DATE: July 31, 2025

STAMPEDE DRILLING INC. ANNOUNCES 2025 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, 2025.

The following press release 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 and six month periods ended June 30, 2025 and 2024 and management's discussion and analysis thereon. 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 number of drilling rigs, operating days, or unless otherwise noted. All share amounts are presented to the nearest thousand.

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 2025 OPERATIONAL HIGHLIGHTS

- **Revenue of $6,009** – a decrease of $3,909 (39%) from $9,918 in the corresponding 2024 period. The decrease was primarily due to the decreased number of operating days.
- **Gross Margin(1) of 16%** – a decrease of 14% from 30% 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 Loss of $2,996** – a decrease of $748 (33%) from $2,248 in the corresponding 2024 period. The decrease was primarily due to an increase in depreciation offset by a recovery on deferred income tax expense compared to the corresponding period of 2024.
- **Adjusted EBITDA(1) of ($609)** – a decrease of $1,543 (165%) from $934 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 ($2,301)** – a decrease of $(1,460) (174%) from ($841) in the corresponding 2024 period, primarily due to a decrease in funds from operating activities compared to the corresponding 2024 period.
- **Repurchase of 3,125 common shares** – In the second quarter of 2025, the Corporation repurchased and cancelled 3,125 common shares under its normal course issuer bid ("NCIB"), representing 13.4% of its issued and outstanding common shares as at June 30, 2025, at a weighted average price per common share of $0.14, for total consideration of $438. The Corporation's NCIB expired on June 2, 2025.

OUTLOOK

Commodity pricing continued to be volatile throughout the second quarter of 2025. Ongoing geopolitical challenges affecting global energy supply and demand are expected to continue to impact commodity pricing, which we anticipate continuing for the back half of 2025 and into 2026. However, increased tidewater access for Canadian producers from the startup of the Trans Mountain pipeline expansion during 2024 and LNG Canada commencing operations in 2025 are anticipated to help alleviate some of these pressures.

Despite the continued pressure on our customers 2025 capital budgets due to the continued commodity pricing volatility, Stampede had 14 out of its 17 marketable rigs operational during the first half of 2025. Stampede anticipates building on this positive momentum into the back half of 2025.

On July 21, 2025, with the support of its banking syndicate, Stampede extended the term of its Credit Agreement (as defined herein) from September 20, 2026, to September 20, 2028. Under the Credit Agreement, the total $50 million facility remains unchanged consisting of a $20 million non-revolving term loan and two separate $15 million revolving credit facilities. The extension of the Credit Facilities (as defined herein) will allow Stampede to continue to pursue further growth opportunities and potential returns to our shareholders.

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

FINANCIAL SUMMARY

(000's CAD $ except per share amounts)	Three months ended, June 30 2025	2024	% Change	Six months ended, June 30 2025	2024	% Change
Revenue	6,009	9,918	(39%)	29,416	37,417	(21%)
Direct operating expenses	5,049	6,980	(28%)	20,588	24,566	(16%)
Gross margin(1)	960	2,938	(67%)	8,828	12,851	(31%)
Net (loss) income	(2,996)	(2,248)	33%	(1,559)	2,691	(158%)
Basic and diluted (loss) income per share	(0.01)	(0.01)	nm	(0.01)	0.01	nm
Adjusted EBITDA (loss)(1)	(609)	934	(165%)	4,506	8,596	(48%)
Funds (used in) from operating activities	(728)	905	(180%)	4,373	8,516	(49%)
Free cash flow(1)	(2,301)	(841)	nm	1,589	4,307	(63%)
Weighted average common shares outstanding (000's)	199,942	213,557	(6%)	201,992	212,417	(5%)
Weighted average diluted common shares outstanding (000's)	199,942	213,557	(6%)	201,992	212,728	(5%)
Capital expenditures	4,439	3,632	22%	9,231	9,812	(6%)
Number of marketed rigs	17	19	(11%)	17	19	(11%)
Drilling rig utilization(2)	15%	20%	(5%)	34%	38%	(4%)
CAOEC industry average utilization(3)	30%	30%	nm	42%	40%	2%

nm - not meaningful

(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 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 July 21, 2025, the Corporation entered into an amending agreement (the "First Amending Agreement") to its amended and restated credit agreement with Royal Bank of Canada and The Toronto-Dominion Bank originally made as of September 20, 2023 and amended and restated as of August 21, 2024 (as amended by the First Amending Agreement, the "Credit Agreement"), extending the term and limits of the Credit Agreement from September 20, 2026 to September 20, 2028. Under the Credit Agreement, the Corporation has an available limit of $20 million under a non-revolving term loan (the "Term Loan Facility"), $15 million under a revolving credit facility (the "Syndicated Facility") and $15 million under an additional revolving credit facility (the "Operating Facility", and collectively with the Term Loan Facility and the Syndicated Facility, the "Credit Facilities").

RESULTS FROM OPERATIONS FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2025

	Six months ended, June 30		
(000's CAD $)	2025	2024	% Change
Revenue	29,416	37,417	(21%)
Direct operating expenses	20,588	24,566	(16%)
Gross margin[(1)]	8,828	12,851	(31%)
Gross margin %[(1)]	30%	34%	(4%)
Net (loss) income	(1,559)	2,691	(158%)
General and administrative expenses	5,035	5,156	(2%)
Adjusted EBITDA[(1)]	4,506	8,596	(48%)
Drilling rig operating days[(2)]	1,031	1,299	(21%)
Drilling rig revenue per day[(3)]	28.5	28.8	(1%)
Drilling rig utilization[(4)]	34%	38%	(4%)
CAOEC industry average utilization[(5)]	42%	40%	2%

(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 $29,416** – a decrease of $8,001 (21%) from $37,417 in the corresponding 2024 period. The decrease was primarily driven by a 21% decrease in operating days compared to the corresponding period of 2024.
- **Operating days of 1,031** – a decrease of 268 operating days (21%) from 1,299 operating days in the corresponding 2024 period. Operating days decreased due to customer consolidation and drilling program deferrals in the first half of 2025, resulting in lower drilling rig utilization compared to the corresponding period of 2024.
- **Gross margin percentage of 30%** – a decrease of 4% from 34% 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 loss of $1,559** – a decrease of $4,250 (158%) from $2,691 in the corresponding 2024 period. The decrease was primarily related to decreased Adjusted EBITDA, along with increased depreciation costs.
- **General and administrative expenses of $5,035** – a decrease of $121 (2%) from $5,156 in the corresponding 2024 period. The decrease was primarily related to the decrease in share-based payments in the first half of 2025.
- **Adjusted EBITDA of $4,506** – a decrease of $4,090 (48%) from $8,596 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.

RESULTS FROM OPERATIONS FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2025

	Three months ended, June 30		
(000's CAD $)	**2025**	**2024**	**% Change**
Revenue	6,009	9,918	(39%)
Direct operating expenses	5,049	6,980	(28%)
Gross margin(1)	960	2,938	(67%)
Gross margin %(1)	16%	30%	(14%)
Net loss	(2,996)	(2,248)	33%
General and administrative expenses	1,918	2,630	(27%)
Adjusted EBITDA(1)	(609)	934	(165%)
Drilling rig operating days(2)	226	343	(34%)
Drilling rig revenue per day(3)	26.6	28.9	(8%)
Drilling rig utilization(4)	15%	20%	(5%)
CAOEC industry average utilization(5)	30%	30%	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 $6,009** – a decrease of $3,909 (39%) from $9,918 in the corresponding 2024 period. The decrease was primarily driven by a 34% decrease in operating days compared to the corresponding period of 2024.
- **Operating days of 226** – a decrease of 117 operating days (34%) from 343 operating days in the corresponding 2024 period. Operating days decreased due to customer consolidation and drilling program deferrals in the second quarter of 2025, resulting in lower drilling rig utilization compared to the corresponding period of 2024.
- **Gross margin percentage of 16%** – a decrease of 14% from 30% 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 loss of $2,996** – a decrease of $748 (33%) from ($2,248) in the corresponding 2024 period. The decrease was primarily due to an increase in depreciation offset by a recovery on deferred income tax expense.
- **General and administrative expenses of $1,918** – a decrease of $712 (27%) from $2,630 in the corresponding 2024 period. The decrease was primarily related to the decrease in share based compensation, worker compensation insurance and credit loss allowance in the second quarter of 2025.
- **Adjusted EBITDA of ($609)** – a decrease of $1,543 (165%) from $934 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.

NON-GAAP AND OTHER FINANCIAL MEASURES

This press release 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 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, June 30			Six months ended, June 30		
(000's CAD $)	2025	2024	% Change	2025	2024	% Change
Net (loss) income	(2,996)	(2,248)	33%	(1,559)	2,691	(158%)
Depreciation	2,495	2,172	15%	4,917	4,239	16%
Finance costs	372	506	(26%)	814	1,023	(20%)
Other income	(51)	(13)	nm	(47)	(13)	nm
Income tax recovery	(755)	-	nm	(178)	-	nm
Loss (Gain) on asset disposal	8	(2)	nm	(15)	(21)	(29%)
Share-based payments	204	520	(61%)	423	690	(39%)
Transaction costs	91	5	nm	109	6	nm
Foreign exchange loss (gain)	23	(6)	nm	42	(19)	nm
Adjusted EBITDA (loss)	(609)	934	(165%)	4,506	8,596	(48%)

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, June 30			Six months ended, June 30		
(000's CAD $)	2025	2024	% Change	2025	2024	% Change
(Loss) Income from operations	(1,390)	872	(259%)	4,201	8,823	(52%)
Depreciation of property and equipment	2,350	2,066	14%	4,627	4,028	15%
Gross margin	960	2,938	(67%)	8,828	12,851	(31%)
Gross margin %	16%	30%	(14%)	30%	34%	(4%)

(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, June 30			Six months ended, June 30		
(000's CAD $)	2025	2024	% Change	2025	2024	% Change
Funds (used in) from operating activities	(728)	905	(180%)	4,373	8,516	(49%)
Maintenance and sustaining capital	(815)	(814)	nm	(1,186)	(1,826)	(35%)
Interest paid on Demand Facility	(55)	(49)	12%	(156)	(112)	39%
Term Loan Facility principal payments	(430)	(476)	(10%)	(870)	(1,463)	(41%)
Interest on Term Loan Facility	(273)	(407)	(33%)	(572)	(808)	(29%)
Total free cash flow	(2,301)	(841)	174%	1,589	4,307	(63%)

nm - not meaningful

FORWARD-LOOKING INFORMATION

Certain statements contained in this press 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 press 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 prices and the volatility thereof and potential mitigating factors, including the Trans Mountain pipeline expansion and LNG Canada commencing operations; expectations about industry activities and the impacts thereof on the Corporation; market conditions and corresponding rig utilization; the ability of the Corporation to pursue growth opportunities and potential returns to its shareholders; future projects and the anticipated benefits thereof to the Corporation; and factors impacting global energy supply.

Forward-looking information is based on certain assumptions that Stampede has made in respect thereof as at the date of this press 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 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; and the regulatory framework regarding taxes and environmental matters in the jurisdictions in which the Corporation operates.

Forward-looking information is presented in this press 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, 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; 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 press 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. All forward-looking information contained in this press release is expressly qualified by this cautionary statement.

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