DATE: March 14, 2024

STAMPEDE DRILLING INC. ANNOUNCES 2023 RECORD BREAKING ANNUAL AND FOURTH 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 twelve-month periods ended December 31, 2023.

The following press release should be read in conjunction with the December 31, 2023, audited consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), the related management's discussion and analysis ("MD&A") and the annual information form ("AIF") for the year ended December 31, 2023. Additional information regarding Stampede, including the AIF, is available on SEDAR+ at www.sedarplus.ca.

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 2023 OPERATIONAL HIGHLIGHTS

- **Revenue of $21,494** – This represents a decrease of $1,744 or 8% from the fourth quarter of 2022 driven by lower rig utilization as a result of commodity price volatility and unseasonably warmer weather. This was partially offset by a 10% increase in revenue per day.
- **Achieved record Q4 Adjusted EBITDA(1) of $6,287** – This represents a 10% increase from the fourth quarter of 2022. The increase was due to an increase in gross margin driven by higher day rates and decreased operational costs.
- **Net Income of $3,237** - This represents a decrease of $246 or 7% from the fourth quarter 2022. The decrease was primarily related to increased depreciation costs due to an increased asset base and a one-time loss on the disposition of assets partially offset by increased Adjusted EBITDA and a lower share-based payments expense.
- **Gross Margin(1) of 40%** - This represents an increase of 5% from 35% in the corresponding 2022 period. The increase was primarily related to an increase in revenue per day combined with a slight decrease in operating costs.
- **Repurchase of 12,171 common shares** - In the fourth quarter of 2023 the Corporation repurchased and cancelled 12,761 common shares under its normal course issuer bid ("NCIB") at a weighted average price per common share of $0.24 for total consideration of $3,079. The total amount of common shares repurchased and cancelled during the fourth quarter of 2023 represents 5.58% of the total issued and outstanding shares of the Corporation.
- **Free Cash Flow(1) of $5,409** – This represents an increase of $4,971 primarily related to a $4,270 decrease in maintenance and sustaining capital spending for the corresponding 2022 period.
- **Decreased Total Net Funded Debt to Adjusted EBITDA covenant ratio to 0.80x** – the 0.32x decrease from 1.12x was a result of the increased Adjusted EBITDA while keeping the Corporations total net funded debt flat with prior year.

2023 ANNUAL OPERATIONAL HIGHLIGHTS

- **Achieved record Revenue of $85,956** – This represents a 29% increase as compared to 2022. The increase was primarily driven by a 17% increase in operating days for 2023 as a result of the addition of 9 drilling rigs to the Corporation's fleet throughout the second half of 2022. The Corporation also experienced a 10% increase in revenue per day primarily related to higher field wages charged back to our customers.
- **Achieved record Net Income of $10,504** - This represents a 28% increase from 2022. The increase was primarily related to increased Adjusted EBITDA partially offset by increased depreciation and finance costs.
- **Achieved record Adjusted EBITDA(1) of $20,479** – This represents a 34% increase as compared to 2022. The increase was primarily due to increased revenue, partially offset by higher rig operating expenses due to inflationary pressures and an increase in general and administrative expenses.
- **Repurchase of 16,585 common shares** _ In 2023, the Corporation repurchased and cancelled 16,585 common shares under its NCIB at a weighted average price per common share of $0.24, for total consideration of $4,047. The total amount of common shares repurchased and cancelled during the financial year ended December 31, 2023, represents 7.3% of the total issued and outstanding common shares of the Corporation.
- **Capital Expenditures of $14,455** – Capital expenditures for 2023 were comprised of $9,271 of growth capital and $5,184 of maintenance and sustaining capital.
- **New syndicated debt agreement** _ During the year ended December 31, 2023, the Corporation entered into a new $50,000 credit agreement (the "Credit Agreement"), which has an initial term of three years. Under the Credit

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

Agreement, Stampede has an available limit of $20,000 under a non-revolving term loan (the “Term Loan Facility”), $15,000 under a revolving credit facility (the “Syndicated Facility”) and $15,000 under an additional revolving credit facility (the “Operating Facility”, and collectively with the Term Loan Facility and the Syndicated Facility, the “Credit Facilities”).

OUTLOOK

Stampede is on pace for another strong start to the year, as it has consistently run 16 out of its 19 rig fleet throughout the first few months of 2024. Stampede believes commodity volatility will continue throughout the remainder of 2024 due to current macroeconomic influences, including the impact of the Russian invasion of Ukraine, and the Israeli/Palestine conflict. Despite the anticipated volatility, Stampede is forecasting to continue its strong utilization and day rates for its fleet of 19 rigs for the remainder of 2024 based on current discussions with its customer base. Maintaining Stampede’s qualified field labour force will continue to be a top priority for the remainder of 2024. Management has proven their ability to attract and crew qualified field hands since Stampede’s inception. Stampede is currently running full crews with relief on all its operating rigs.

On June 7, 2023, Stampede received approval from the TSX Venture Exchange (“TSXV”) to commence a NCIB to repurchase up to 10% of Stampede’s Public Float (as such term is defined in TSXV Policy 1.1 – Interpretation) during a 12 month period commencing on June 1, 2023. As of the date hereof, Stampede has returned $4,335 back to shareholders by repurchasing and cancelling 17,841 common shares under its NCIB at an average share price of $0.24. The Board of Directors and management believe there is a substantive disparity between Stampede’s share price and the fundamental value of the business. Stampede will continue to assess capital allocations on it’s NCIB against potential acquisition opportunities and capital expenditures to further enhance customer desirability of its current fleet.

FINANCIAL SUMMARY

	Three months ended, December 31			Year ended, December 31		
(000’s CAD $ except per share amounts)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Revenue	21,494	23,238	(8%)	85,956	66,879	29%
Direct operating expenses	12,891	15,068	(14%)	56,825	44,564	28%
Gross margin [1]	8,603	8,170	5%	29,131	22,315	31%
Net income	3,237	3,483	(7%)	10,504	8,210	28%
Basic and diluted income per share	0.01	0.02	(50%)	0.05	0.05	0%
Adjusted EBITDA [1]	6,287	5,737	10%	20,479	15,305	34%
Funds from operating activities	6,287	5,713	10%	20,431	14,659	39%
Free cash flow[1]	5,409	438	1,135%	11,375	10,748	6%
Weighted average common shares outstanding (000's)	221,158	192,297	15%	224,807	162,505	38%
Weighted average diluted common shares outstanding (000's)	222,453	207,205	7%	227,206	176,899	28%
Capital expenditures	4,818	4,520	7%	14,455	41,122	(65%)
Number of marketed rigs	19	19	0%	19	19	0%
Drilling rig utilization[2]	42%	61%	(19%)	45%	60%	(15%)
CAOEC industry average utilization[3]	36%	39%	(3%)	35%	35%	0%

[1] Refer to "Non-GAAP and Other Financial 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 TSXV under the symbol “SDI”.

RESULTS FROM OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023

	Year ended, December 31		
(000’s CAD $)	**2023**	**2022**	**% Change**
Revenue	85,956	66,879	29%
Direct operating expenses	56,825	44,564	28%
Gross margin[(1)]	29,131	22,315	31%
Gross margin %[(1)]	34%	33%	1%
Net income	10,504	8,210	28%
General and administrative expenses	10,088	8,302	22%
Adjusted EBITDA[(1)]	20,479	15,305	34%
Drilling rig operating days[(2)]	3,131	2,674	17%
Drilling rig revenue per day[(3)]	27.5	25.0	10%
Drilling rig utilization[(4)]	45%	60%	(15%)
CAOEC industry average utilization[(5)]	35%	35%	(0%)

[(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 $85,956** – an increase of $19,077 (29%) from $66,879 in the corresponding 2022 period. The increase was primarily related to the addition of 9 drilling rigs to the Corporation’s fleet throughout the second half of 2022, which increased the number of operating days for 2023. Revenue also increased due to a 10% increase in revenue per day, which was primarily due to wage field increases charged back to our customers.
- **Operating days of 3,131** – an increase of 457 operating days (17%) from 2,674 operating days in the corresponding 2022 period. Operating days increased primarily as a result of the increase in rig count compared to the prior period.
- **Gross margin percentage of 34%** – an increase of 1% from 33% in the corresponding 2022 period. The gross margin increase was primarily related to the increase in revenue per day, partially offset by the higher rig operating expenses due to inflationary pressures.
- **Net income of $10,504** – an increase of $2,294 (28%) from $8,210 in the corresponding 2022 period. The increase was primarily related to increased operating days and revenue per day, partially offset by higher operating expenses, general and administrative expenses, and finance costs.
- **General and administrative expenses of $10,088** – an increase of $1,786 (22%) from $8,302 in the corresponding 2022 period. The increase in general and administrative expense was primarily related to the increase in headcount compensation and corresponding administration expenses due to increased 2023 activity levels.
- **Adjusted EBITDA of $20,479** – an increase of $5,174 (34%) from $15,305 in the corresponding 2022 period. The increase was primarily related to the increase in operating days and gross margin.

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED DECEMBER 31, 2023

	Three months ended, December 31		
(000's CAD $)	**2023**	**2022**	**% Change**
Revenue	21,494	23,238	(8%)
Direct operating expenses	12,891	15,068	(14%)
Gross margin(1)	8,603	8,170	5%
Gross margin %(1)	40%	35%	5%
Net income	3,237	3,483	(7%)
General and administrative expenses	2,514	3,429	(27%)
Adjusted EBITDA(1)	6,287	5,737	10%
Drilling rig operating days(2)	727	867	(16%)
Drilling rig revenue per day(3)	29.6	26.8	10%
Drilling rig utilization(4)	42%	61%	(19%)
CAOEC industry average utilization(5)	36%	39%	(3%)

(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 $21,494** – a decrease of $1,744 (8%) from $23,238 in the corresponding 2022 period. The decrease was due to a reduction in operating days. This was partially offset by a 10% increase in revenue per day during the three month period ended December 31, 2023.
- **Operating days of 727** – a decrease of 140 operating days (16%) from 867 operating days in the corresponding 2022 period. Operating days decreased due to a reduction in operating activities as a result of customer capital discipline, commodity price volatility and unseasonably warmer weather during the three month period ended December 31, 2023. Drilling rig utilization for the three month period ended December 31, 2023 was 42%, which was a 19% decrease from 61% in the corresponding 2022 period, but 6% higher than the CAOEC industry average utilization rate of 36% for the three months ended December 31, 2023.
- **Gross margin percentage of 40%** – an increase of 5% from 35% in the corresponding 2022 period. The change was related to an increase in revenue per day combined with a slight decrease in operating costs.
- **Net income of $3,237** – a decrease of $246 (7%) from $3,483 in the corresponding 2022 period. The decrease was primarily related to increased depreciation costs due to an increased asset base and a one-time loss on the disposition of assets partially offset by increased Adjusted EBITDA and a lower share based payments expense.
- **General and administrative expenses of $2,514** – a decrease of $915 (27%) from $3,429 in the corresponding 2022 period. The decrease was primarily due to a reduction in stock based compensation in the last quarter of 2023 compared to the corresponding 2022 period.
- **Adjusted EBITDA of $6,287** – an increase of $550 (10%) from $5,737 in the corresponding 2022 period. The increase was primarily related to the increase in gross margin, partially offset by a reduction in administrative expenses.

NON-GAAP AND OTHER FINANCIAL MEASURES

This MD&A contains references to (i) adjusted EBITDA, (ii) Gross margin (iii) Gross margin percentage and (iv) free cash flow. These financial measures are not measures that have any standardized meaning prescribed by IFRS Accounting Standards and are therefore referred to as non-generally accepted accounting principles ("non-GAAP") 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 Accounting Standards 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			**Year ended, December 31**		
(000's CAD $)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Net income	3,237	3,483	(7%)	10,504	8,210	28%
Depreciation	1,898	1,421	34%	7,076	4,747	49%
Finance costs	504	450	12%	1,974	1,246	58%
Other income	(16)	-	nm	(31)	(9)	244%
(Gain) loss on asset disposal	555	(533)	(204%)	(91)	(530)	(83%)
Share-based payments	92	886	(90%)	1,009	1,029	(2%)
Transaction costs	2	14	(86%)	31	609	(95%)
Foreign exchange (gain)	15	16	(6%)	7	3	133%
Adjusted EBITDA	6,287	5,737	10%	20,479	15,305	34%

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 Accounting Standards 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 and gross margin percentage:

	Three months ended, December 31			**Year ended, December 31**		
(000's CAD $)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Income from operations	6,811	6,859	(1%)	22,482	17,831	26%
Depreciation of property and equipment	1,792	1,311	37%	6,649	4,484	48%
Gross margin	8,603	8,170	5%	29,131	22,315	31%
Gross margin %	40%	35%	5%	34%	33%	1%

(iv) **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.

	Three months ended, December 31			Year ended, December 31		
(000's CAD $)	**2023**	**2022**	**% Change**	**2023**	**2022**	**% Change**
Funds from operating activities	6,287	5,706	10%	20,431	14,659	39%
Maintenance and sustaining capital	(230)	(4,500)	(95%)	(5,184)	(2,078)	149%
Interest paid on Demand Facility	(23)	(136)	(83%)	(588)	(412)	43%
BDC principal payments	-	(100)	nm	(1,500)	(400)	275%
Interest on BDC loan	-	(30)	nm	(91)	(101)	(10%)
Term Loan principal payments	(199)	(333)	(40%)	(699)	(567)	23%
Interest on Term Loan	(426)	(169)	152%	(994)	(353)	182%
Total free cash flow	5,409	438	1,135%	11,375	10,748	6%

nm – not meaningful

The free cash flow table above does not include the one-time principal repayment ($9,000 for the year ended December 31, 2023) relating to the amendment to the $20,000 non-revolving term loan (the "Term Loan Facility") to the Corporation under the Corporation's $50,000 credit agreement entered into in 2023.

SUPPLEMENTARY FINANCIAL MEASURES

The Corporation uses supplementary financial measures that are not defined terms under IFRS Accounting Standards 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.

	Year ended, December 31		
(000's CAD $)	**2023**	**2022**	**% Change**
Capital expenditures:			
Asset acquisitions	-	26,741	nm
Growth capital(1)	9,271	12,303	(25%)
Maintenance and sustaining capital(1)	5,184	2,078	149%
Total capital expenditures	14,455	41,122	(65%)

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; forecasts regarding utilization and day rates for the remainder of 2024; capital allocations of the Corporation for 2024; the crewing and contracting of the Corporation's rigs; 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's critical accounting estimates and judgments are reasonable; that the Corporation has adequate access to its Credit Facilities 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, the Middle East 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 MD&A and under the heading "Risk Factors" in the Corporation's AIF, each dated March 14, 2024 for the year ended December 31, 2023, and from time to time in Stampede's public disclosure documents available at www.sedarplus.ca.

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.

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