was a 19% decrease from 36% in the corresponding 2022 period and 16% higher than the CAOEC industry average utilization rate of 25% for the second quarter of 2023.
- **Gross margin percentage of 28%** – remained the same at 28% as compared to the corresponding 2022 period.
- **Adjusted EBITDA of $2,000** – an increase of $1,170 (141%) from $830 in the corresponding 2022 period. The increase is primarily related to higher revenue due to increased revenue per day and partially offset by higher operating expenses and general and administrative expenses.
- **Net loss of $61** – a decrease of $396 (87%) from net loss of $457 in the corresponding 2022 period. The decrease 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 $2,214** – an increase of $611 (38%) from $1,603 compared to the corresponding 2022 period. The increase is primarily related to increased headcount and administration expenses due to the increased activity levels.

NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A contains references to (i) adjusted EBITDA, (ii) Gross margin (iii) Gross margin percentage (iv) Working capital (excluding debt), and (v) free cash flow. 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 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, 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, 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 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, June 30			Six months ended, June 30		
(000's CAD $)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Net income (loss)	(61)	(457)	(87%)	3,704	1,866	98%
Depreciation	1,734	1,073	62%	3,359	2,154	56%
Finance costs	473	223	112%	902	409	121%
Other income	(3)	(5)	(40%)	(3)	(7)	(57%)
Gain on asset disposal	(518)	-	nm	(565)	-	nm
Share-based payments	346	28	nm	562	115	389%
Transaction costs	16	(19)	(184%)	29	26	nm
Foreign exchange (gain) loss	13	(13)	(200%)	3	24	(88%)
Adjusted EBITDA	2,000	830	141%	7,991	4,587	74%

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. Investors 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.

(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.

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:

(000's CAD $)	Three months ended, June 30 2023	2022	% Change	Six months ended, June 30 2023	2022	% Change
Income from operations	2,134	1,332	60%	8,934	5,294	69%
Depreciation of property and equipment	1,628	1,024	59%	3,143	2,062	52%
Gross margin	3,762	2,356	60%	12,077	7,356	64%
Gross margin %	28%	28%	0%	31%	32%	(3%)

(iv) **Working capital (excluding debt)** - is calculated based on total current assets less total current liabilities excluding current debt. The Corporation monitors working capital and its liquidity position on an ongoing basis and manages liquidity risk by regularly evaluating capital and operating budgets, forecasting cash flows and maintaining a sufficient credit facility to meet financing requirements. The Corporation's method of calculating working capital (excluding debt) may differ from that of other organizations and, accordingly, its working capital (excluding debt) measure may not be comparable to that of other companies.

Working Capital (excluding debt)	June 30, 2023	December 31, 2022
Total current assets:	16,002	14,926
Total current liabilities	(18,394)	(19,753)
Add back current portion of debt		
Demand Facility	10,054	6,794
Convertible debentures	-	2,380
Long term debt	931	2,431
Working capital (excluding debt)	8,593	6,778

(v) **Free cash flow** - is calculated based on funds from operating activities less maintenance and sustaining capital, and interest and principal debt repayments. The Corporation uses this measure to assess the discretionary cash that management has to invest in growth capital, asset acquisitions, or return capital to shareholders. The Corporation's method of calculating free cash flow may differ from that of other organizations and, accordingly, its free cash flow may not be comparable to that of other companies. The following table reconciles the Corporation's funds from operating activities to free cash flow.

(000's CAD $)	Three months ended, June 30 2023	2022	% Change	Six months ended, June 30 2023	2022	% Change
Funds from operating activities	1,974	840	135%	7,941	4,543	75%
Maintenance and sustaining capital	(2,420)	(10,016)	(76%)	(3,576)	(2,711)	32%
Interest paid on Demand Facility	(198)	(66)	200%	(353)	(150)	135%
BDC principal payments	(1,400)	(100)	nm	(1,500)	(200)	nm
Interest on BDC loan	(59)	(22)	168%	(91)	(44)	107%
Term Loan principal payments	(250)	(117)	114%	(500)	(200)	150%
Interest on Term Loan	(177)	(54)	228%	(358)	(54)	563%
Total free cash flow	(2,530)	(9,535)	(73%)	1,563	1,184	32%

nm - not meaningful

SUPPLEMENTARY FINANCIAL MEASURES

The Corporation uses supplementary financial measures that are not defined terms under IFRS to provide useful supplemental financial information to investors.

(i) **Capital Expenditures** – management of the Corporation uses a breakdown of capital expenditures to assess the capital invested related to capital expenditures at a more detailed level. Capital expenditures have been split into three categories, asset acquisition, growth capital, and maintenance and sustaining capital. Asset acquisitions are the purchase of complete drilling rigs and related equipment from a third party. Growth capital are expenditures incurred for the purposes of upgrading existing equipment to improve operating efficiency and marketability of the asset. Maintenance and sustaining capital are expenditures related to maintaining the current operational efficiency of the asset. The following table shows the split of the three different types of capital expenditures. The Corporation's method of calculating capital expenditures may differ from that of other organizations and, accordingly, its capital expenditures may not be comparable to that of other companies. The following table reconciles the Corporation's total capital expenditures.

	Six months ended, June 30		
(000's CAD $)	**2023**	**2022**	**% Change**
Capital expenditures:			
Growth capital	3,380	8,958	(62%)
Maintenance and sustaining capital	3,576	2,711	32%
Total capital expenditures	6,956	11,669	(40%)

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 and day rates; the crewing and contracting of the Corporation's recently acquired rigs not in operation as at the date of this news release and the timing thereof; expected increases in utilization and day rates and the anticipated profitability of the Corporation resulting therefrom; anticipated industry wide inflationary costs and supply chain constraints and the resulting impact on the profitability of the Corporation; and the Corporation's expectations relating to market risk.

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 ability of the Corporation to retain qualified staff; 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 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, 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" herein and in the Corporation's annual management's discussion and analysis and annual information form, each 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.sedarplus.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:

Lyle Whitmarsh

President & Chief Executive Officer

Stampede Drilling Inc.

Tel: (403) 984-5042