



Management's Discussion & Analysis

Stampede Drilling Inc.

For the three month periods ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

STAMPEDE DRILLING INC.
("Stamper" or the "Corporation")

MANAGEMENT'S DISCUSSION & ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2025

The following management's discussion and analysis ("MD&A") should be read in conjunction with the December 31, 2024 audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting (together, "IFRS Accounting Standards"), and the annual information form ("AIF") for the year ended December 31, 2024, as well as the unaudited condensed consolidated interim financial statements and notes for the three month periods ended March 31, 2025 and 2024. Additional information regarding Stamper, 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 number of drilling rigs, operating days, or unless otherwise noted. All share amounts are presented to the nearest thousand.

This MD&A contains references to the following measures not in accordance with IFRS Accounting Standards ("Non-GAAP and other financial measures"): Gross Margin, Gross Margin Percentage, Adjusted EBITDA, free cash flow, and working capital (excluding debt). Refer to the "Non-GAAP and Other Financial Measures" section for a full discussion on management's use of non-GAAP and other financial measures, where applicable, and reconciliations to the most directly comparable IFRS Accounting Standards measure.

This MD&A is dated May 15, 2025 and is in respect of the three month period ended March 31, 2025.

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 MD&A for additional details.

FINANCIAL SUMMARY

(000's CAD \$ except per share amounts)	Three months ended, March 31		
	2025	2024	% Change
Revenue	23,408	27,499	(15%)
Direct operating expenses	15,539	17,586	(12%)
Gross margin ⁽¹⁾	7,869	9,913	(21%)
Net income	1,454	4,941	(71%)
Basic and diluted income per share	0.01	0.02	(50%)
Adjusted EBITDA ⁽¹⁾	5,115	7,665	(33%)
Funds from operating activities	5,099	7,614	(33%)
Free cash flow ⁽¹⁾	3,887	5,151	(25%)
Weighted average common shares outstanding (000's)	204,066	211,276	(3%)
Weighted average diluted common shares outstanding (000's)	204,066	212,029	(4%)
Capital expenditures	4,792	6,180	(22%)
Number of marketed rigs	17	19	(11%)
Drilling rig utilization ⁽²⁾	53%	55%	(2%)
CAOEC industry average utilization ⁽³⁾	54%	50%	4%

(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.

(000's CAD \$)	As at March 31		
	2025	2024	% Change
Current assets	16,597	20,902	(21%)
Total assets	125,383	125,616	(0%)
Total current liabilities	14,156	14,414	(2%)
Total non-current liabilities	16,719	17,895	(7%)
Total equity	94,508	93,307	1%

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 17 marketable telescopic double drilling rigs 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 (the "TSXV") under the symbol "SDI".

RECENT DEVELOPMENTS

On May 5, 2025, Stampede entered into a drilling equipment purchase agreement (the "Agreement") with a private company (the "Purchaser") providing for the sale (the "Transaction") of certain drilling components (the "Equipment") from the Triple. The total consideration to be paid to Stampede is \$5 million in cash, plus the transfer to Stampede of certain drilling equipment valued at approximately \$290,000 (collectively, the "Purchase Price"). Stampede has retained key components of the Triple for future sale or internal deployment to minimize future capital expenditures.

The Agreement contains customary covenants, representations and warranties of and from each of the Purchaser and the Corporation, and various conditions precedent, including that each party obtain all necessary consents from its lenders and other secured parties, and that the Purchaser successfully completes a debt financing with its bank to enable it to pay the cash portion of the Purchase Price. Unless all such conditions are satisfied or waived by the party for whose benefit such conditions exist, the Transaction will not proceed. In connection with the Transaction, Stampede and the Purchaser have also agreed to indemnify one another in certain circumstances.

The Agreement may be terminated prior to the closing of the Transaction in certain circumstances, including by either the Corporation or the Purchaser if the Transaction is not consummated on or before November 30, 2025. If the Agreement is terminated, the Corporation will be entitled to retain, at no cost to it, any upgrades or other improvements that the Purchaser makes to the Equipment prior to the date of termination.

FIRST QUARTER 2025 OPERATIONAL HIGHLIGHTS

- **Revenue of \$23,408** – a decrease of \$4,091 (15%) from \$27,499 in the corresponding 2024 period. The decrease was primarily due to the decreased number of operating days.
- **Gross Margin⁽¹⁾ of 34%** – a decrease of 2% from 36% in the corresponding 2024 period. The decrease was primarily due to the reduction in operating days and revenue, along with an increase in repair and maintenance costs per day.
- **Net Income of \$1,454** – a decrease of \$3,487 (71%) from \$4,941 in the corresponding 2024 period. The decrease was primarily related to the decrease in operating margin, higher depreciation expense, and an increase in deferred income tax expense compared to the corresponding period of 2024.
- **Adjusted EBITDA⁽¹⁾ of \$5,115** – a decrease of \$2,550 (33%) from \$7,665 in the corresponding 2024 period. The decrease was primarily due to customer drilling program deferrals and operator consolidation, which resulted in a reduction in operating days and operating margin.
- **Free Cash Flow⁽¹⁾ of \$3,887** – a decrease of \$1,264 (25%) from \$5,151 in the corresponding 2024 period, primarily related to a decrease in funds from operating activities compared to the corresponding 2024 period.
- **Repurchase of 1,130 common shares** – In the first quarter of 2025, the Corporation repurchased and cancelled 1,130 common shares under its normal course issuer bid ("NCIB") at a weighted average price per common share of \$0.14, for total consideration of \$163. The total amount of common shares repurchased and cancelled during the first quarter of 2025, represents 6.4% of the total share repurchases since the inception of the Corporation's NCIB program in August 2023.

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

OUTLOOK

Ongoing geopolitical challenges affecting global energy supply and demand are expected to continue to impact the volatility of commodity prices, which we anticipate continuing into 2025. However, increased tidewater access for Canadian producers from the startup of the Trans Mountain pipeline expansion during 2024 and LNG Canada planned for 2025 are anticipated to help alleviate some of these pressures.

The evolving political situations in Canada and the U.S. are causing uncertainty in the energy sector. U.S. tariffs on steel and aluminum, as well as tariffs on Canadian energy imports, have led to Canadian retaliatory tariffs on certain U.S. imports. Despite the implementation of tariffs, price volatility, and other factors, Stampede anticipates modest growth in oilfield activity in Canada, with the potential for attractive returns for its shareholders.

Stampede had 14 out of its 17 marketable rigs operational in the first quarter of 2025. Stampede anticipates building on this positive momentum into the back half of 2025. The Corporation ended 2024 with a debt to EBITDA ratio of 1.09x. Stampede continues to demonstrate prudent debt management, maintaining financial risk at manageable levels.

With the NCIB program renewed on June 3, 2024, the Corporation can further return value to shareholders through share repurchases, dependent on market conditions and growth prospects. Notably, since the inception of the Corporation's NCIB program in August 2023, the Corporation has repurchased 31,858 common shares, representing 15.9% of the Corporation's total issued and outstanding common shares, at an average price of \$0.22 per share, at a cost of approximately \$6,992.

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2025

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Revenue	23,408	27,499	(15%)
Direct operating expenses	15,539	17,586	(12%)
Gross margin ⁽¹⁾	7,869	9,913	(21%)
Gross margin % ⁽¹⁾	34%	36%	(2%)
Net Income	1,454	4,941	(71%)
General and administrative expenses	3,118	2,524	24%
Adjusted EBITDA ⁽¹⁾	5,115	7,665	(33%)
Drilling rig operating days ⁽²⁾	805	956	(16%)
Drilling rig revenue per day ⁽³⁾	29.1	28.8	1%
Drilling rig utilization ⁽⁴⁾	53%	55%	(2%)
CAOEC industry average utilization ⁽⁵⁾	54%	50%	4%

⁽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 \$23,408** – a decrease of \$4,091 (15%) from \$27,499 in the corresponding 2024 period. The decrease was primarily driven by a 16% decrease in operating days compared to the corresponding period of 2024.
- **Operating days of 805** – a decrease of 151 operating days (16%) from 956 operating days in the corresponding 2024 period. Operating days decreased due to customer consolidation and drilling program deferrals in the first quarter of 2025, resulting in lower drilling rig utilization compared to the corresponding period of 2024.
- **Gross margin percentage of 34%** – a decrease of 2% from 36% in the corresponding 2024 period. The gross margin decrease was primarily due to the reduction in operating days and revenue, along with an increase in repair and maintenance costs per day.
- **Net income of \$1,454** – a decrease of \$3,487 (71%) from \$4,941 in the corresponding 2024 period. The decrease was primarily related to decreased Adjusted EBITDA, along with increased depreciation costs and deferred income tax expense.
- **General and administrative expenses of \$3,118** – an increase of \$594 (24%) from \$2,524 in the corresponding 2024 period. The increase was primarily related to the increase in worker compensation insurance and credit loss allowance in the first quarter of 2025.
- **Adjusted EBITDA of \$5,115** – a decrease of \$2,550 (33%) from \$7,665 in the corresponding 2024 period. The decrease was primarily due to customer drilling program deferrals and operator consolidation resulting in a reduction in operating days and operating margin.

EXPENSES

General and Administrative Expenses

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Administrative expenses	1,074	758	42%
Salaries and benefits	1,680	1,490	13%
Share-based payments	219	170	29%
Depreciation of right-of-use assets	145	106	37%
Total general and administrative expenses	3,118	2,524	24%

- **Administrative expenses of \$1,074** – an increase of \$316 (42%) from \$758 in the corresponding 2024 period. The increase was primarily related to increased worker compensation insurance and credit loss allowance in 2025.
- **Salaries and benefits of \$1,680** – an increase of \$190 (13%) from \$1,490 in the corresponding 2024 period. The increase was primarily due to increased annualized headcount and related compensation expenses.
- **Share-based payments of \$219** – an increase of \$49 (29%) from \$170 in the corresponding 2024 period. Stock option expense fluctuates based on the grant date stock option valuation, forfeitures of options and the effects of vesting.
- **Depreciation of right-of-use assets of \$145** – an increase of \$39 (37%) from \$106 in the corresponding 2024 period. The increase was related to a shop lease renewal in the fourth quarter of 2024. Depreciation of right-of-use assets represents the straight-line amortization of the Corporation's right-of-use lease assets.

Depreciation of Property and Equipment

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Depreciation of property and equipment	2,277	1,962	16%

- **Depreciation of property and equipment of \$2,277** – an increase of \$315 (16%) from \$1,962 in the corresponding 2024 period. The increase was primarily due to the new addition of depreciable capital expenditures that occurred in the last three quarters of 2024 and the first quarter of 2025.

Other Income (Expenses)

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Gain on asset disposals	23	19	21%
Finance costs	(442)	(517)	(15%)
Other income	(5)	-	nm
Foreign exchange gain	-	13	nm
Transaction costs	(19)	(1)	nm
Total other expenses	(443)	(486)	(9%)

nm - not meaningful

- **Finance costs of \$442** – a decrease of \$75 (15%) from \$517 in the corresponding 2024 period. The decrease in finance costs was due to the reduction in the balances of the Term Loan Facility (as defined herein) as a result of repayments and a reduction in interest rates.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a summary of the Corporation's quarterly results for each of the last eight quarters:

(000's CAD \$ except per share amounts)	2025	2024				2023		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	23,408	20,395	24,262	9,918	27,499	21,494	25,520	13,244
Net income (loss)	1,454	687	1,787	(2,248)	4,941	3,237	3,559	(61)
Basic and diluted net income (loss) per share	0.01	0.00	0.01	(0.01)	0.02	0.01	0.02	(0.00)
Total assets	125,383	120,793	126,167	117,904	125,616	118,568	117,856	112,889

As illustrated above, quarterly performance is affected by seasonal variation; however, variations in quarterly results are attributable to several other factors as well, such as the Corporation's historical growth and asset acquisitions, and fluctuating commodity prices impacting industry activity.

Seasonality

An assessment or comparison of the Corporation's quarterly results, at any given time, requires consideration of crude oil and natural gas commodity prices and the seasonal nature of the oil and gas industry in Western Canada. Commodity prices ultimately drive the level of exploration and development activities carried out by the Corporation's customers and associated demand for the oilfield services provided by Stampede. Results are impacted by the gain or loss of key customers and expected customer capital spending. Additions or losses of key customers can fluctuate on a quarterly basis. From a seasonality perspective, the Corporation currently operates all of its drilling rigs in Western Canada, therefore, operations are impacted by weather and seasonal factors. The winter season, which incorporates the first quarter, is generally a higher activity period as oil and gas companies take advantage of frozen ground conditions to move heavy equipment and operate in regions which might otherwise be inaccessible due to ground conditions during warmer periods. The second quarter normally encompasses a slow period in Canada referred to as spring break-up. During this period, melting conditions result in temporary municipal road bans that effectively prohibit the movement of drilling rigs and other heavy equipment. The third and fourth quarters in Western Canada are usually representative of average activity levels.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's primary liquidity and capital resource needs are to fund ongoing capital expenditures and growth opportunities; to service its debt, including interest payments, and to finance working capital needs. The Corporation's short-term and long-term liquidity needs are met through cash flow from operations, the Credit Facilities (as defined herein) and equity financings.

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Cash provided by (used in):			
Operating activities	2,978	2,326	28%
Investing activities	(3,357)	(7,244)	(54%)
Financing activities	332	2,053	84%
Change in cash	(47)	(2,865)	(98%)

Cash Flows from Operating Activities

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Funds from operating activities	5,099	7,614	(33%)
Changes in non-cash working capital balances	(2,121)	(5,288)	(60%)
Net cash flows from operating activities	2,978	2,326	28%

For the three month period ended March 31, 2025, funds from operating activities were \$5,099, down \$2,515 (33%) from \$7,614 in the corresponding 2024 period. The decrease in funds from operating activities was primarily a result of a decrease in operating margin in the first quarter of 2025 compared to the corresponding period of 2024.

For the three month period ended March 31, 2025, net cash flows from operating activities were \$2,978, up \$652 (28%) from \$2,326 in the corresponding 2024 period. The overall increase was a result of the decrease in changes in non-cash working capital balances, partially offset by the decrease in funds from operating activities.

As at March 31, 2025, the Corporation had total net working capital (excluding debt) of \$7,682 compared to \$6,932 at December 31, 2024. Refer to the "Non-GAAP and Other Financial Measures" in this MD&A for how this measure is calculated.

Cash Flows used in Investing Activities

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Capital expenditures:			
Growth capital ⁽¹⁾	4,421	5,168	(14%)
Maintenance and sustaining capital ⁽¹⁾	371	1,012	(63%)
Total capital expenditures	4,792	6,180	(22%)
Proceeds from the disposition of property and equipment	(61)	(47)	30%
Changes in non-cash working capital balances	(1,374)	1,111	(224%)
Cash flows used in investing activities	3,357	7,244	(54%)

(1) Refer to "Supplementary Financial Measures" for details

For the three month period ended March 31, 2025, total cash flows used in investing activities were \$3,357, down \$3,887 (54%) from \$7,244 in the corresponding 2024 period. For the three month period ended March 31, 2025, the Corporation incurred \$4,792 in total capital expenditures, down \$1,388 (22%) from \$6,180 in the corresponding 2024 period.

For the three month period ended March 31, 2025, the Corporation invested \$4,421 in growth capital, down \$747 (14%) from \$5,168 in the corresponding 2024 period. Growth capital relates to equipment upgrades to improve the operating efficiency and marketability of the drilling rigs.

For the three month period ended March 31, 2025, the Corporation incurred \$371 in maintenance and sustaining capital, down \$641 (63%) from \$1,012 in the corresponding 2024 period. The decrease in maintenance and sustaining capital was related to a reduction in major repair replacement costs during the first quarter in 2025. Maintenance and sustaining capital for the period primarily consisted of the purchase of replacement drill pipe and other drilling rig equipment for existing rig assets.

Refer to "Non-GAAP and Other Financial Measures" in this MD&A for further discussion on management's definition of the capital expenditure types.

Cash Flows from Financing Activities

For the three month period ended March 31, 2025, cash flows from financing activities were \$332, down \$1,721 (84%) from \$2,053 from financing activities in the corresponding 2024 period. The decrease in financing activities is primarily a result of a decrease in borrowing on the Corporation's Demand Facility (as defined below).

Under the Corporation's \$50 million credit agreement entered into with certain financial institutions (the "Credit Agreement"), Stampede has an available limit of \$15,000 under a revolving credit facility (the "Syndicated Facility"), \$15,000 under an additional revolving credit facility (the "Operating Facility", and collectively with the Syndicated Facility, the "Demand Facility") and \$20,000 under a non-revolving term loan (the "Term Loan Facility", and collectively with the Demand Facility, the "Credit Facilities").

Loans and Borrowings

Demand Facility

The Demand Facility is comprised of the Syndicated Facility and the Operating Facility, each of which have an available limit of \$15,000. The Demand Facility contains the following margin requirements (capitalized terms used in this section but not otherwise defined have the meanings ascribed thereto in the Credit Agreement):

- (i) 75% of Acceptable Receivables from Non-Investment Grade Customers; plus
- (ii) 85% of Acceptable Receivables from Investment Grade Customers and Major Customers; plus
- (iii) The lesser of (a) 50% of net book value of the capital assets of the Credit Parties, subject to the limitations, and (b) 50% of the net orderly liquidation value of the capital assets and equipment for the Credit Parties located in Canada and the United States of America; less
- (iv) Potential Prior Ranking Claims; less
- (v) Receivables of the Corporation that have been sold or factored, whether to the Bank or another third party.

The Demand Facility bears interest at the lender's prime rate plus the applicable margin. The applicable margin is based on a pricing grid based on the Corporation's Net Funded Debt to EBITDA, as defined in the Credit Agreement and ranges from 0.50% to 1.75% for prime rate loans and 1.50% to 2.75% for banker acceptance advances, and is secured by a general first ranking security agreement on all assets, property, and undertakings of the Corporation.

As at March 31, 2025, the Demand Facility was subject to the following financial covenants:

	Covenant	March 31, 2025	December 31, 2024
Fixed Charge Coverage Ratio ⁽¹⁾	1.50:1.00 or more	3.69:1.00	4.25:1.00
Net Funded Debt to EBITDA Ratio ⁽²⁾	3.00:1.00 or less	1.35:1.00	1.09:1.00

EBITDA, as defined in the Credit Agreement is calculated as net income plus interest expense, income taxes, depreciation and amortization, other non-cash charges, transaction costs not to exceed \$1,500, cash dividends, and losses attributable to minority equity investments, less non-cash gains, and income attributable to minority equity investments. EBITDA shall be calculated on a trailing twelve-month basis:

1. Fixed Charge Coverage Ratio means, as at each quarter end, the ratio of (i) EBITDA of the Corporation for the previous 12 calendar months ending at such quarter end less unfinanced capital expenditures, cash taxes and cash distributions to shareholders of the Corporation to (ii) Fixed Charges for the previous 12 calendar months ending at such quarter end (except for the first four quarter ends following the drawdown under the Demand Facility for which Fixed Charges in connection with the Term Loan Facility shall be calculated with reference to the principal repayments and trailing twelve month interest in connection therewith as at each such quarter end).
2. Net Funded Debt to EBITDA ratio is calculated as total interest-bearing indebtedness on a consolidated basis excluding cash and cash equivalents held by the bank and loans which have been subordinated and postponed in favour of the bank to EBITDA.

As at March 31, 2025, \$3,716 (December 31, 2024 - \$2,213) was drawn on the Demand Facility and the Corporation was in compliance with all covenants and, barring any unforeseen circumstances, expects to remain in compliance over the next year.

Term Loan Facility

The Term Loan Facility has an interest rate equal to the lender's prime rate plus the applicable margin rate, and quarterly principal repayments are calculated as 2.5% of the outstanding principal.

The Term Loan Facility matures on September 21, 2026, and bears interest at the lender's prime rate plus the applicable margin. The applicable margin is based on a pricing grid based on the Corporation's Net Funded Debt to EBITDA and ranges from 0.50% to 1.75% for prime rate loans and 1.50% to 2.75% for banker acceptance advances, and is secured by a general first ranking security agreement on all assets, property, and undertakings of the Corporation. The Term Loan Facility is subject to the same covenants as described for the Demand Facility above, which the Corporation was in compliance with as at March 31, 2025 and, barring any unforeseen circumstances, expects to remain in compliance over the next year.

As at March 31, 2025, a total of \$17,181 (December 31, 2024 - \$17,622) was outstanding on the Term Loan Facility and the Corporation had \$194 (December 31, 2024 - \$226) in unamortized debt issuance costs. The amount of the Term Loan Facility excluding unamortized debt issuance costs due within one year is \$1,525 and \$15,462 is due beyond one year.

Long term debt of the Corporation, excluding the Demand Facility which are classified as current liabilities is as follows:

	March 31, 2025	December 31, 2024
Term Loan Facility	17,181	17,622
Less: unamortized debt issuance costs	(194)	(226)
Long term debt	16,987	17,396
Long term debt due within one year	1,525	1,568
Long term debt due beyond one year	15,462	15,828

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The following table reflects the Corporation's commitments and contractual obligations as of March 31, 2025:

(000's CAD \$)	2025	2026	2027	Thereafter
Demand Facility	3,716	-	-	-
Term Loan Facility	1,257	15,925	-	-
Term Loan Facility interest ⁽¹⁾	779	722	-	-
Lease liabilities	363	156	152	247
Accounts payable and accrued liabilities	8,563	-	-	-
Other liabilities	15	-	-	-
Total	14,693	16,803	152	247

(1) Payments were estimated based on applicable interest rates at March 31, 2025

OUTSTANDING SHARE DATA

	May 15, 2025	March 31, 2025	December 31, 2024
Common shares outstanding	199,942	203,067	204,197
Stock options outstanding	17,727	17,727	17,727
Restricted share units outstanding - cash settled	1,889	1,889	703

Normal Course Issuer Bid

On May 28, 2024, the TSXV accepted the renewal of Stampede's NCIB that allows the Corporation to repurchase for cancellation, through the facilities of the TSXV and/or alternative trading platforms, up to 20,137,617 common shares, representing 10% of the Corporation's Public Float (as such term is defined in TSXV Policy 1.1 – *Interpretation*). The NCIB commenced on June 3, 2024 and will expire on the earlier of June 2, 2025 and the date on which Stampede has acquired the maximum number of common shares allowable under the NCIB. Shareholders can obtain a copy of the Corporation's Notice of Intention to Make a Normal Course Issuer Bid filed with the TSXV, without charge, by contacting the Corporation.

	Three months ended, March 31	
	2025	2024
Common shares repurchased (000's)	1,130	1,255
Weighted average price per share (\$/share)	0.14	0.23
Share repurchase cost (\$000's)	163	292

For the period from April 1, 2025, to May 15, 2025, the Corporation repurchased and cancelled 3,125 common shares at a weighted average price per share of \$0.14 pursuant to its NCIB.

OFF-BALANCE SHEET ARRANGEMENTS

During the first three months of 2025 and the corresponding period in 2024, the Corporation had no off-balance sheet arrangements.

MATERIAL ACCOUNTING POLICIES

Other than as outlined below, material accounting policies are consistent with the audited annual financial statements for the year ended December 31, 2024.

Accounting standards issued by not yet applied

In April 2024, the IASB issued IFRS 18 "Presentation and Disclosure in Financial Statements", which provides presentation and disclosure requirements for the primary financial statements and related notes, replacing IAS 1 "Presentation of Financial Statements". IFRS 18 introduces defined categories for income and expenses and requires disclosure of new defined subtotals, including operating profit. The new standard also requires additional notes for management performance measures and disclosure of certain expenses by nature. There are some associated changes to the statement of cash flows, including the starting point for the calculation of cash flows from operating activities and the categorization of interest and dividends. IFRS 18 is effective January 1, 2027, with early adoption permitted. The new standard is required to be adopted retrospectively. The Corporation is assessing the impact of IFRS 18 on the Corporation's consolidated financial statements.

In May 2024, the IASB issued amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures", to clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled using an electronic payment system. The amendments also clarify the requirements for assessing whether a financial asset meets the payments of principal and interest criterion, and adds disclosure requirements for financial instruments with certain contingent features and for equity investments designated at fair value through other comprehensive income. The amendments are effective January 1, 2026, with early adoption permitted. The amendments are required to be adopted retrospectively, and do not require comparatives to be restated. The Corporation is assessing the impact of the amendments on the Corporation's consolidated financial statements.

FINANCIAL INSTRUMENTS

Credit Risk

The Corporation's risk exposures and the impact on the Corporation's financial instruments are summarized below:

IFRS 9 – Financial Instruments, requires an entity to estimate its expected credit loss for all trade accounts receivable even when they are not past due based on the expectation that certain receivables will be uncollectible. Based on the Corporation's assessment, an increase in the allowance for doubtful accounts was recorded, using the lifetime expected credit loss model. The expected credit loss rates are based on actual credit loss experience since inception.

The loss allowance provision for trade accounts receivable as at March 31, 2025 reconciles to the opening loss allowance provision as follows:

	Amount (\$)
At December 31, 2024	462
Decrease in credit loss allowance	(176)
At March 31, 2025	286

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Corporation is normally exposed to credit risk through its accounts receivable balances. The Corporation manages credit risk by assessing the creditworthiness of its customers before providing services and on an ongoing basis, as well as monitoring the amount and age of balances outstanding. The

Corporation views credit risks on its accounts receivable as normal for the industry.

Substantially all of the Corporation's cash is held by high credit quality financial institutions.

For the three month period ended March 31, 2025, the Corporation had three customers that comprised 19%, 18%, and 16% of total revenue, compared to three customers that comprised 14%, 14%, and 12% of total revenue for the period ended March 31, 2024.

For the accounts receivable balances outstanding as at March 31, 2025, the Corporation had three customers that comprised 18%, 16%, and 10% of the total balance as compared to three customers that comprised 17%, 14%, and 10% of the total balance as at December 31, 2024.

The Corporation's trade and other receivables aging is as follows:

	March 31, 2025	December 31, 2024
Within 30 days	6,396	6,436
31 to 60 days	5,000	3,954
61 to 90 days	1,278	1,312
Over 90 days	1,097	1,730
Accrued accounts receivable	2,062	712
Allowance for doubtful accounts	(286)	(462)
Accounts receivable	15,547	13,682

Liquidity Risk

The Corporation's objective in managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due by maintaining sufficient cash to settle current liabilities and meet its anticipated working capital requirements. As at March 31, 2025, the Corporation had working capital (excluding debt) of \$7,682 compared to \$6,932 at December 31, 2024 (please refer to "Non-GAAP and Other Financial Measures" section for further information). The Corporation's principal sources of liquidity are operating cash flows and its Demand Facility. The Corporation monitors 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 accounts payable, accrued liabilities and other liabilities were as follows:

	March 31, 2025	December 31, 2024
Accounts payable	5,819	4,710
Accrued liabilities	2,744	2,798
Total accounts payable and accrued liabilities	8,563	7,508
Other current liabilities	15	15
Total current accounts payable and accrued liabilities and other liabilities	8,578	7,523

Depending on the credit terms of the trade payable, interest will be charged after a predetermined number of days from the date of the invoice. The Corporation has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) Interest Rate Risk:

The Corporation is exposed to interest rate fluctuations on its operating Demand Facility and Term Loan Facility which bears interest at floating market rates. For the three month period ended March 31, 2025, if the prime interest rate increased/decreased by 1%, with all other variables held constant, the Corporation's net income would have increased/decreased by \$50. The Corporation has not entered into any interest rate swaps or other financial arrangements that mitigate the Corporation's exposure to interest rate fluctuations.

- b) **Foreign Currency Risk:**
The Corporation is exposed to foreign currency fluctuations on its financial instruments in relation to its U.S. dollar-denominated cash, accounts receivable and accounts payable. The Corporation monitors its foreign currency exposure and attempts to minimize the effect of fluctuations in the U.S. dollar by maintaining appropriate levels of cash and accounts receivable to offset corresponding U.S. dollar denominated accounts payable. For the three month period ended March 31, 2025, if the foreign exchange rate increased/decreased by 1% with all other variables held constant, the impact on the Corporation's net income is immaterial. This analysis has been determined based on the immaterial exposure to foreign exchange for financial instruments outstanding at March 31, 2025.
- c) **Fair Value:**
The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments depending on the observable nature of inputs employed in the measurement:
- Level 1: fair value measurements are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is considered to be a market where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: fair value measurements are based on valuation models and techniques where the significant inputs are derived from quoted indices. Level 2 valuations are based on inputs including quoted forward prices, time value, volatility factors and broker quotes that can be observed or corroborated in the market for the entire duration of the derivative instrument.
- Level 3: fair value measurements are based on unobservable information or where the observable data does not support a significant portion of the instrument's fair value.
- The carrying amount of cash, trade and other receivables, Demand Facility, and accounts payable and accrued liabilities approximates their fair value due to their short-term nature. The fair value of the Term Loan Facility approximates its carrying amount as the Term Loan Facility has a floating interest rate. At March 31, 2025, the Corporation valued its cash using Level 1 inputs. The Corporation does not have any Level 2 instruments. The fair value of the investment in equity securities are based on unobservable inputs and are considered a Level 3 fair value instrument.
- As at March 31, 2025 and December 31, 2024, the fair value of the investment in equity securities approximates the carrying value.

RISKS AND UNCERTAINTIES

A discussion of the Corporation's business and operational risks is set out under the heading "Risk Factors" in the Corporation's most recent AIF and "Risks and Uncertainties" in the Corporation's annual MD&A for the year ended December 31, 2024, a copy of each of which can be found under the Corporation's profile at www.sedarplus.ca. Additionally, see "Financial Instruments" and "Forward-Looking Information" in this MD&A for additional information regarding the risks to which Stampede and its business and operations are subject. If any of such risks or uncertainties actually occur, the Corporation's business, financial condition or operating results could be harmed substantially and could differ materially from the plans and other forward-looking information discussed in this MD&A.

In addition, the evolving worldwide demand for energy and global advancement of alternative sources of energy that are not sourced from fossil fuels could result in a change in assumptions used in determining the recoverable amount and could affect the carrying value of the related assets. The timing in which global energy markets transition from carbon-based sources to alternative energy is highly uncertain.

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 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 and comprehensive 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, March 31			
(000's CAD \$)	2025	2024	% Change
Net income	1,454	4,941	(71%)
Depreciation	2,422	2,068	17%
Finance costs	442	517	(15%)
Other income	5	-	nm
Income tax expense	577	-	nm
Gain on asset disposal	(23)	(19)	21%
Share-based payments	219	170	29%
Transaction costs	19	1	1,800%
Foreign exchange gain	-	(13)	nm
Adjusted EBITDA	5,115	7,665	(33%)

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, March 31			
(000's CAD \$)	2025	2024	% Change
Income from operations	5,592	7,951	(30%)
Depreciation of property and equipment	2,277	1,962	16%
Gross margin	7,869	9,913	(21%)
Gross margin %	34%	36%	(2%)

- (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) may not be comparable to that of other companies.

Working Capital (excluding debt)	March 31, 2025	December 31, 2024
Total current assets:	16,597	14,837
Total current liabilities	(14,156)	(11,686)
Add back current portion of debt		
Demand Facility	3,716	2,213
Long term debt	1,525	1,568
Working capital (excluding debt)	7,682	6,932

- (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, March 31		
	2025	2024	% Change
Funds from operating activities	5,099	7,614	(33%)
Maintenance and sustaining capital	(371)	(1,012)	(63%)
Interest paid on Demand Facility	(101)	(63)	60%
Term Loan Facility principal payments	(441)	(987)	(55%)
Interest on Term Loan Facility	(299)	(401)	(25%)
Total free cash flow	3,887	5,151	(25%)

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 two categories, growth capital and maintenance and sustaining capital. 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 two 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.

(000's CAD \$)	Three months ended, March 31		
	2025	2024	% Change
Capital expenditures:			
Growth capital	4,421	5,168	(14%)
Maintenance and sustaining capital	371	1,012	(63%)
Total capital expenditures	4,792	6,180	(22%)

FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A 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 MD&A 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 prices and the volatility thereof and potential mitigating factors; expectations about industry activities and the impacts thereof on the Corporation; market conditions and corresponding rig utilization; the Transaction, including the terms thereof; the expected closing date of the Transaction and the anticipated benefits thereof to the Corporation; the expected sources of funding for the Transaction; future projects and the anticipated benefits thereof to the Corporation, including potential increased drilling activity; and expectations regarding future expansion and sustained growth in the energy services landscape.

Forward-looking information is based on certain assumptions that Stampede has made in respect thereof as at the date of this MD&A 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 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 Facilities to provide the necessary liquidity needed to manage fluctuations in the timing of receipt and/or disbursement of operating cash flows; expectations regarding Stampede's share price; the impact of inflation, weather conditions, and expectations regarding the duration and overall impact of the continued conflicts in Ukraine and the Middle East; 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 regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Corporation operates; the ability of Stampede and the Purchaser to satisfy the conditions to closing of the Transaction in a timely manner and substantially on the terms thereof; the Purchaser's ability to successfully complete its bank financing; and that there are no unforeseen events preventing the performance of the Agreement and matters ancillary thereto.

Forward-looking information is presented in this MD&A 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, the Middle East and other geopolitical risks, including the imposition of tariffs and other non-tariff trade barriers; 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; the ability of Stampede and the Purchaser to satisfy, in a timely manner, the other conditions to the closing of the Transaction; and certain other risks and uncertainties detailed under the heading "Risks and Uncertainties" in the Corporation's annual MD&A and under the heading "Risk Factors" in the Corporation's AIF, each dated March 13, 2025 for the year ended December 31, 2024, 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 MD&A 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. All forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

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